

TEN PERCENT DONATION SCHEME FOUNDATION
十分關愛基金會

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

TEN PERCENT DONATION SCHEME FOUNDATION

十分關愛基金會

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

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TEN PERCENT DONATION SCHEME FOUNDATION

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REPORT OF THE DIRECTORS

The directors present their 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 2014.

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 2014 is set out in the statement of income and expenditure and other comprehensive income on page 5.

DONATIONS

Donations made by the Company during the year ended 31 March 2014 for charitable purposes amounted to HK\$3,076,800.

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
So Kwok Hoo
Cheung Leung Hong
Chong Tin Lung

In accordance with Article 49 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’ RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company a party to any arrangement 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

十分關愛基金會

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.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

AUDITOR

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

On behalf of the Board



Chairman

Hong Kong
25 July 2014

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
十分關愛基金會
(incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of Ten Percent Donation Scheme Foundation (the "Company") set out on pages 5 to 20, which comprise the statement of financial position as at 31 March 2014, and the statement of income and expenditure and other comprehensive income, 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 2014 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
25 July 2014

TEN PERCENT DONATION SCHEME FOUNDATION

十分關愛基金會

STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

	<u>NOTES</u>	<u>2014</u> HK\$	<u>2013</u> HK\$
Income			
Net donation income	6	5,062,861	3,341,647
Other operating income	7	38	25
		<u>5,062,899</u>	<u>3,341,672</u>
Expenditure			
Donations made		(3,076,800)	(1,970,300)
Functions expenses		(1,362,341)	(844,104)
Administrative expenses		(259,180)	(19,936)
		<u>(4,698,321)</u>	<u>(2,834,340)</u>
Surplus and total comprehensive income for the year	8	<u>364,578</u>	<u>507,332</u>

TEN PERCENT DONATION SCHEME FOUNDATION

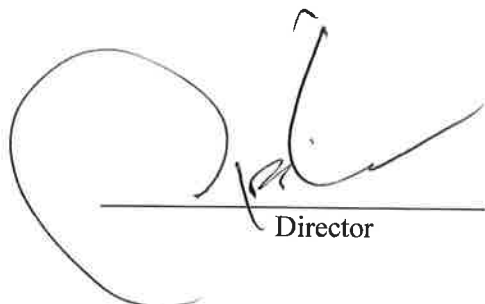
十分關愛基金會

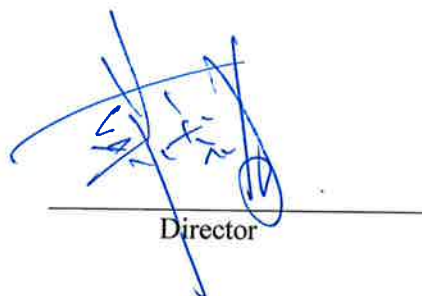
STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2014

	<u>NOTE</u>	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Current assets			
Bank balances and cash	10	2,109,659	1,728,512
Other receivables		1,210	-
		<u>2,110,869</u>	<u>1,728,512</u>
Current liability			
Accruals		19,779	2,000
Net assets		<u>2,091,090</u>	<u>1,726,512</u>
Reserve			
Accumulated surplus		<u>2,091,090</u>	<u>1,726,512</u>

The financial statements on pages 5 to 20 were approved and authorised for issue by the board of directors on 25 July 2014 and are signed on its behalf by:



Director

Director

TEN PERCENT DONATION SCHEME FOUNDATION

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STATEMENT OF CHANGES IN RESERVE

FOR THE YEAR ENDED 31 MARCH 2014

	<u>Accumulated surplus</u> HK\$
At 1 April 2012	1,219,180
Surplus for the year	<u>507,332</u>
At 31 March and 1 April 2013	1,726,512
Surplus for the year	<u>364,578</u>
At 31 March 2014	<u><u>2,091,090</u></u>

TEN PERCENT DONATION SCHEME FOUNDATION

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2014

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
OPERATING ACTIVITIES		
Surplus for the year	364,578	507,332
Adjustment for:		
Interest income	(38)	(25)
Operating cash flows before movements in working capital	364,540	507,307
Increase in other receivables	(1,210)	-
Increase in accruals	17,779	-
NET CASH FROM OPERATING ACTIVITIES	381,109	507,307
CASH FROM INVESTING ACTIVITY		
Interest received	38	25
NET INCREASE IN CASH AND CASH EQUIVALENTS	381,147	507,332
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,728,512	1,221,180
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	2,109,659	1,728,512

TEN PERCENT DONATION SCHEME FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

1. GENERAL

Ten Percent Donation Scheme Foundation 十分關愛基金 (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 address of the registered office and the principale place of business of the Company is Level 8, 88 Gloucester Road, Wan Chai, 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 HKFRSs which include HKFRSs, Hong Kong Accounting Standard (“HKAS(s)”) and Interpretations (“Int(s)”), issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in 2012
Amendments to HKFRS 1	Government Loans
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK (IFRIC*) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

* IFRIC represents the International Financial Reporting Interpretations Committee.

The adoption of these new and revised HKFRSs in the current year has had no material impact on the Company’s performance and positions for the current or prior years and/or disclosures set out in these financial statements.

NOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 2014**2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)**

The Company has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle ²
HKFRS 9	Financial Instruments ³
HKFRS 14	Regulatory Deferral Accounts ⁴
HKFRS 15	Revenue from Contracts with Customers ⁵
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ³
Amendments to HKFRS 10, HKFRS 12 and HKFRS 27	Investment Entities ¹
HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ⁴
HKAS 16 and HKAS 38	Classification of Acceptance Methods of Depreciation and Amortisation ⁴
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions ²
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ¹
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets ¹
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting ¹
HK(IFRIC) - Int 21	Levies ¹

¹ Effective for annual periods beginning on or after 1 January 2014.

² Effective for annual periods beginning on or after 1 July 2014.

³ Available for application - the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

⁴ Effective for annual periods beginning on or after 1 January 2016.

⁵ Effective for annual periods beginning on or after 1 January 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

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

Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in June 2012

The Annual Improvements to HKFRSs 2009-2011 addressed a number of amendments to various HKFRSs

The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

The amendments to HKAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in HKAS 16 and as inventory otherwise. The directors of the Company do not anticipate that the application of the amendments will have a material effect on the Company's financial statements.

Amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The Company has applied the amendments to HKFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to HKFRS 7 require entities to disclose information about:

- a) recognised financial instruments that are set off in accordance with HKAS 32 *Financial Instruments: Presentation*; and
- b) recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The amendments to HKFRS 7 have been applied retrospectively. The application of the amendments has had no material impact on the amounts reported and / or on the disclosures set out in the Group's consolidated financial statements.

HKFRS 9 Financial Instruments

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

With regard to the measurement of financial liabilities designated at fair value through profit or loss, HKFRS 9 requires that amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented 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 of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in fair value of the financial liability designated at fair value through profit or loss was presented in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

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

HKFRS 9 Financial Instruments (Continued)

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Company's financial assets and financial liabilities. Regarding the Company's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The directors of the Company anticipate that the application of the new standard may affect certain amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

Amendment to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

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 financial statements.

TEN PERCENT DONATION SCHEME FOUNDATION

十分關愛基金會

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

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. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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.

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 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.

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 and 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.

TEN PERCENT DONATION SCHEME FOUNDATION

十分關愛基金會

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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 the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

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.

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 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.

Financial liabilities

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

TEN PERCENT DONATION SCHEME FOUNDATION

十分關愛基金會

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derecognition

The Company derecognises 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 asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. 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 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 equity is recognised in profit or loss.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and 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 cash and cash equivalents 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.

In accordance with the Company's Articles of Association, borrowings shall not exceed 20% of the total assets of the Company. The directors of the Company 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 the two ended 31 March 2014 and 2013.

TEN PERCENT DONATION SCHEME FOUNDATION LIMITED

十分關愛基金會有限公司

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	<u>2014</u> HK\$	<u>2013</u> HK\$
Financial assets		
Loans and receivables (including bank balances)	<u>2,110,869</u>	<u>1,728,512</u>
Financial liabilities		
Amortised cost	<u>19,779</u>	<u>2,000</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 (2013: 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 (2013: 50 basis points) higher / lower and all other variables were held constant, the Company's surplus for the year ended 31 March 2014 (2013: surplus) would increase/decrease (2013: increase/decrease) by HK\$9,575 (2013: HK\$8,643). This is mainly attributable to the Company's exposure to interest rates on its variable-rate bank balances.

TEN PERCENT DONATION SCHEME FOUNDATION

十分關愛基金會

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

5. FINANCIAL INSTRUMENTS (Continued)

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

Credit risk

As at 31 March 2014, 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 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

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 less reimbursements covered by specific sponsorship during the year.

TEN PERCENT DONATION SCHEME FOUNDATION

十分關愛基金會

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

7. OTHER OPERATING INCOME

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

8. SURPLUS FOR THE YEAR

Surplus for the year has been arrived at after charging:

	<u>2014</u> HK\$	<u>2013</u> HK\$
Auditor's remuneration	1,000	1,000
Directors' emoluments	-	-
Staff costs	<u>125,239</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 Hong Kong Profits tax under section 88 of the Inland Revenue Ordinance.

TEN PERCENT DONATION SCHEME FOUNDATION

十分關愛基金會

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

10. BANK BALANCES

Bank balances carry interest at prevailing market rates for the years ended 31 March 2014 and 2013.

11. RELATED PARTY TRANSACTIONS

During the years ended 31 March 2014 and 2013, the Company entered into the following transactions with related parties:

Name	Relationship	Nature of transaction	2014 HK\$	2013 HK\$
Wong Hin Shek	Director	Donation income	25,200	33,000
So Kwok Hoo	Director	Donation income	83,600	115,800
So Chi Ming	Director	Donation income	259,483	31,000
Sun Kowk Wah	Director	Donation income	520,388	-
Chan Ying Leung	Director	Donation income	159,740	103,800
Chong Tin Lung	Director	Donation income	152,400	-
Cheung Leung Hong	Director	Donation income	63,300	-

Compensation of key management personnel

No remuneration was paid to key management personnel during the years ended 31 March 2014 and 2013.

TEN PERCENT DONATION SCHEME FOUNDATION

十分關愛基金會

DETAILED INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2014

	<u>2014</u> HK\$	<u>2013</u> HK\$
Income		
Donation income	5,062,861	3,461,647
Less: advertising covered by specific sponsorship	-	(120,000)
Net donation income	5,062,861	3,341,647
Other operating income:		
Bank interest income	38	25
	<u>5,062,899</u>	<u>3,341,672</u>
Expenditure		
Functions expenses	(1,362,341)	(844,104)
Donations made	(3,076,800)	(1,970,300)
Administrative expenses:		
Accounting fee	(1,000)	(1,000)
Audit fee	(1,000)	(1,000)
Bank charges	(1,168)	(561)
Business center rental	(10,857)	(6,600)
Computer related expenses	(103,070)	(1,536)
Insurance	(1,108)	-
Legal and Professional Fee	(4,770)	-
Local travelling	(1,191)	(547)
MPF – Employer	(4,922)	-
Postage and courier	(631)	(758)
Printing and stationery	(6,229)	(1,463)
Salary	(120,317)	-
Telephone and communication	(2,380)	(1,761)
Sundry expenses	(537)	(4,710)
	<u>(259,180)</u>	<u>(19,936)</u>
Total expenditure	<u>(4,698,321)</u>	<u>(2,834,340)</u>
Surplus for the year	<u>364,578</u>	<u>507,332</u>