

**HONG KONG REFUGEE ADVICE CENTRE LIMITED
(LIMITED BY GUARANTEE)**

REPORT OF THE DIRECTORS

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2009

YU SHUI WAI

CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

HONG KONG

**HONG KONG REFUGEE ADVICE CENTRE LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE DIRECTORS**

The directors have pleasure in submitting their annual report together with the audited financial statements of the Company for the year ended 30 June 2009.

1. PRINCIPAL ACTIVITIES

The principal activities of the Company were in provision of safeguard to the rights and well-being of refugees in Hong Kong.

2. RESULTS

Surplus for the year and carried forward HK\$ 470,168

The state of the Company's affairs as at 30 June 2009 is set out in the accompanying financial statements.

3. DIRECTORS

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

Antonio A. Amador	(resigned on 26 Novembre 2008)
Clara Ariene O. Baybay	(resigned on 26 Novembre 2008)
A.A. Amador Associates	(resigned on 26 Novembre 2008)
Som Leung	(appointed on 26 Novembre 2008)
Davis Lusk	(appointed on 26 Novembre 2008)
Farzana Aslam	(appointed on 26 Novembre 2008)
Kelley Loper	(appointed on 26 Novembre 2008)
Michael Vidler	(appointed on 26 Novembre 2008)

In accordance with the Company's Articles of the Association, all directors retire at the forthcoming Annual General Meeting and being eligible, are available for re-election.

4. DIRECTORS' INTEREST

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

5. AUDITORS

The auditors, Messrs Yu Shui Wai retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Chairman
15 January 2010
Hong Kong

**REPORT OF THE AUDITORS
TO THE MEMBERS OF HONG KONG REFUGEE ADVICE CENTRE LIMITED
(incorporated in Hong Kong with limited by guarantee)**

We have audited the financial statements of Hong Kong Refugee Advice Centre Limited (the "Company") set out on pages 4 to 11, which comprise the balance sheet as at 30 June 2009, and the income and expenditure statement, the statement of changes in fund and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 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.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

YU SHUI WAI
Certified Public Accountants (Practising)

Rooms 1403/4 Dominion Centre
43-59 Queen's Road East, Hong Kong

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company as at 30 June 2009 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.




Yu Shui Wai
Certified Public Accountants (Practising)

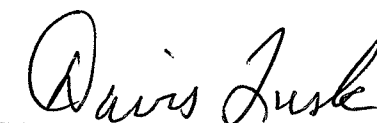
15 January 2010
Hong Kong

**HONG KONG REFUGEE ADVICE CENTRE LIMITED
(LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 30 JUNE 2009**

	<u>Notes</u>	<u>2009</u> HK\$	<u>2008</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	7	11,840	-
CURRENT ASSETS			
Cash and cash equivalents	8	686,909	295,396
Deposit		5,751	-
		692,660	295,396
CURRENT LIABILITIES			
Accruals and other payables		5,000	66,064
NET CURRENT ASSETS		687,660	229,332
NET ASSETS		699,500	229,332
ACCUMULATED FUNDS			
Accumulated surplus		229,332	-
Surplus for the year		470,168	229,332
		699,500	229,332



Director



Director

HONG KONG REFUGEE ADVICE CENTRE LIMITED
(LIMITED BY GUARANTEE)
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED
30 JUNE 2009

	<u>2009</u>	<u>2008</u>
	HK\$	HK\$
INCOME		
Donation income	4	
- Members	-	326,500
- Non-members	1,611,845	260,153
Add: OTHER REVENUE		
Bank interest income	48	212
	<u>1,611,893</u>	<u>586,865</u>
Less: OPERATING EXPENSES		
Advertisement	2,776	-
Accounting fee	4,950	7,150
Auditor's remuneration	5,000	6,500
Bank charges	955	500
Business registration fees	-	2,600
Cleaning	447	1,405
Computer accessories	3,077	1,519
Depreciation	2,960	-
Electricity and water	11,527	4,583
Fund raising and development	61,871	26,493
Insurance	4,504	1,113
Interest paid	185	28
Mandatory provident fund	37,026	9,953
Office rent	60,000	25,000
Stationery, postage and office supplies	11,747	5,117
Printing	12,959	1,168
Refreshment for training	1,198	2,259
Staff salaries	817,012	251,519
Staff travelling	100	147
Training	20,584	120
Sundry expense	7,473	875
Telephone	11,534	725
Training materials	3,803	8,386
Web design and maintenance	2,454	373
Marden project – interpreter training	56,178	-
Legal and professional fee	1,405	-
	<u>1,141,725</u>	<u>357,533</u>
SURPLUS BEFORE TAXATION	470,168	229,332
TAXATION	5	-
	<u>470,168</u>	<u>229,332</u>
SURPLUS AFTER TAXATION	470,168	229,332

**HONG KONG REFUGEE ADVICE CENTRE LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED
30 JUNE 2009**

	HK\$
At 15 August 2007	-
Surplus for the period	229,332
	<hr/>
At 30.6.2008	229,332
Surplus for the year	470,168
	<hr/>
At 30.6.2009	<u>699,500</u>

HONG KONG REFUGEE ADVICE CENTRE LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	<u>2009</u> HK\$	<u>2008</u> HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the period	470,168	229,332
Adjustments for:		
Interest Income	(48)	(212)
Depreciation	2,960	-
	473,080	229,120
Movements in working capital elements:		
(Increase) /Decrease in deposit	(5,751)	-
Increase / (Decrease) in accruals and other payables	(61,064)	66,064
	406,265	295,184
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	48	212
Purchase of fixed assets	(14,800)	-
	(14,752)	212
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	391,513	295,396
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	295,396	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	686,909	295,396

**HONG KONG REFUGEE ADVICE CENTRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. GENERAL

Hong Kong Refugee Advice Centre Limited (the "Company") is incorporated in Hong Kong under the Companies Ordinance as a company with limited liability. The Company's registered office is located at 1803 Wheelock House, 20 Pedder Street, Central, Hong Kong. Under the provision of its Memorandum and Articles of Association, every member shall, in the event of the Company being wound up, contribute such amount as may be required to meet the liabilities of the Company but not exceeding the sum of HK\$ 100 each.

The principal activities of the Company are in provision of safeguard to the rights and well-being of refugees in Hong Kong.

The Company's financial statements are expressed in Hong Kong dollars because that is the currency of primary economic environment in which the Company operates.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"); Hong Kong Accounting Standards ("HKAS"); and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued certain new and revised HKFRSs and Interpretations that are first effective or available for early adoption for the current accounting period of the Company. There have been no significant changes to the accounting policies applied in these financial statements as a result of these developments.

The Company has not applied any new standard or Interpretations that is not yet effective for the current accounting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

(b) Income and revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably.

Donation is recognised when the right to receive payment is established. Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable.

**HONG KONG REFUGEE ADVICE CENTRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

(c) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

(d) Financial liabilities

The Company's financial liabilities include creditors and accrued charges and which are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest rate method.

(e) Foreign currencies

Foreign currency balances at the balance sheet date are translated into Hong Kong dollars at the approximate rates of exchange ruling at that date. Foreign currency transactions during the year were translated into Hong Kong dollars at the rates of exchange ruling at the dates of the transactions. All exchange differences are dealt with in the income and expenditure account.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provisions for impairment losses required to reflect recoverable amounts.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful lives using the straight line method at the following rates per annum:

Leasehold Improvement	20%
Furniture, fixture and equipment	20%

(g) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(h) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessors are accounted for as operating leases. Payments made under operating leases net of any incentives received from the lessor are charged to the income statement on the straight-line basis over the relevant lease terms.

**HONG KONG REFUGEE ADVICE CENTRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

(i) Employee benefits

(i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the company of non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the company. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) The company operates a Mandatory Provident Fund schemes ("MPF Scheme") for the employees. Contributions are made based on a percentage of employee's basis salaries and are charged to the income statement as they become payable. The assets of the MPF Scheme are held in an independently administered fund. The company's contributions vest fully with the employees when contributed into the MPF Scheme.

4. REVENUE

Income for the year represents the donation income.

5. TAXATION

No provision for Hong Kong profits tax is made in the financial statements as the Company is exempt under Section 24 (1) of the Inland Revenue Ordinance (Cap.112).

6. DIRECTORS' REMUNERATION

During the year ended 30 June 2009, no amounts have been paid in respect of directors' emoluments, directors' pension or for any compensation to directors in respect of loss of office.

7. PROPERTY, PLANT AND EQUIPMENT

	<u>Furniture and fixture</u> HK\$	<u>Office equipment</u> HK\$	<u>Total</u> HK\$
COST			
As at 1.7.2008	-	-	-
Additions during the year	4,300	10,500	14,800
As at 30.6.2009	4,300	10,500	14,800
AGGREGATE DEPRECIATION			
As at 1.7.2008	-	-	-
Charge for the year	860	2,100	2,960
As at 30.6.2009	860	2,100	2,960
NET BOOK VALUE			
As at 31.3.2009	3,440	8,400	11,840
As at 30.6.2008	-	-	-

**HONG KONG REFUGEE ADVICE CENTRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

8. CASH AND CASH EQUIVALENTS

	<u>2009</u> HK\$	<u>2008</u> HK\$
Cash at bank and in hand	686,909 =====	295,396 =====

9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to interest rate risk and liquidity risk but not to foreign currency risk and credit risk. The company's risk management objectives and policies mainly focus on minimizing the potential adverse effects of these risks on the Company by closely monitoring the individual exposure as follows:

(a) Foreign currency risk

The Company's exposure to risk resulting from changes in foreign currency exchange rate is minimal.

(b) Liquidity risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The Company's remaining contractual maturity for its financial liabilities are within 3 months or on demand

(c) Cash flow interest rate risk

The Company is exposed to cash flow interest-rate which is attributable to the Company's cash and cash equivalents held with financial institutions. The risk is considered limited as the range of interest rates fluctuations is not significant.

(d) Fair value

The fair value of the Company's financial liabilities is not materially different from their carrying amounts because of the immediate or short term maturity.

10. CAPITAL MANAGEMENT

Capital comprises general fund stated on the balance sheet. The Company's objective when managing capital is to safeguard its ability to continue as a going concern.

The Company manages capital by regularly monitoring its current and expected liquidity requirements.

The Company is not subject to either internally or externally imposed capital requirements.

11. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 15 January 2010.