

REDRESS LIMITED
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

PRISM CPA LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

REDRESS LIMITED
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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**REDRESS LIMITED
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)
REPORT OF THE DIRECTORS**

The directors submit their report together with the audited financial statements of Redress Limited (the “Company”) for the year ended 31 December 2018 (the “year”).

PRINCIPAL ACTIVITIES

The principal activities of the Company are the advancement of education of the general public in recycling, responsible consumerism and the effects of pollution generally on overall health of the Hong Kong community.

RESULTS AND APPROPRIATIONS

The results of the Company for the year ended 31 December 2018 and the state of affairs of the Company as at that date are set out in the financial statements on pages 5 to 11.

DIRECTORS

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

BRUN Christian John Constantin	(Resigned on 5 March 2019)
BRUN Christina Emily	
KIRSTEIN Gabrielle Edel Mary	
CORNELIUS William Charles	
KOTUR MARIN Fiona	(Resigned on 5 March 2019)
TARNEBERG Sofia	(Resigned on 5 March 2019)
KEH Edwin Yee Man	
GOH-LIVORNESS Ostiane May Hua	
LEE Ming Wai Anderson	

In accordance with the provisions of the Company’s Articles of Association, all the directors continue in office.

MANAGEMENT CONTRACTS

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

BUSINESS REVIEW

The Company falls within reporting exemption for the year. Accordingly, the Company is exempted from preparing a business review.

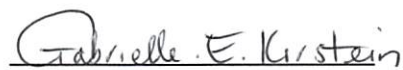
REDRESS LIMITED
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)
REPORT OF THE DIRECTORS (CONTINUED)

AUDITOR

The financial statements for the year ended 31 December 2017 were audited by Ho Tak Sang & Co., Certified Public Accountants. During the year, Ho Tak Sang & Co., Certified Public Accountants resigned and Prism CPA Limited was appointed auditor of the Company and has audited the financial statements for the year ended 31 December 2018.

Prism CPA Limited has expressed its willingness to continue in office and the Board recommends that it be reappointed. A resolution proposing the reappointment of Prism CPA Limited as auditor of the Company and giving authority to the directors to determine its remuneration will be submitted to the forthcoming annual general meeting.

On behalf of the Board


KIRSTEIN Gabrielle Edel Mary
Director



Hong Kong, 04 NOV 2019



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
REDRESS LIMITED**
(incorporated in Hong Kong with limited by guarantee)

Opinion

We have audited the financial statements of Redress Limited ("the Company") set out on pages 5 to 11, which comprise the statement of financial position as at 31 December 2018, the income statement and the statement of changes in equity for the year ended 31 December 2018 (the "year"), and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants (the "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") and with reference to Practice Note 900 (Revised), "Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard" 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 Company 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 all of the information included in the reports, 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 the financial statements in accordance with the SME-FRS 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 Company'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 Company or to cease operations, or have no realistic alternative but to do so.

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



INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF
REDRESS LIMITED
(incorporated in Hong Kong with 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 misstatement, 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 HKSAs 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 HKSAs, 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 Company'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 Company'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 Company to cease to continue as a going concern.

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.

Prism CPA Limited

Prism CPA Limited
Certified Public Accountants
Fan Chi Hang Stephen
Practising certificate number: P06144
Hong Kong, **04 NOV 2019**

REDRESS LIMITED
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018


	<u>NOTES</u>	<u>2018</u> HK\$	<u>2017</u> HK\$
Income	4	2,619,167	1,659,770
Grant received, Redress Design Award 2018		1,646,922	2,403,563
Grant received, Redress Design Award 2019		3,372,000	-
		<u>7,638,089</u>	<u>4,063,333</u>
Other income	4	1,808,562	387,344
Less: Expenditure			
Redress Design Award 2018 expenses		(5,026,052)	(4,049,571)
Administrative expenses		(1,166,890)	(434,075)
Other expenses		(241,755)	
		<u>(4,626,135)</u>	<u>(4,096,302)</u>
Surplus/(Deficit) for the year	5	3,011,954	(32,969)
Tax expense	6	-	-
Net surplus/(Deficit) for the year		<u>3,011,954</u>	<u>(32,969)</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

REDRESS LIMITED
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	<u>NOTES</u>	<u>2018</u> HK\$	<u>2017</u> HK\$
Current assets			
Grants receivables		1,240,790	1,143,780
Rental and utility deposits		-	1,500
Cash and bank balances		<u>3,643,142</u>	<u>3,371,266</u>
		<u>4,883,932</u>	<u>4,516,546</u>
Current liabilities			
Accrual		(7,800)	(9,130)
Trade payables		(295,014)	-
Other payables		(1,399)	(2,940,589)
Amount due to a director	8	<u>(2,207,425)</u>	<u>(2,206,487)</u>
		<u>(2,511,638)</u>	<u>(5,156,206)</u>
Net assets/(liabilities)		<u>2,372,294</u>	<u>(639,660)</u>
Equity			
General funds		<u>2,372,294</u>	<u>(639,660)</u>

Approved on behalf of the Board by:



 KIRSTEIN Gabrielle Edel Mary
 Director





 CORNELIUS William Charles
 Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

REDRESS LIMITED
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	<u>General funds</u> HK\$	<u>Total</u> HK\$
At 1 January 2018	(639,660)	(639,660)
Surplus for the year	<u>3,011,954</u>	<u>3,011,954</u>
At 31 December 2018	<u>2,372,294</u>	<u>2,372,294</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

REDRESS LIMITED
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. REPORTING ENTITY

Redress Limited (the “Company”) is a company incorporated in Hong Kong with limited by guarantee and is a charitable institution exempted from tax under section 88 of Inland Revenue Ordinance. The address of the registered office of the Company is Suite 2406, 24th Floor, 9 Queen's Road Central, Hong Kong. The principal activities of the Company are the advancement of education of the general public in recycling, responsible consumerism and the effects of pollution generally on overall health of the Hong Kong community.

According to the Articles of the Association, the maximum number of members is unlimited and the liability of the members is limited. Every member undertakes to contribute to the assets of the Foundation, in the event of its being wound up for an amount not exceeding HK\$10.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (“SME-FRS”) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

The measurement base adopted is the historical cost convention.

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

Revenue recognition

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

- (i) Grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on systematic basis; and
- (ii) Sponsorship income are recognised on cash basis; and
- (iii) Sale of donated clothes is recognised when the clothes are delivered and the risk and rewards of the ownership have passed to the donors; and
- (iv) Bank interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest rate applicable.

REDRESS LIMITED
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign exchange

The reporting currency of the Company is Hong Kong Dollars, which is the currency of the primary economic environment in which the Company operates.

Related parties

A related party is a person or entity that is related to the Company that preparing its financial statements, as follows:

- (a) A person, or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or the Company's parent.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third entity.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

REDRESS LIMITED
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

4. INCOME AND OTHER INCOME

Income recognised during the year.

	<u>2018</u>	<u>2017</u>
	HK\$	HK\$
<u>Income</u>		
Sponsorship income	2,619,167	1,659,770
Grants received for Redress Design Award 2018	1,646,922	2,403,563
Grants received for Redress Design Award 2019	3,372,000	-
	<u>7,638,089</u>	<u>4,063,333</u>
<u>Other income</u>		
Bank interest income	638	2
Exchange gain, net	21,051	-
Sale of donated clothes	738,496	304,248
Sponsorship income	164,160	-
Sundry income	884,217	83,094
	<u>1,808,562</u>	<u>387,344</u>
	<u>9,446,651</u>	<u>4,450,677</u>

5. SURPLUS/(DEFICITS) BEFORE TAX

Surplus/(Deficits) before tax has been arrived at after charging/(crediting):

	<u>2018</u>	<u>2017</u>
	HK\$	HK\$
Auditor's remuneration	6,000	5,000
Exchange gain, net	(21,051)	-
Staff costs (including directors' remuneration)	608,937	280,967

6. TAX EXPENSE

The company is exempted from Hong Kong profits tax in accordance with Section 88 of the Inland Revenue Ordinance.

7. DIRECTORS' REMUNERATION

No directors' remuneration was paid or payable during the year.

8. AMOUNT DUE TO A DIRECTOR

The amount due to a director is unsecured, interest free and has no fixed terms of repayment.

REDRESS LIMITED
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

9. COMPARATIVE FIGURES

Certain comparative amounts have been revised in order to achieve a consistent presentation.

10. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of directors
on 04 NOV 2019