

BOX OF HOPE LIMITED
(Incorporated in Hong Kong and limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

BOX OF HOPE LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Charity for the year ended 31 December 2023.

FINANCIAL STATEMENTS

The results for the year are set out in the statement of income and general fund on page 4.

The state of affairs of the Charity at 31 December 2023 is set out in the statement of financial position on page 5.

The cash flows of the Charity for the year are set out in the statement of cash flows on page 6.

PRINCIPAL ACTIVITIES

The principal activities of the Charity are to alleviate the poverty and suffering of children who are living in poverty, without proper family support or otherwise seriously disadvantaged in Hong Kong, Mainland China, the Philippines and other South East Asian nations by providing them with presents at Christmas and other items traditionally associated with giving.

There have been no significant changes in the nature of these activities during the year.

DIRECTORS

The directors during the year and up to the date of this report were:

Sian Taylor
Laura Marie Gould
Sara Jane Lynch
Tsoi Cheong Sing Harrison
Howard Andrew James Masters
Cheung Hoi Sze Ida
Lisa Beattie
Ling Arthur Zi Him (appointed on 1 June 2023)

The remaining directors continue to hold office.

PERMITTED INDEMNITY PROVISIONS

The Charity's Articles provides that every director is entitled to be indemnified out of the assets of the Charity against all losses or liabilities which he may sustain or incur in or about the execution of duties of his office or otherwise in relation thereto provided that such indemnity shall not extend to any matter in respect of fraud or dishonesty which may attach to the directors.

During the year, the Charity maintained liability insurance to provide appropriate cover for the directors and officers of the Charity.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Charity were entered into or existed during the year.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance, to which the Charity was a party and in which a director of the Charity had a material interest, subsisted at the end of the period or at any time during the year.

AUDITORS

The auditors, Messrs. William Po & Co., Certified Public Accountants, retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Lisa Beattie
Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BOX OF HOPE LIMITED
(Incorporated in Hong Kong and limited by guarantee)**

Opinion

We have audited the financial statements of Box of Hope Limited ("the Charity") set out on pages 4 to 8, which comprise the statement of financial position as at 31 December 2023, the statement of income and general fund and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Charity as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Charity in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Charity's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BOX OF HOPE LIMITED - CONTINUED
(Incorporated in Hong Kong and limited by guarantee)**

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

WILLIAM PO & CO.
Certified Public Accountants
Hong Kong,

**STATEMENT OF INCOME AND GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	HK\$	HK\$
Income		
Donations	1,137,916	936,366
Fundraising activity income	64,350	-
Bank interest income	15,813	1,703
Sundry Income	11,404	-
	<u>1,229,483</u>	<u>938,069</u>
Less: Expenditure		
Audit fee	10,000	8,820
Bank charges	1,020	824
Company secretarial fees	11,345	7,897
Consultant fee	180,000	180,250
Cost for gift packing process	55,099	63,668
Courier and postage	6,866	2,953
Insurance	7,000	6,313
IT and website expenses	11,400	80,486
Online platform payment charges	3,172	811
Part-time salary	104,500	72,200
Printing and stationery	27,898	14,317
Sundry	6,660	3,583
Toys and gifts	344,804	100,807
Transportation	670,282	367,882
	<u>1,440,046</u>	<u>910,811</u>
(Deficit)/surplus for the year	(210,563)	27,258
General fund brought forward	2,659,256	2,631,998
General fund carried forward	2,448,693	2,659,256

The notes on pages 7 to 8 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023 HK\$	2022 HK\$
Current assets			
Prepayments and other receivables	5	345,431	297,991
Cash and bank balance		2,190,204	2,423,034
		<u>2,535,635</u>	<u>2,721,025</u>
Current liabilities			
Accruals and other payables	6	86,942	61,769
Net assets		<u>2,448,693</u>	<u>2,659,256</u>
Funds			
General fund		<u>2,448,693</u>	<u>2,659,256</u>

Approved by:

Lisa Beattie
Director

Howard Andrew James Masters
Director

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	HK\$	HK\$
Operating activities		
(Deficit)/surplus for the year	(210,563)	27,258
Interest income	(15,813)	(1,703)
Operating cash flows before changes in working capital	(226,376)	25,555
Increase in prepayments and other receivables	(47,440)	(6,048)
Increase/(decrease) in accruals and other payables	25,173	(166,438)
Net cash used in operating activities	(248,643)	(146,931)
Investing activities		
Interest received	15,813	1,703
Decrease in cash and cash equivalents	(232,830)	(145,228)
Cash and cash equivalents at the beginning of the year	2,423,034	2,568,262
Cash and cash equivalents at the end of the year	2,190,204	2,423,034
Analysis of cash and cash equivalents		
Cash at bank and in hand	2,190,204	2,423,034

The notes on pages 7 to 8 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 GENERAL

The Charity is incorporated in Hong Kong under the Companies Ordinance as a company limited by guarantee. The Charity's registered office is located at Rooms 901-4, 9/F, Hang Seng North Point Building, 341 King's Road, North Point, Hong Kong. Under the provision of its Memorandum and Articles of Association, every member shall, in the event of the Charity being wound up, contribute such amount as may be required to meet the liabilities of the Charity but not exceeding the sum of HK\$100 each.

The principal activities of the Charity are to alleviate the poverty and suffering of children who are living in poverty, without proper family support or otherwise seriously disadvantaged in Hong Kong, mainland China, Philippines and other south east Asian nations by providing them with presents at Christmas and other items traditionally associated with giving.

2 SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of preparation**

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

(b) Foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the foreign exchange rates ruling at the reporting date. Exchange gains and losses are recognised in statement of income and general fund.

(c) Recognition of revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Charity and when revenue can be measured reliably, on the following bases:

- * donations are recognised when the right to receive payment is established.
- * interest on a time proportion basis that takes into account the effective yield on the asset.

(d) Cash and cash equivalents

Cash and cash equivalents includes demand deposits with original maturities of three months or less.

3 TAXATION

No provision for taxation has been made in the accounts as the Charity is an approved charitable institution, and has obtained exemption from Hong Kong profits tax.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2023**

**4 DIRECTORS' REMUNERATION (EQUIVALENT TO KEY MANAGEMENT PERSONNEL
COMPENSATION)**

During the years ended 31 December 2023 and 31 December 2022, no amounts have been paid in respect of directors' emoluments, directors' or past directors' pensions or for any compensation to directors or past directors in respect of loss of office.

5 PREPAYMENTS AND OTHER RECEIVABLES

	2023	2022
	HK\$	HK\$
Prepayment	-	3,440
Other receivables	345,431	294,551
	<u>345,431</u>	<u>297,991</u>

6 ACCRUALS AND OTHER PAYABLES

	2023	2022
	HK\$	HK\$
Accruals	86,942	57,145
Amounts due to a director	-	4,624
	<u>86,942</u>	<u>61,769</u>

Amounts due to a director are unsecured, interest-free and with no fixed terms of repayment.

7 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Charity's Board of Directors on