

REDRESS LIMITED
(LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL)

REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2015

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REDRESS LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting to Members their annual report together with the audited financial statements of the Company for the year ended 31st December, 2015.

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 the overall health of the Hong Kong community.

DIRECTORS

The following Directors held office during the year and up to the date of this report:-

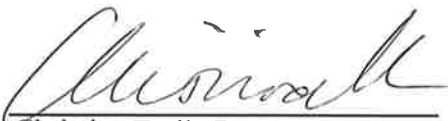
Mr. Christian John Constantin Brun

Mrs. Christina Emily Brun

Ms. Gabrielle Edel Mary Kirstein

In accordance with the Company's Articles of Association, all existing directors retire and being eligible, offer themselves for re-election.

On behalf of the Board



Christina Emily Brun

Director

10 JUN 2016

Partners:

HO Tak Sang FCPA (Practising), MBA, FTIHK, CTA

LEUNG Ka Wa FCPA (Practising), FTIHK, CTA

CHANG Miranda FCPA (Practising), FTIHK, CTA

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF REDRESS LIMITED

(incorporated in Hong Kong, limited by guarantee and not having a share capital)

We have audited the financial statements of reDress Limited set out on pages 3 to 10, which comprise the Statement of Financial Position as at 31st December, 2015, the Income Statement, Statement of Changes in Funds for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of 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 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.

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 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. We conducted our audit in accordance with Hong Kong Standards on Auditing and with reference to PN 900 (Revised) "Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard" 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' judgment, 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 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.

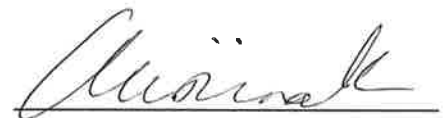
Opinion

In our opinion, the financial statements of the Company for the year ended 31st December, 2015 have been prepared in accordance with the SME-FRS in all material respects and properly prepared in compliance with the Hong Kong Companies Ordinance.

Ho Tak Sang & Co.,
Certified Public Accountants (Practising)
HONG KONG, 10 JUN 2016

REDRESS LIMITED**STATEMENT OF FINANCIAL POSITION AS AT
31ST DECEMBER, 2015**

	Note	2015 HK\$	2014 HK\$
Non-current Assets			
Property, Plant and Equipment	2	<u>53,532</u>	<u>0</u>
Current Assets			
Account and Other Receivables	3	783,822	45,951
Cash and Bank Balances		<u>288,890</u>	<u>282,958</u>
		<u>1,072,712</u>	<u>328,909</u>
Current Liabilities			
Accrued Liabilities		(11,950)	(9,350)
Amounts due to a Director	4	<u>(1,686,671)</u>	<u>(940,129)</u>
		<u>(1,698,621)</u>	<u>(949,479)</u>
Net Current Liabilities		<u>(625,909)</u>	<u>(620,570)</u>
Total Assets less Current Liabilities		<u>(572,377)</u>	<u>(620,570)</u>
Financed by:			
Funds			
Accumulated Deficits		<u>(572,377)</u>	<u>(620,570)</u>

Christian John Constantin Brun
DirectorChristina Emily Brun
Director

REDRESS LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31ST DECEMBER, 2015**

	Note	2015 HK\$	2014 HK\$
INCOME			
Revenue	5	4,197,455	3,704,973
Other Revenues	5	282,961	116,794
Exchange Gains		15	555
TOTAL INCOME		<u>4,480,431</u>	<u>3,822,322</u>
LESS: EXPENDITURE			
Cost of Events		(4,124,315)	(3,116,227)
Operating Expenditure		(307,923)	(231,981)
TOTAL EXPENDITURE		<u>(4,432,238)</u>	<u>(3,348,208)</u>
SURPLUS FOR THE YEAR	8	<u>48,193</u>	<u>474,114</u>

**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED
31ST DECEMBER, 2015**

	Accumulated Deficits HK\$
Balance as at 31st December, 2013	(1,094,684)
Net Surplus for the year ended 31st December, 2014	474,114
Balance as at 31st December, 2014	<u>(620,570)</u>
Net Surplus for the year ended 31st December, 2015	48,193
Balance as at 31st December, 2015	<u>(572,377)</u>

REDRESS LIMITED

NOTES ON THE FINANCIAL STATEMENTS

Reporting Entity

REDRESS LIMITED is a company incorporated in Hong Kong, limited by guarantee and not having a share capital, and is a charitable institution exempted from tax under section 88 of the Inland Revenue Ordinance. The Company's registered office is located at Suite 2406, 24/F., 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 the overall health of the Hong Kong community.

1 PRINCIPAL ACCOUNTING POLICIES

a. Basis of Preparation

The Company qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance 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 basis that the Company is a going concern. The measurement base adopted is the historical cost convention.

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

b. First-time Adoption of Small and Medium-sized Entity Financial Reporting Standards

From 1st January, 2015, the Company has adopted for the first time the Small and Medium-sized Entity Financial Reporting Standard. In previous years, the Company had adopted Hong Kong Financial Reporting Standards to prepare its annual financial statements.

The adoption of SME-FRS has no material effect on the recognition or derecognition of any item of net assets of the Company for the current and prior years. However, due to the adoption of SME-FRS, certain 2014 comparatives contained in these financial statements differ from those presented in the financial statements of the year ended 31st December, 2014.

c. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

REDRESS LIMITED**NOTES ON THE FINANCIAL STATEMENTS****1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****c. Property, Plant and Equipment (Continued)**

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives using the straight-line method at the following annual rates:

Computer Equipment	33 1/3%
Leasehold Improvements	20 %

d. Impairment

At each date of statement of financial position, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as an income immediately.

e. 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 on an accrual basis.
- (ii) Sponsorship income are recognised on cash basis.
- (iii) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

f. Operating Leases

Leases where substantially all the risks and rewards of ownership of the leased assets remain with the lessors are accounted for as operating leases. Lease payments applicable to such leases are recognised in the statement of comprehensive income as an expense on a straight line basis over the period of the relevant leases, except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives from the lessors are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of their nature or form or the timing of payments.

REDRESS LIMITED

NOTES ON THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

g. Employee Benefits

Retirement Benefits Costs

The Company operates an approved defined contribution retirement benefits scheme for employees: a Mandatory Provident Fund (MPF) Scheme under the Mandatory Provident Fund Schemes Ordinance.

The contributions payable to the Company's defined contribution retirement benefits schemes are recognised as an expense in the income statement as incurred.

h. Related Parties

A related party is a person or entity that is related to the Company.

- (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 of a parent of the Company.
- (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 party.
 - (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).

REDRESS LIMITED**NOTES ON THE FINANCIAL STATEMENTS****2 PROPERTY, PLANT AND EQUIPMENT**

Cost	Computer Equipment HK\$	Leasehold Improvement HK\$	Total HK\$
At Beginning of Year	1,600	0	1,600
Additions during Year	0	56,350	56,350
Disposals during Year	0	0	0
At End of Year	<u>1,600</u>	<u>56,350</u>	<u>57,950</u>
Deduct:			
Accumulated Depreciation			
At Beginning of Year	1,600	0	1,600
Provided for the Year	0	2,818	2,818
Eliminated on Disposals	0	0	0
At End of Year	<u>1,600</u>	<u>2,818</u>	<u>4,418</u>
Net Book Value			
At End of Year	<u>0</u>	<u>53,532</u>	<u>53,532</u>
At Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>

3 ACCOUNT AND OTHER RECEIVABLES	2015 HK\$	2014 HK\$
Grants Receivable	730,753	0
Prepayments	38,893	27,775
Rental and Utility Deposits	10,676	14,676
Sundry Debtors	3,500	3,500
	<u>783,822</u>	<u>45,951</u>

4 AMOUNTS DUE TO A DIRECTOR

Amounts due to a director are unsecured, interest-free and repayable on demand.

REDRESS LIMITED**NOTES ON THE FINANCIAL STATEMENTS****5 REVENUE**

	2015	2014
	HK\$	HK\$
Revenues recognised during the year are as follows:-		
Revenue		
Grants Received	2,630,570	1,785,490
Sponsorship Income	1,566,885	1,919,483
	<u>4,197,455</u>	<u>3,704,973</u>
Other Revenues		
Fundraising on Sale of Donated Clothes	215,680	116,777
Sundry Income	67,240	0
Interest Income	41	17
	<u>282,961</u>	<u>116,794</u>
Total Revenues	<u>4,480,416</u>	<u>3,821,767</u>

6 DIRECTORS' EMOLUMENTS

During the year, no amounts were paid in respect of directors' emoluments, directors' retirement benefits or payments made or benefit provided in respect of the termination of the service of directors, whether in the capacity of directors or in any other capacity while acting as directors.

7 EMPLOYMENT COSTS

Salaries and Allowances	2,290,214	1,227,309
Mandatory Provident Fund Contributions	44,286	34,294
	<u>2,334,500</u>	<u>1,261,603</u>

8 SURPLUS FOR THE YEAR

Surplus for the year is arrived at after charging:

Depreciation of Owned Property, Plant and Equipment	<u>2,818</u>	<u>0</u>
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and after crediting:

Interest Income	<u>41</u>	<u>17</u>
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REDRESS LIMITED**NOTES ON THE FINANCIAL STATEMENTS****9 RELATED PARTY TRANSACTIONS**

The Company has the following material transactions with its related companies during the year:-

	2015	2014
	HK\$	HK\$
Sponsorship Income received from the Company's Director	0	245,000

10 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue by the board of directors on

10 JUN 2016

REDRESS LIMITED**DETAILED INCOME STATEMENT FOR THE YEAR ENDED
31ST DECEMBER, 2015
(FOR MANAGEMENT PURPOSE ONLY)**

		2015	2014
		HK\$	HK\$
INCOME			
Grants Received		2,630,570	1,785,490
Sponsorship Income		1,566,885	1,919,483
		<u>4,197,455</u>	<u>3,704,973</u>
OTHER INCOME	SCHEDULE 1	282,976	117,349
TOTAL INCOME		<u>4,480,431</u>	<u>3,822,322</u>
LESS: COST OF EVENTS			
"The EcoChic Design Award" ¹	SCHEDULE 2	4,033,864	3,116,227
Other Events		90,451	0
TOTAL COST OF EVENTS		<u>4,124,315</u>	<u>3,116,227</u>
		356,116	706,095
LESS: TOTAL OPERATING EXPENDITURE²	SCHEDULE 3	307,923	231,981
SURPLUS FOR THE YEAR		<u>48,193</u>	<u>474,114</u>

Note:

¹ The EcoChic Design Award project includes a wide range of activities that support the Company's educational program for the fashion industry including the production of educational materials and videos, lectures, seminars, educational magazine, a series of exhibitions and workshops, fashion show, fashion shoot and press conferences.

² The Company maintains minimal costs on all projects by securing extensive pro bono support and keeping operations lean. For example, the Company's sponsor ADM Capital Foundation provides office space for free.

DISCLOSURE UNDER SECTION 436 OF THE COMPANIES ORDINANCE

The above does not constitute the Company's statutory annual financial statements for the years ended 31st December, 2014 and 2015 but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with Section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered its statutory annual financial statements for the year ended 31st December, 2014 to the Registrar of Companies as required by S662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver its statutory annual financial statements for the year ended 31st December, 2015 in due course.

Auditors' reports have been prepared on the statutory annual financial statements for both years ended 31st December, 2014 and 2015. The auditors' reports were not qualified; did not refer to any matter to which the auditors drew attention by way of emphasis without qualifying the reports; and did not contain a statement under Section 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

REDRESS LIMITED**DETAILED INCOME STATEMENT FOR THE YEAR ENDED
31ST DECEMBER, 2015
(FOR MANAGEMENT PURPOSE ONLY)****SCHEDULE 1**

OTHER INCOME	2015 HK\$	2014 HK\$
Fundraising on Sale of Donated Clothes	215,680	116,777
Sundry Income	67,240	0
Interest Income	41	17
Exchange Gains	15	555
	<u>282,976</u>	<u>117,349</u>

SCHEDULE 2**COST OF EVENTS - "THE ECOCHIC DESIGN AWARD"**

Manpower	2,582,989	2,279,949
Direct Costs	1,047,173	550,351
Publicity and Promotion	244,578	224,172
Administrative Expenses	159,124	61,755
	<u>4,033,864</u>	<u>3,116,227</u>

SCHEDULE 3**TOTAL OPERATING EXPENDITURE**

Accountancy Fees	3,493	2,400
Auditors' Remuneration	5,000	5,000
Advertising and Marketing	0	3,255
Bank Charges	2,854	3,270
Computer Hardware and Software	20,590	14,715
Depreciation of Owned Property, Plant and Equipment	2,818	0
Legal and Professional Fees	2,500	4,500
Mandatory Provident Fund Contributions	6,700	5,520
Postage, Printing and Stationery	4,586	5,882
Storage Space Rental	55,614	23,090
reDress Manpower	133,508	111,000
Sundries	20,115	26,660
Travelling and Transportation	50,145	26,689
	<u>307,923</u>	<u>231,981</u>