

**VIVA NETWORK (HONG KONG) LIMITED**

童 心 攜 守 有 限 公 司

**(Incorporated in Hong Kong under the Companies  
Ordinance and Limited by Guarantee)**

**2022**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

 **LAM & CHUI CPA LIMITED**  
Certified Public Accountants

林 徐 會 計 師 行 有 限 公 司

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**REPORT OF THE DIRECTORS**

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 March 2022.

**PRINCIPAL PLACE OF BUSINESS**

The company is incorporated and domiciled in Hong Kong and has its registered office at 608, 6th Floor, Laford Centre, 838 Lai Chi Kok Road, Kowloon, Hong Kong and principal place of business at 8th Floor, Shun On Commercial Building, 112-114 Des Voeux Road Central, Hong Kong.

**PRINCIPAL ACTIVITIES**

The principal activities of the company are raising funds, awareness and prayer for children at risk through Viva's networks around the world, with a particular emphasis on Asia:

- To reduce and alleviate child poverty worldwide by enabling Christians and others to work together effectively and appropriately;
- To improve quality of life for children at risk, through training and provision of quality services that enhance their protection, development, health, education, nutrition and welfare; and
- To work with children at risk, enabling them to identify their talents, achieve their potential and participate in changing their communities for good.

**FINANCIAL STATEMENTS**

The financial performance of the company for the year ended 31 March 2022 and the financial position of the company at that date are set out in the financial statements on pages 7 to 14.

**EQUITY-LINKED ARRANGEMENTS**

The company had no equity-linked agreement subsisted at the end of the year or at any time during the year.

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**REPORT OF THE DIRECTORS (Continued)**

**DIRECTORS**

The names of persons who were the directors of the company during the financial year and up to the date of this report are as follows:

Philip NIEM

Stephen Yang BARRY

Jacky Kwok Yiu LAM

Jessica Dianne Lin Bik EVANS

Po Shan KO

(appointed on 24 November 2021)

Linnet Aya MA JO

(appointed on 24 November 2021)

Robert James Barnett LILWALL

(resigned on 24 November 2021)

Colum Sebastian Joseph BANCROFT

(resigned on 20 November 2021)

**PERMITTED INDEMNITY PROVISION**

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more directors of the company.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the company.

**BUSINESS REVIEW**

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

**DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

Except for those transactions disclosed in note 9 to the financial statements, no other transaction, arrangement or 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.

**APPROVAL OF DIRECTORS' REPORT**

This report was approved by the directors on 22 December 2022.

**By order of the board**



Philip NIEM

**Director**

Hong Kong



**LAM & CHUI CPA LIMITED**

**Certified Public Accountants**

**林 徐 會 計 師 行 有 限 公 司**

Chui Wing Kit 徐 榮 傑  
FCPA (Practising), FCCA, ATiHK

Lam Kwok Hong 林 國 康  
FCPA (Practising), FCCA

Yeung Kin Lai 楊 建 禮  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and limited by guarantee)

**Opinion**

We have audited the financial statements of Viva Network (Hong Kong) Limited ("the company") set out on pages 7 to 14, which comprise the statement of financial position as at 31 March 2022, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 ("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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
VIVA NETWORK (HONG KONG) LIMITED (Continued)**  
(Incorporated in Hong Kong under the Companies Ordinance and limited by guarantee)

**Information other than the financial statements and auditor's report thereon**

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 the 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 TO THE MEMBERS OF  
VIVA NETWORK (HONG KONG) LIMITED (Continued)**  
(Incorporated in Hong Kong under the Companies Ordinance 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 misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
VIVA NETWORK (HONG KONG) LIMITED (Continued)**

(Incorporated in Hong Kong under the Companies Ordinance and limited by guarantee)

**Auditor's responsibilities for the audit of the financial statements (Continued)**

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.



**Lam & Chui CPA Limited**  
**Certified Public Accountants**  
Hong Kong, 22 December 2022  
Chui Wing Kit  
Practising Certificate No.: P2153

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	<u>2022</u> HK\$	<u>2021</u> HK\$
<b>Turnover</b>	3	2,432,312	1,820,221
<b>Other revenue</b>	3	15,504	190,003
<b>Other income</b>		65,123	-
		<u>2,512,939</u>	<u>2,010,224</u>
<b>Administrative &amp; other operating expenses</b>		(2,014,709)	(1,765,039)
<b>Surplus before taxation</b>	4	<u>498,230</u>	<u>245,185</u>
<b>Income tax</b>	6	-	-
<b>Surplus for the year</b>		<u><u>498,230</u></u>	<u><u>245,185</u></u>

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



**VIVA NETWORK (HONG KONG) LIMITED**

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**STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2022**

	Note	2022 <u>HK\$</u>	2021 <u>HK\$</u>
<b>Current assets</b>			
Accounts & other receivables		-	62,594
Deposits paid		20,000	19,200
Bank balances		1,011,776	423,016
		<u>1,031,776</u>	<u>504,810</u>
<b>Current liabilities</b>			
Accounts payables & accruals		<u>107,648</u>	<u>78,911</u>
<b>Net current assets</b>		<u>924,128</u>	<u>425,899</u>
<b>Net assets</b>		<u>924,128</u>	<u>425,899</u>
<b>Reserve</b>			
General fund	7	<u>924,128</u>	<u>425,899</u>

Approved and authorised for issue by the board of directors

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 Philip NIEM  
 Director

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 Stephen Yang BARRY  
 Director

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

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**1. GENERAL**

(a) Corporate information

Viva Network (Hong Kong) Limited is a charitable organisation in Hong Kong. Under the provision of the company's 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 HK\$100 each.

(b) Reporting currency

Unless stated otherwise, all currency figures in these financial statements are presented in Hong Kong Dollars (HK\$) rounded to the nearest one dollar.

**2. SIGNIFICANT ACCOUNTING POLICIES**

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.

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:

(a) Revenue

Donation income is recognised on a receipt basis.

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022 (Continued)****2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(b) 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.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

**(c) Taxation**

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

**(d) Leases**

Leases that transfer substantially all the rewards and risks of ownership of assets to the company are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022 (Continued)****2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(e) Accounts and other receivables**

Accounts and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

**(f) Related parties**

(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 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.
- (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).

**VIVA NETWORK (HONG KONG) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022 (Continued)****3. REVENUE**

An analysis of the company's revenue is as follows:

	<u>2022</u>	<u>2021</u>
	HK\$	HK\$
<b>Turnover</b>		
Donation income from:		
- individuals	1,841,787	1,551,441
- charity organisations	147,068	164,500
- corporations	62,410	50,150
- trust	377,478	-
- Viva North America (a US registered charity)	3,569	54,130
	<u>2,432,312</u>	<u>1,820,221</u>
<b>Other revenue</b>		
Child care protection service income	15,500	28,000
Interest income	4	3
Subsidy income under Employment Support Scheme	-	162,000
	<u>15,504</u>	<u>190,003</u>
<b>Total revenue</b>	<u>2,447,816</u>	<u>2,010,224</u>

**4. SURPLUS BEFORE TAXATION**

Surplus before taxation is arrived at:

	<u>2022</u>	<u>2021</u>
	HK\$	HK\$
After crediting the following item(s):		
Exchange gain	<u>3,547</u>	<u>-</u>
And after charging the following items:		
Auditor's remuneration	6,600	6,600
Exchange loss	-	1,532
Grants & donations paid	283,214	224,051
Operating lease charges in respect of a property	126,000	110,880
Employee benefit costs		
- Fees, salaries, wages and other short-term benefits	1,335,217	1,254,445
- Expenses for defined contribution scheme	45,724	48,600
- Interest of defined contribution scheme	-	-
- Equity-settled share-based payment expenses	-	-
- Termination benefit	-	-
	<u>1,380,941</u>	<u>1,303,045</u>

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022 (Continued)****5. DIRECTORS' REMUNERATION**

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	<u>2022</u>	<u>2021</u>
	HK\$	HK\$
Acting as directors		
- Emoluments (including benefit in kind)	-	-
- Retirement benefits	-	-
- Compensation for termination of directors' services	-	-
	<u>-</u>	<u>-</u>
Provision of management services		
- Emoluments (including benefit in kind)	-	-
- Retirement benefits	-	-
- Compensation for termination of directors' services	-	-
	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>

**6. INCOME TAX**

No provision has been made for Hong Kong profits tax as the company has been exempted from profits tax under section 88 of the Inland Revenue Ordinance.

**7. CHANGES IN RESERVE**

	<u>General Fund</u>
	HK\$
Balance at 31 March 2021	425,899
Surplus for the year	498,229
Balance at 31 March 2022	<u>924,128</u>

**8. COMMITMENTS UNDER OPERATING LEASES**

The company had the following total future minimum lease payments payable under non-cancellable operating leases:

	<u>2022</u>	<u>2021</u>
	HK\$	HK\$
Not later than one year	30,000	19,200
Later than one year	-	-
	<u>30,000</u>	<u>19,200</u>

**VIVA NETWORK (HONG KONG) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022 (Continued)****9. RELATED PARTY TRANSACTIONS**

The company had the following material related party transactions during the year with related charitable organizations in North America and the United Kingdom, Viva Network. Mr. Robert James Barnett LILWALL, director of the company, is also director of Viva Network in the United Kingdom.

	<u>2022</u>	<u>2021</u>
	HK\$	HK\$
Donation income received	3,547	54,130
Grants & donations paid	<u>283,214</u>	<u>106,301</u>

The directors of the company are of opinion that the above transactions were entered into in the normal course of charities.

**10. APPROVAL AND ISSUE OF FINANCIAL STATEMENTS**

The statement of financial position was approved and the financial statements were authorised for issue by the directors on 22 December 2022.

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**DETAILED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	<u>2022</u>	<u>2021</u>
	HK\$	HK\$
<b>Donation income</b>	2,432,312	1,820,221
<b>Child care protection service income</b>	15,500	28,000
<b>Exchange gain</b>	3,547	-
<b>Interest income</b>	4	3
<b>Subsidy income under Employment Support Scheme</b>	-	162,000
<b>Sundry income</b>	61,576	-
	<u>2,512,939</u>	<u>2,010,224</u>
<b>Less: Expenses</b>		
Auditor's remuneration	6,600	6,600
Bank & payment processor charges	31,048	26,895
Exchange loss	-	1,532
Fundraising & networking expenses	118,879	74,503
Grants & donations paid	283,214	224,051
Insurance	1,360	1,937
Mandatory provident fund contribution	45,724	48,600
Rent & rates	126,000	110,880
Secretarial fee	2,150	5,870
Salaries & allowances	1,335,217	1,254,445
Stationery & office supplies	2,506	326
Sundry expenses	5,000	4,264
Telecommunications	4,946	4,733
Travelling expenses	52,066	403
	<u>2,014,710</u>	<u>1,765,039</u>
<b>Surplus for the year</b>	<u>498,229</u>	<u>245,185</u>