

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED

十分關愛基金會有限公司

(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME
FOUNDATION LIMITED)

(拾巴仙佈施計劃基金會有限公司)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
(拾巴仙佈施計劃基金會有限公司)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

CONTENTS

	<u>PAGES</u>
Report of the directors	1 - 2
Independent auditor's report	3 - 4
Statement of comprehensive income and expenditure	5
Statement of financial position	6
Statement of changes in reserve	7
Statement of cash flows	8
Notes to the financial statements	9 - 18

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
(拾巴仙佈施計劃基金會有限公司)

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of Ten Percent Donation Scheme Foundation Limited 十分關愛基金會有限公司 (the "Company") for the year ended 31 March 2011.

PRINCIPAL ACTIVITIES

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 2011 is set out in the income and expenditure account on page 5.

DONATIONS

Donations made by the Company during the year ended 31 March 2011 for charitable purposes amounted to HK\$4,256,000.

CHANGE OF THE NAME OF THE COMPANY

Pursuant to a special resolution passed on 9 August 2010, the name of the Company was changed from Ten Percentage Donation Scheme Foundation Limited (拾巴仙佈施計劃基金會有限公司) to Ten Percent Donation Scheme Foundation Limited (十分關愛基金會有限公司).

DIRECTORS

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

So Chi Ming	
Wong Hin Shek	
Chan Ying Leung	
Sun Kwok Wah Peter	(appointed on 25 May 2010)
So Kwok Hoo	(appointed on 25 May 2010)

In accordance with Article 49 of the Company's Articles of Association, one third of the existing directors shall retire from office and, being eligible, offer themselves for re-election.

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.

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
(拾巴仙佈施計劃基金會有限公司)

REPORT OF THE DIRECTORS

(Continued)

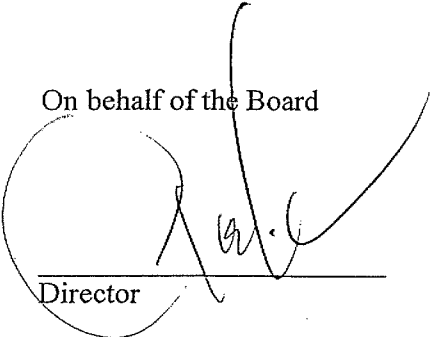
DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance in relation to the Company's business, 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.

AUDITOR

The financial statements for the year have been audited by Messrs. SHINEWING (HK) CPA Limited who retire and, being eligible, offer themselves for reappointment at the forthcoming annual general meeting.

On behalf of the Board



Director

Hong Kong
12 August 2011

INDEPENDENT AUDITOR'S REPORT



SHINEWING (HK) CPA Limited
43/F., The Lee Gardens
33 Hysan Avenue
Causeway Bay, Hong Kong

TO THE MEMBERS OF TEN PERCENT DONATION SCHEME FOUNDATION LIMITED

十分關愛基金會有限公司

(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)

(拾巴仙佈施計劃基金會有限公司)

(incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of Ten Percent Donation Scheme Foundation Limited (the "Company") set out on pages 5 to 18, which comprise the statement of financial position as at 31 March 2011, and the statement of comprehensive income and expenditure, statement of changes in reserve and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards 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.

Auditor's 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 141 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 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 auditor's judgement, 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 auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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.

INDEPENDENT AUDITOR'S REPORT



SHINEWING (HK) CPA Limited
43/F., The Lee Gardens
33 Hysan Avenue
Causeway Bay, Hong Kong

Opinion

In our opinion, the financial statements give a true and fair view of the state of the affairs of the Company as at 31 March 2011 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Pang Wai Hang
Practising Certificate Number: P05044

Hong Kong
12 August 2011

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
 十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
 (拾巴仙佈施計劃基金會有限公司)

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2011

	<u>NOTES</u>	<u>2011</u> HK\$	<u>2010</u> HK\$
Income			
Donations	6	5,089,072	4,187,518
Other operating income	7	<u>37</u>	<u>40</u>
		<u>5,089,109</u>	<u>4,187,558</u>
Expenditure			
Donations made		(4,256,000)	(2,559,900)
Functions expenses		(638,988)	(561,340)
Administrative expenses		<u>(29,699)</u>	<u>(19,452)</u>
		<u>(4,924,687)</u>	<u>(3,140,692)</u>
Surplus for the year	8	<u><u>164,422</u></u>	<u><u>1,046,866</u></u>

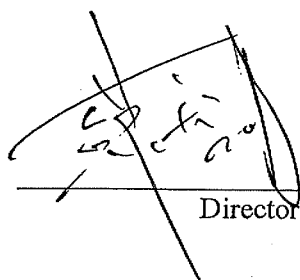
TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
(拾巴仙佈施計劃基金會有限公司)

STATEMENT OF FINANCIAL POSITION

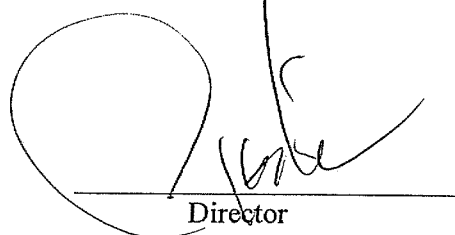
AS AT 31 MARCH 2011

	<u>NOTE</u>	<u>2011</u> HK\$	<u>2010</u> HK\$
Current assets			
Donation receivable		110,000	-
Deposit paid		120,000	-
Bank balances	10	<u>2,064,930</u>	<u>2,140,108</u>
		<u>2,294,930</u>	<u>2,140,108</u>
Current liability			
Accruals		<u>2,700</u>	<u>12,300</u>
Net current and net assets		<u>2,292,230</u>	<u>2,127,808</u>
Reserve			
Accumulated surplus		<u>2,292,230</u>	<u>2,127,808</u>

The financial statements on pages 5 to 18 were approved and authorised for issue by the board of directors on 12 August 2011 and are signed on its behalf by:



Director



Director

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
 十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
 (拾巴仙佈施計劃基金會有限公司)

STATEMENT OF CHANGES IN RESERVE
FOR THE YEAR ENDED 31 MARCH 2011

	Accumulated surplus HK\$
At 1 April 2009	1,080,942
Surplus for the year	<u>1,046,866</u>
At 31 March 2010	2,127,808
Surplus for the year	<u>164,422</u>
At 31 March 2011	<u><u>2,292,230</u></u>

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
(拾巴仙佈施計劃基金會有限公司)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

	<u>2011</u> HK\$	<u>2010</u> HK\$
OPERATING ACTIVITIES		
Surplus for the year	164,422	1,046,866
Adjustment for:		
Interest income	<u>(37)</u>	<u>(40)</u>
Operating cash flows before movements in working capital	164,385	1,046,826
Increase in donation receivable	(110,000)	
Increase in deposit paid	(120,000)	-
(Decrease) increase in accruals	<u>(9,600)</u>	<u>3,000</u>
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(75,215)	1,049,826
CASH FROM INVESTING ACTIVITY		
Interest received	<u>37</u>	<u>40</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(75,178)	1,049,866
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>2,140,108</u>	<u>1,090,242</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances	<u>2,064,930</u>	<u>2,140,108</u>

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
(拾巴仙佈施計劃基金會有限公司)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1. GENERAL

Ten Percent Donation Scheme Foundation Limited 十分關愛基金會有限公司 (the “Company”) is a company incorporated in Hong Kong and limited by guarantee.

Pursuant to a special resolution passed on 9 August 2010, the name of the Company was changed from Ten Percentage Donation Scheme Foundation Limited (拾巴仙佈施計劃基金會有限公司) to Ten Percent Donation Scheme Foundation Limited (十分關愛基金會有限公司).

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

The address of the registered office and the principal place of business is 28/F, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong.

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Company has applied the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
Hong Kong Accounting Standard (“HKAS”) 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Classification of Rights Issues
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK – Interpretation (“Int”) 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
(拾巴仙佈施計劃基金會有限公司)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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

The Company has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 except for the amendments to HKFRS 3 (Revised in 2008), HKFRS 7, HKAS 1 and HKAS 28 ¹
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ²
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ⁴
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets ⁴
HKFRS 9	Financial Instruments ⁷
HKFRS 10	Consolidated Financial Statements ⁷
HKFRS 11	Joint Arrangements ⁷
HKFRS 12	Disclosure of Interests in Other Entities ⁷
HKFRS 13	Fair Value Measurement ⁷
HKAS 1 (Revised)	Presentation of Financial Statements ⁶
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets ⁵
HKAS 19 (2011)	Employee Benefits ⁷
HKAS 24 (Revised)	Related Party Disclosures ³
HKAS 27 (2011)	Separate Financial Statements ⁷
HKAS 28 (2011)	Investments in Associates and Joint Ventures ⁷
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ³
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments ²

¹ Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.

² Effective for annual periods beginning on or after 1 July 2010.

³ Effective for annual periods beginning on or after 1 January 2011.

⁴ Effective for annual periods beginning on or after 1 July 2011.

⁵ Effective for annual periods beginning on or after 1 January 2012.

⁶ Effective for annual periods beginning on or after 1 July 2012.

⁷ Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
(拾巴仙佈施博愛基金會有限公司)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.
- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Company's financial statements for the annual period beginning 1 January 2013 and that the application of the new standard will have a significant impact on amounts reported in respect of the Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
(拾巴仙佈施計劃基金會有限公司)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

The amendments to HKFRS 7 titled Disclosures – Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors do not anticipate that these amendments to HKFRS 7 will have a significant effect on the Company’s disclosures regarding transfers of financial assets. However, if the Company enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

HKAS 24 Related Party Disclosures (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities.

The disclosure exemptions introduced in HKAS 24 (as revised in 2009) do not affect the Company because the Company is not a government-related entity.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below.

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
(拾巴仙佈施計劃基金會有限公司)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 revenue can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the 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.

Cash and cash equivalents

Bank balances in the statement of financial position comprise cash at bank. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash as defined above.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the entity 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 (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Company's financial assets are mainly loans and receivables. 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 financial asset 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 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 asset, 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.

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
(拾巴仙佈施計劃基金會有限公司)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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 bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at end of the reporting period. Financial assets are 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.

For all financial assets, objective evidence of impairment could include:

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

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

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

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Company's financial liabilities are mainly other financial liabilities.

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
(拾巴仙佈施博基金會有限公司)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities (Continued)

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 through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities including accruals are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a financial asset in its entirety, 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 reserve is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

4. CAPITAL RISK 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 activities, 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 bank balances and accumulated surplus. The directors of the Company 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.

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
(拾巴仙佈施計劃基金會有限公司)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	<u>2011</u> HK\$	<u>2010</u> HK\$
Financial assets		
Loans and receivables (including bank balances)	<u>2,064,930</u>	<u>2,140,108</u>
Financial liabilities		
Amortised cost	<u>2,700</u>	<u>12,300</u>

(b) Financial risk management objectives and policies

The Company's major financial instruments include bank balances 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 management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Interest rate risk

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 point (2010: 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.

If interest rates had been 50 basis points (2010: 50 basis points) higher / lower and all other variables were held constant, the Company's surplus for the year ended 31 March 2011 would increase / decrease by HK\$10,233 (2010: HK\$9,330). This is mainly attributable to the Company's exposure to interest rates on its variable-rate bank balances.

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
(拾巴仙佈施博愛基金會有限公司)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk

As at 31 March 2011, 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 counterparty is arising from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

The credit risk on donation receivable is limited as the directors are of the opinion that the risk of default by this counterparty is low.

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 donation receivable and bank balances, the Company does not have any other significant concentration of credit risk.

Liquidity risk

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 of the Company 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

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values due to immediate or short-term maturities.

6. DONATIONS

Donations represent donation income received and receivable during the year.

7. OTHER OPERATING INCOME

Other operating income represents bank interests received and receivable during the year.

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
(拾巴仙佈施計劃基金會有限公司)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

8. SURPLUS FOR THE YEAR

Surplus for the year has been arrived at after charging:

	<u>2011</u> HK\$	<u>2010</u> HK\$
Auditor's remuneration	1,000	700
Directors' emoluments	-	-
Staff costs	-	-
	<u> </u>	<u> </u>

9. TAXATION

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

10. BANK BALANCES

Bank balances carry interest at prevailing market rates for both years.

11. RELATED PARTY TRANSACTIONS

During the year, the Company entered into the following transactions with related parties:

<u>Name</u>	<u>Relationship</u>	<u>Nature of transaction</u>	<u>2011</u> HK\$	<u>2010</u> HK\$
Wong Hin Shek	Director	Donation income	54,446	-
So Kwok Hoo	Director	Donation income	93,800	-
So Chi Ming	Director	Donation income	-	543,200
Chan Ying Leung	Director	Donation income	<u>78,800</u>	<u>50,000</u>

Compensation of key management personnel

No remuneration was paid to key management personnel during the years ended 31 March 2011 and 2010.

<For Management Information Only>

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED
十分關愛基金會有限公司
(FORMERLY KNOWN AS TEN PERCENTAGE DONATION SCHEME FOUNDATION LIMITED)
(拾巴仙佈施計劃基金會有限公司)

DETAILED INCOME AND EXPENDITURE

YEAR ENDED 31 MARCH 2011

	<u>2011</u> HK\$	<u>2010</u> HK\$
Income		
Donation income	5,089,072	4,187,518
Other operating income:		
Bank interest income	37	40
	<u>5,089,109</u>	<u>4,187,558</u>
Expenditure		
Functions expenses	(638,988)	(561,340)
Donations made	(4,256,000)	(2,559,900)
Administrative expenses:		
Accounting fee	(1,000)	(1,000)
Audit fee	(1,000)	(700)
Bank charges	(823)	(825)
Business center expenses	(5,500)	(5,660)
Company secretarial fee	(1,295)	-
Computer expenses	(2,836)	(2,269)
License and registration fee	(11,200)	-
Local travelling	(100)	(463)
Postage and courier	(705)	(711)
Printing and stationery	(3,380)	(3,462)
Sundry expenses	(505)	(55)
Tax services fee	-	(1,000)
Telephone and communication	(1,355)	(2,634)
Transportation	-	(673)
	<u>(29,699)</u>	<u>(19,452)</u>
Surplus for the year	<u>164,422</u>	<u>1,046,866</u>