

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

REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2016

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HO TAK SANG & CO.,
Certified Public Accountants, Hong Kong

何德生會計師事務所

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, 2016.

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:-

Christian John Constantin Brun	
Christina Emily Brun	
Gabrielle Edel Mary Kirstein	
William Charles Cornelius	(Appointed on 26th July 2016)
Michelle Bang	(Appointed on 22nd August 2016)
Wong Chau Yin	(Appointed on 23rd August 2016 and resigned on 11th December 2016)
Fiona Kotur Marin	(Appointed on 21st September 2016)
Sofia Tarneberg	(Appointed on 23rd September 2016)
Ostiane May Hua Goh-livornu	(Appointed on 26th September 2016)
Edwin Yee Man Keh	(Appointed on 11th December 2016)

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

Subsequent to the date of statement of financial position, on 1st June, 2017, Mr. Lee Ming Wai Anderson was appointed as the Company's Director.

PERMITTED INDEMNITY PROVISION

The Company has not made any permitted indemnity provision for the benefit of any director of the Company during the year.

BUSINESS REVIEW

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

On behalf of the Board



Christina Emily Brun
Director

Dated: **23 JUN 2017**



HO TAK SANG & CO.,

Certified Public Accountants, Hong Kong

何德生會計師事務所

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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)

Opinion

We have audited the financial statements of reDress Limited ("the Company") set out on pages 4 to 10, which comprise the Statement of Financial Position as at 31st December, 2016, the Income Statement and Statement of Changes in Funds for the year then ended, and Notes on The Financial Statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company have been 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 ("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 ("HKSA") 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 HKICPA. Our responsibilities under those standards are further described in the "Auditors' 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.

Information other than the Financial Statements and Auditor's Report thereon

The directors are responsible for the other information. The other information comprises all information included in the directors' report and detailed income statement (for management purpose only).

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 regards.

Responsibilities of Directors 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.

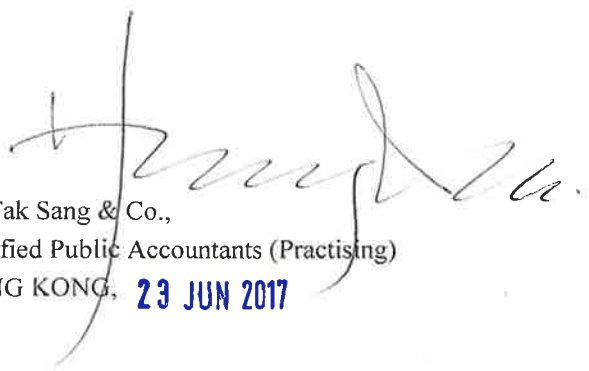
In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company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

Auditors' 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 HKSAAs, 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.




Ho Tak Sang & Co.,
Certified Public Accountants (Practising)
HONG KONG, 23 JUN 2017

REDRESS LIMITED

**STATEMENT OF FINANCIAL POSITION AS AT
31ST DECEMBER, 2016**

	Note	2016 HK\$	2015 HK\$
Non-current Assets			
Property, Plant and Equipment	2	<u>42,262</u>	<u>53,532</u>
Current Assets			
Account and Other Receivables	3	822,940	783,822
Cash and Bank Balances		<u>1,740,802</u>	<u>288,890</u>
		2,563,742	1,072,712
Current Liabilities			
Account and Other Payables	4	(3,212,695)	(1,698,621)
Net Current Liabilities		<u>(648,953)</u>	<u>(625,909)</u>
Total Assets less Current Liabilities		<u>(606,691)</u>	<u>(572,377)</u>
Financed by:			
Funds			
Accumulated Deficits		<u>(606,691)</u>	<u>(572,377)</u>



Christina Emily Brun
Director



William Charles Cornelius
Director

REDRESS LIMITED**INCOME STATEMENT FOR THE YEAR ENDED
31ST DECEMBER, 2016**

	Note	2016 HK\$	2015 HK\$
INCOME			
Revenue	5	3,727,988	4,480,416
Exchange Gains		0	15
TOTAL INCOME		<u>3,727,988</u>	<u>4,480,431</u>
LESS: EXPENDITURE			
Cost of Events		3,158,419	4,124,315
Operating Expenditure		603,883	307,923
TOTAL EXPENDITURE		<u>3,762,302</u>	<u>4,432,238</u>
SURPLUS/(DEFICIT) FOR THE YEAR	8	<u>(34,314)</u>	<u>48,193</u>

**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED
31ST DECEMBER, 2016**

	Accumulated Deficits HK\$
Balance as at 31st December, 2014	(620,570)
Net Surplus for the year ended 31st December, 2015	48,193
Balance as at 31st December, 2015	<u>(572,377)</u>
Net Deficit for the year ended 31st December, 2016	(34,314)
Balance as at 31st December, 2016	<u>(606,691)</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. Property, Plant and Equipment

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

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 %

c. 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.

REDRESS LIMITED**NOTES ON THE FINANCIAL STATEMENTS****1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****c. Impairment (Continued)**

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.

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

e. 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 income statement 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.

f. 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.

REDRESS LIMITED**NOTES ON THE FINANCIAL STATEMENTS****1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****g. 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	Leasehold Improvement	Total
	HK\$	HK\$	HK\$
At Beginning of Year	1,600	56,350	57,950
Additions during Year	0	0	0
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	2,818	4,418
Provided for the Year	0	11,270	11,270
Eliminated on Disposals	0	0	0
At End of Year	<u>1,600</u>	<u>14,088</u>	<u>15,688</u>

Net Book Value

At End of Year	<u>0</u>	<u>42,262</u>	<u>42,262</u>
At Beginning of Year	<u>0</u>	<u>53,532</u>	<u>53,532</u>

3 ACCOUNT AND OTHER RECEIVABLES

	2016	2015
	HK\$	HK\$
Grants Receivable	799,440	730,753
Prepayments	0	38,893
Rental and Utility Deposits	23,500	10,676
Sundry Debtors	0	3,500
	<u>822,940</u>	<u>783,822</u>

4 ACCOUNT AND OTHER PAYABLES

Accrued Liabilities	19,927	11,950
Amounts due to a Director	2,071,020	1,686,671
Receipts in Advance	1,121,748	0
	<u>3,212,695</u>	<u>1,698,621</u>

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

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

	2016	2015
	HK\$	HK\$
Revenues recognised during the year are as follows:-		
Grants Received	2,531,727	2,630,570
Sponsorship Income	902,650	1,566,885
Sale of Donated Clothes	210,955	215,680
Sundry Income	82,655	67,240
Interest Income	1	41
Total Revenues	3,727,988	4,480,416

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	2,343,981	2,290,214
Mandatory Provident Fund Contributions	81,059	44,286
	<u>2,425,040</u>	<u>2,334,500</u>

8 SURPLUS/(DEFICIT) FOR THE YEAR

Surplus/(Deficit) for the year is arrived at after charging:

Depreciation of Owned Property, Plant and Equipment	<u>11,270</u>	<u>2,818</u>
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and after crediting:

Interest Income	<u>1</u>	<u>41</u>
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9 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue by the board of directors on
23 JUN 2017

REDRESS LIMITED**DETAILED INCOME STATEMENT FOR THE YEAR ENDED
31ST DECEMBER, 2016
(FOR MANAGEMENT PURPOSE ONLY)**

		2016	2015
		HK\$	HK\$
INCOME			
Grants Received		2,531,727	2,630,570
Sponsorship Income		902,650	1,566,885
		<u>3,434,377</u>	<u>4,197,455</u>
OTHER INCOME	SCHEDULE 1	293,611	282,976
TOTAL INCOME		<u>3,727,988</u>	<u>4,480,431</u>
LESS: COST OF EVENTS			
The EcoChic Design Award ¹	SCHEDULE 2	3,056,234	4,033,864
Other Events		102,185	90,451
TOTAL COST OF EVENTS		<u>3,158,419</u>	<u>4,124,315</u>
		569,569	356,116
LESS: TOTAL OPERATING EXPENDITURE ²	SCHEDULE 3	603,883	307,923
SURPLUS/(DEFICIT) FOR THE YEAR		<u>(34,314)</u>	<u>48,193</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, 2015 and 2016 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, 2015 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, 2016 in due course.

Auditors' reports have been prepared on the statutory annual financial statements for both years ended 31st December, 2015 and 2016. 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, 2016
(FOR MANAGEMENT PURPOSE ONLY)****SCHEDULE 1**

OTHER INCOME	2016 HK\$	2015 HK\$
Sale of Donated Clothes	210,955	215,680
Sundry Income	82,655	67,240
Interest Income	1	41
Exchange Gains	0	15
	<u>293,611</u>	<u>282,976</u>

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

Manpower	2,088,388	2,582,989
Direct Costs	533,229	1,047,173
Publicity and Promotion	369,453	244,578
Administrative Expenses	65,164	159,124
	<u>3,056,234</u>	<u>4,033,864</u>

SCHEDULE 3**TOTAL OPERATING EXPENDITURE**

Accountancy Fees	1,300	3,493
Auditors' Remuneration	5,000	5,000
Advertising and Marketing	1,588	0
Bank Charges	1,970	2,854
Computer Hardware and Software	902	20,590
Depreciation of Owned Property, Plant and Equipment	11,270	2,818
Entertainment	14,121	0
Insurance	17,510	0
Legal and Professional Fees	3,535	2,500
Mandatory Provident Fund Contributions	8,645	6,700
Postage, Printing and Stationery	8,444	4,586
Storage Space Rental	27,900	55,614
reDress Manpower	327,782	133,508
Sundries	28,991	20,115
Sundry Debtors Written Off	3,500	0
Travelling and Transportation	38,425	50,145
Video Recordings and Photo Shooting	103,000	0
	<u>603,883</u>	<u>307,923</u>