

Ten Percent Donation Scheme Foundation
十分關愛基金會

Reports and Financial Statements

For the year ended 31 March 2017

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Directors' Report

For the year ended 31 March 2017

The directors present their annual report and the audited financial statements of Ten Percent Donation Scheme Foundation 十分關愛基金會 (the "Company") for the year ended 31 March 2017.

PRINCIPAL ACTIVITY

The Company is a charitable organisation in Hong Kong and is engaged in charity to the general public.

RESULTS

The surplus of the Company for the year ended 31 March 2017 are set out in the statement of income and expenditure and other comprehensive income on page 6.

CHARITABLE DONATIONS

The Company made charitable donations amounting to HK\$3,348,785 during the year ended 31 March 2017.

DIRECTORS

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

So Kwok Hoo
Chan Ying Leung
So Chi Ming
Sun Kwok Wah Peter
Cheung Leung Hong
Wong Hin Shek
Chong Tin Lung Benny
Tsoi Man Po
So Tat Man David

(Appointed on 26 November 2015)
(Appointed on 22 December 2016)

In accordance with Article 46 of the Company's Articles of Association, one third of the existing directors retire from office and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company was a party and in which the directors 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.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Report - Continued For the year ended 31 March 2017

AUDITOR

The financial statements for the year ended 31 March 2017 have been audited by Asian Alliance (HK) CPA Limited ("Asian Alliance").

Asian Alliance will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for the re-appointment of Asian Alliance as auditor of the Company is to be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board



So Kwok Hoo
Director

Hong Kong
1 August 2017

Independent Auditor's Report

**TO THE MEMBERS OF
TEN PERCENT DONATION SCHEME FOUNDATION**

十分關愛基金會

(incorporated in Hong Kong with limited liability by guarantee)

OPINION

We have audited the financial statements of Ten Percent Donation Scheme Foundation (the "Company") set out on pages 6 to 19, which comprise the statement of financial position as at 31 March 2017, and the statement of income and expenditure and other comprehensive income, the statement of changes in reserve and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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 OF OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 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.

Independent Auditor's Report - Continued

RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs 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 the 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.

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. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and our agreed terms of engagement, 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 judgement 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 - Continued

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS **- Continued**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors 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.

Asian Alliance (HK) CPA Limited
Asian Alliance (HK) CPA Limited
Certified Public Accountants (Practising)
Chan Mei Mei
Practising Certificate Number: P05256

Hong Kong
1 August 2017

Statement of Income and Expenditure and Other Comprehensive Income For the year ended 31 March 2017

	Notes	2017 HK\$	2016 HK\$
Income			
Donation income	7	7,401,922	6,980,237
Other operating income	8	122	75
		7,402,044	6,980,312
Expenditure			
Donations made		(3,348,785)	(3,567,351)
Functions expenses		(2,303,611)	(2,294,285)
Administrative expenses		(467,393)	(532,359)
		(6,119,789)	(6,393,995)
Surplus for the year	9	1,282,255	586,317
Income tax expense	10	-	-
Surplus and total comprehensive income for the year		1,282,255	586,317

Statement of Financial Position At 31 March 2017

	Note	2017 HK\$	2016 HK\$
CURRENT ASSETS			
Other receivables and prepayments		747,983	120,209
Bank balances and cash	11	3,975,744	3,357,212
		4,723,727	3,477,421
CURRENT LIABILITY			
Accruals		27,400	63,349
NET ASSETS		4,696,327	3,414,072
RESERVE			
Accumulated surplus		4,696,327	3,414,072

The financial statements on pages 6 to 19 were approved and authorised for issue by the Board of Directors on 1 August 2017 and are signed on its behalf by:



So Kwok Hoo
Director



So Chi Ming
Director

Statement of Changes in Reserve For the year ended 31 March 2017

	Accumulated surplus HK\$
At 1 April 2015	2,827,755
Surplus for the year	586,317
At 31 March 2016 and 1 April 2016	3,414,072
Surplus for the year	1,282,255
At 31 March 2017	4,696,327

Statement of Cash Flows

For the year ended 31 March 2017

	2017 HK\$	2016 HK\$
OPERATING ACTIVITIES		
Surplus for the year	1,282,255	586,317
Adjustment for:		
Interest income	(122)	(75)
Operating cash flows before movements in working capital	1,282,133	586,242
(Increase) decrease in other receivables and prepayments	(627,774)	173,259
(Decrease) increase in accruals	(35,949)	61,349
NET CASH FROM OPERATING ACTIVITIES	618,410	820,850
NET CASH FROM INVESTING ACTIVITY		
Interest received	122	75
NET INCREASE IN CASH AND CASH EQUIVALENTS	618,532	820,925
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	3,357,212	2,536,287
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	3,975,744	3,357,212

Notes to the Financial Statements

For the year ended 31 March 2017

1. GENERAL

Ten Percent Donation Scheme Foundation 十分關愛基金會 (the "Company") is a company incorporated in Hong Kong and limited by guarantee.

The Company is a charitable organisation in Hong Kong and is engaged in charity to the general public.

The registered office and principal place of business of the Company is located at Level 8, 88 Gloucester Road, Wanchai, Hong Kong.

The financial statements are presented in Hong Kong Dollars ("HK\$"), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are mandatorily effective for an accounting period that begins on or after 1 April 2016. These amendments have been applied by the Company for the first time in the current year.

Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to Hong Kong Accounting Standard ("HKAS") 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Company's financial performance and positions for the current and prior years and/or on the disclosures set out in these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2017

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - Continued

New and amendments to HKFRSs in issue but not yet effective

The Company has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HK(IFRIC) 22	Foreign Currency Transactions and Advance Consideration ¹
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 7	Disclosure Initiative ⁴
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ⁴
Amendments to HKAS 40	Transfers of Investment Property ¹
Annuals Improvements Project	Annual Improvements to HKFRSs 2014 - 2016 ⁴

¹ Effective for annual periods beginning on or after 1 January 2018.

² Effective for annual periods beginning on or after 1 January 2019.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2017.

The directors of the Company (the "Directors") do not anticipate that the application of the new and revised HKFRSs and HKASs will have significant impact on the accounts reported and disclosures made in the Company's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with HKFRSs issued by HKICPA and the Hong Kong Companies Ordinance (the "CO").

The financial statements have been prepared on the historical costs basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The principal accounting policies are set out below.

Revenue recognition

Donation income is recognised when the right to receive payment is established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Notes to the Financial Statements

For the year ended 31 March 2017

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

Leasing

All leases are classified as operating leases.

The Company as lessee

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

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

Employee benefits

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") are recognised as an expense when employees have rendered services entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Notes to the Financial Statements

For the year ended 31 March 2017

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Financial assets are mainly loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including other receivables and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment (see accounting policy on impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

Notes to the Financial Statements

For the year ended 31 March 2017

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets - continued

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see the accounting policy below).

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including accruals) are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Notes to the Financial Statements

For the year ended 31 March 2017

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

Financial instruments - continued

Derecognition

The Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the assets to another entity. If the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Company derecognised financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 3 to the financial statements, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors have not come across any significant areas where critical estimation and judgements are involved in applying the Company's accounting policies.

5. CAPITAL MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to carry out its principal activity, i.e. to provide charity to the general public. The Company's overall strategy remains unchanged from prior year.

The capital structure of the Company consists of cash and cash equivalents and accumulated surplus. The Directors review the capital structure on an annual basis. In order to maintain or adjust the capital structure, the Directors may organise various fund raising activities for donations.

Notes to the Financial Statements

For the year ended 31 March 2017

5. CAPITAL MANAGEMENT - Continued

In accordance with Article 40 of the Company's Articles of Association, borrowings shall not exceed 20% of the total assets of the Company. The Directors monitor on a daily basis to ensure it meets such requirement. The Company did not incur any debts financing, and therefore there is no non-compliance of the restriction on borrowings requirements existed during the two years ended 31 March 2017 and 2016.

6. FINANCIAL RISK MANAGEMENT

(a) Categories of financial instruments

	2017 HK\$	2016 HK\$
Financial assets		
Loans and receivables:		
Other receivables	354,675	65,375
Bank balances and cash	3,975,744	3,357,212
	4,330,419	3,422,587
Financial liabilities		
Financial liabilities measured at amortised cost:		
Accruals	27,400	63,349

(b) Financial risk management objectives and policies

The Company's major financial instruments include other receivables, bank balances and cash and accruals. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the types of the Company's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

Interest rate risk management

The Company is exposed to cash flow interest rate risk in relation to variable-rate bank balances due to the fluctuation of the prevailing market interest rate.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments. For the variable-rate bank balances, the analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2016: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Notes to the Financial Statements For the year ended 31 March 2017

6. FINANCIAL RISK MANAGEMENT - Continued

(b) Financial risk management objectives and policies - continued

Interest rate risk management - continued

If interest rates had been 50 basis points (2016: 50 basis points) higher / lower and all other variables were held constant, the Company's surplus for the year ended 31 March 2017 (2016: surplus) would increase / decrease (2016: increase / decrease) by HK\$18,890 (2016: HK\$15,591). This is mainly attributable to the Company's exposure to interest rates on its variable-rate bank balances.

Credit risk management

As at 31 March 2017, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

The credit risk on bank balances is limited because the counterparty is bank with high credit ratings assigned by international credit-rating agencies. Other than concentration of credit risk on bank balances, the Company does not have any other significant concentration of credit risk.

Liquidity risk management

The Company implements prudent liquidity risk management which includes maintaining sufficient bank balances so as to enable the Company to meet its liabilities as and when they fall due and to continue operating for the foreseeable future. The Directors are of the opinion that the Company does not have any significant liquidity risk.

The maturity dates of all financial liabilities are repayable on demand or within one year as at the end of each reporting period.

(c) Fair value measurements of financial instruments

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair values as at 31 March 2017 and 2016.

7. DONATION INCOME

Donation income represent donations received and receivable during the year.

8. OTHER OPERATING INCOME

	2017 HK\$	2016 HK\$
Bank interest income	122	75

Notes to the Financial Statements For the year ended 31 March 2017

9. SURPLUS FOR THE YEAR

	2017 HK\$	2016 HK\$
Surplus for the year has been arrived at after charging:		
Auditor's remuneration	1,200	1,200
Directors' remuneration	-	-
Minimum leases payments under operating lease in respect of rented premises	15,630	15,516
Staff costs		
- Salaries and allowance	356,677	403,698
- Contributions to retirement benefits scheme	17,007	16,550
Total staff costs	373,684	420,248

10. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been provided in the financial statements as the Company is exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance.

11. BANK BALANCES AND CASH

Bank balances carry interest at prevailing market rates 0.001% per annum (2016: 0.001% per annum) at 31 March 2017.

12. OPERATING LEASES COMMITMENT

As lessee

At the end of the reporting period, the Company had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2017 HK\$	2016 HK\$
Within one year	-	2,250

Operating lease payments represent rentals payable by the Company for its office premises. Leases are negotiated and rentals are fixed for terms ranging from 2 years during the year ended 31 March 2016, and no arrangements have been entered into for contingent rental payments.

Notes to the Financial Statements

For the year ended 31 March 2017

13. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

No remuneration was paid to key management personnel during the years ended 31 March 2017 and 2016.

In addition to the transactions and balances detailed elsewhere in these financial statements, the Company had the following transactions with related parties:

Names of related parties	Relationship	Nature of transactions	2017 HK\$	2016 HK\$
So Kwok Hoo	Director	Donation income	39,800	141,029
Chan Ying Leung	Director	Donation income	49,800	95,229
So Chi Ming	Director	Donation income	118,481	238,973
Sun Kwok Wah Peter	Director	Donation income	249,400	49,800
Cheung Leung Hong	Director	Donation income	21,000	31,429
Wong Hin Shek	Director	Donation income	12,000	34,429
Chong Tin Lung Benny	Director	Donation income	110,100	303,029
Tsoi Man Po	Director	Donation income	500	25,000
So Tat Man David	Director	Donation income	80,300	-

14. LIMITED BY GUARANTEE

In accordance with Clause fifth and sixth of the Memorandum of Association of the Company, the liability of the members is limited, every member of the Company undertakes to contribute a sum not exceeding HK\$100 to the assets of the Company in the event of its being wound up during the time that he/she is a member or within one year thereafter he/she ceases to be a member.