

獻愛長者慈善社有限公司
GIVING LOVE ELDERLY CHARITABLE LIMITED

REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014

何樂貝會計師事務所有限公司
HO, LOK & PUI CPA LIMITED

獻愛長者慈善社有限公司

GIVING LOVE ELDERLY CHARITABLE LIMITED

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獻愛長者慈善社有限公司
GIVING LOVE ELDERLY CHARITABLE LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST MARCH 2014

The directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31st March 2014.

PRINCIPAL ACTIVITY

The principal activity of the company is provision of elderly charitable services. There was no significant change in the nature of the company's principal activity during the year.

FINANCIAL RESULTS AND STATE OF AFFAIRS

The results of the company for the year ended 31st March 2014 and the state of its affairs at that date are set out in the financial statements on pages 5 to 15.

DIVIDEND AND RESERVE

In accordance with the company's Memorandum of Association, no dividend shall be made to the members of the company. The directors do not recommend the transfer of any amount to reserve for the year.

PLANT AND EQUIPMENT

Details of movements in plant and equipment during the year are set out in note 8 to the financial statements.

DIRECTORS

The directors of the company during the year and up to the date of this report were as follows:

Cho Cheun Yu
Lo Siu Yin
Wat Mo Fong
Chim Terence
Mao Fan

In accordance with Articles No.39 of the company's Articles of Association, all directors shall retire from office at the third annual general meeting next after that at which he is elected, but shall be eligible for re-election.

The company did not enter into any contract, other than the contracts of service with the directors or any person engaged in the full-time employment of the company, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the company.

獻愛長者慈善社有限公司
GIVING LOVE ELDERLY CHARITABLE LIMITED

**DIRECTORS' REPORT (CONT.)
FOR THE YEAR ENDED 31ST MARCH 2014**

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed in note 11 "Related party transactions" to the financial statements, no contract of significance to which the company was a party and in which a director of the company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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.

AUDITORS

The company's auditors, Messrs. Ho, Lok & Pui CPA Limited, Certified Public Accountants, retire and, being eligible, offer themselves for re-appointment.

By order of the Board



Director

Hong Kong, 16 FEB 2015

何樂貝會計師事務所有限公司
HO, LOK & PUI CPA LIMITED
Certified Public Accountants

Directors: Tom S.T. Ho FCPA (Practising), ACA, FCCA, MBA 何兆棠 執業會計師
John K.C. Lok FCPA (Practising), ACA, FCCA, MBA, MSC 樂錦壯 執業會計師
Eddy C.W. Pui CPA (Practising), ACA, FCCA, BBA 貝朝榮 執業會計師

Room 1102-3, 11/F., 299QRC, 299 Queen's Road Central, Hong Kong
香港上環皇后大道中 299 號 299QRC 11 樓 1102-3 室 電話 Tel:2836 3189 傳真 Fax:2234 0834

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GIVING LOVE ELDERLY CHARITABLE LIMITED
獻愛長者慈善社有限公司
(incorporated in Hong Kong with limited liability)

We have audited the financial statements of Giving Love Elderly Charitable Limited ("the Company") set out on pages 5 to 15, which comprise the statement of financial position as at 31st March 2014, and the statement of comprehensive income, statement of changes in equity 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 are responsible for the preparation of financial statements that give a true and fair view in accordance with the Hong Kong Financial Reporting Standard for Private Entities 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. This report is made solely to you, as a body, in accordance with section 80 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), 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 requirement and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 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.

何樂貝會計師事務所有限公司
HO, LOK & PUI CPA LIMITED
Certified Public Accountants

Directors: Tom S.T. Ho FCPA (Practising), ACA, FCCA, MBA 何兆棠 執業會計師
John K.C. Lok FCPA (Practising), ACA, FCCA, MBA, MSC 樂錦壯 執業會計師
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Room 1102-3, 11/F., 299QRC, 299 Queen's Road Central, Hong Kong
香港上環皇后大道中 299 號 299QRC 11 樓 1102-3 室 電話 Tel:2836 3189 傳真 Fax:2234 0834

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GIVING LOVE ELDERLY CHARITABLE LIMITED
獻愛長者慈善社有限公司
(incorporated in Hong Kong with limited liability)

Auditor's Responsibility

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 31st March 2014, and of its surplus and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standard for Private Entities and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



Ho, Lok & Pui CPA Limited
Certified Public Accountants
Hong Kong, 16 FEB 2015

Ho Siu Tong
Practising Certificate Number P04291

獻愛長者慈善社有限公司
GIVING LOVE ELDERLY CHARITABLE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2014

	<i>Note</i>	2014 <u>HK\$</u>	2013 <u>HK\$</u>
REVENUE	3	1,596,332	1,850,489
DIRECT COSTS		(22,305)	(17,614)
GROSS SURPLUS		<u>1,574,027</u>	<u>1,832,875</u>
ADMINISTRATIVE EXPENSES		(1,446,592)	(1,893,856)
SURPLUS/(DEFICIT) BEFORE TAX	4	<u>127,435</u>	<u>(60,981)</u>
INCOME TAX EXPENSE	6	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		<u>127,435</u>	<u>(60,981)</u>
RETAINED SURPLUS BROUGHT FORWARD		76,614	137,595
RETAINED SURPLUS CARRIED FORWARD		<u><u>204,049</u></u>	<u><u>76,614</u></u>


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


獻愛長者慈善社有限公司
GIVING LOVE ELDERLY CHARITABLE LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2014

	<i>Note</i>	2014 <u>HK\$</u>	2013 <u>HK\$</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	216,670	152,369
Prepayments and sundry deposits		34,000	129,300
		250,670	281,669
NON-CURRENT ASSETS			
Plant and equipment	8	39,416	37,748
TOTAL ASSETS		290,086	319,417
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accruals		76,880	44,605
Amount due to a director	9	9,157	198,198
		86,037	242,803
MEMBERS' EQUITY			
Retained surplus		204,049	76,614
TOTAL LIABILITIES AND EQUITY		290,086	319,417

Approved by the Board of Directors on 16 FEB 2015


Chim Terence
Director


Mao Fan
Director

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

獻愛長者慈善社有限公司
GIVING LOVE ELDERLY CHARITABLE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2014

	<i>Note</i>	Retained surplus/(deficits) <u>HK\$</u>	Total <u>HK\$</u>
Balance at 31 st March 2012		137,595	137,595
Deficit for the year		(60,981)	(60,981)
Balance at 31 st March 2013		<u>76,614</u>	<u>76,614</u>
Surplus for the year		127,435	127,435
Balance at 31 st March 2014		<u><u>204,049</u></u>	<u><u>204,049</u></u>

獻愛長者慈善社有限公司
GIVING LOVE ELDERLY CHARITABLE LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2014

	2014 <u>HK\$</u>	2013 <u>HK\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	1,596,332	1,850,489
Cash paid to suppliers and employees	(1,317,070)	(1,879,688)
Net cash from/(used in) operating activities	<u>279,262</u>	<u>(29,199)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment to)/advance from a director	(189,041)	113,529
Net cash (used in)/from financing activities	<u>(189,041)</u>	<u>113,529</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(25,920)	(13,800)
Net cash used in investing activities	<u>(25,920)</u>	<u>(13,800)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>64,301</u>	<u>70,530</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	152,369	81,839
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>216,670</u></u>	<u><u>152,369</u></u>
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	<u><u>216,670</u></u>	<u><u>152,369</u></u>

獻愛長者慈善社有限公司
GIVING LOVE ELDERLY CHARITABLE LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014

REPORTING ENTITY

Giving Love Elderly Charitable Limited is a company incorporated and domiciled in Hong Kong with limited liability by guarantee. The company's registered office is located at M/F., No. 240 Tai Po Road, Sham Shiu Po, Kowloon, Hong Kong. The principal activity of the company is provision of elderly charitable services.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements of the company have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance, and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

The financial statements have been prepared under the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

a) Revenue

Revenue is recognized in profit or loss provided it is probable that the economic benefits will flow to the company and the revenue and costs, if applicable, can be measured reliably, as follows:

- (i) donation and public subscription are recognized when the money is received.

b) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs, maintenance and overhaul costs, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future benefits expected to be obtained from the use of the assets, the expenditure is capitalized as an additional cost to the assets. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement.

Depreciation is provided to write off the cost of depreciable plant and equipment over their estimated useful lives, using the straight line method. The principal annual rates used for depreciation are as follows:

Leasehold improvement	25%
Plant and machinery	30%
Furniture and equipment	20%

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT.)

c) Impairment of non-financial assets, other than inventories

At each reporting date, plant and equipment and other non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary environment in which the company operates (the functional currency). The financial statements are presented in Hong Kong dollars, which is the company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within "finance costs". All other foreign exchange gains and losses are presented in profit or loss within "other income" or "other expenses".

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT.)

f) Employee benefits obligations

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The company operates a Mandatory Provident Fund Scheme (the MPF scheme) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employee's relevant income, subject to a cap of monthly relevant income of HK\$25,000. Contributions to the plan vest immediately.

g) Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (i) A person or a close member of that person's family is related to the Company if that person;
 - 1) is a member of the key management personnel of the Company or of a parent of the Company;
 - 2) has control over the Company; or
 - 3) has joint control or significant influence over the reporting entity or has significant voting power in it.
- (ii) An entity is related to the Company if any of the following conditions applies:
 - 1) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - 2) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member);
 - 3) both entities are joint ventures of a third entity;
 - 4) either entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - 5) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan;
 - 6) the entity is controlled or jointly controlled by a person identified in (i);
 - 7) a person identified in (i)(1) has significant voting power in the entity.

獻愛長者慈善社有限公司
GIVING LOVE ELDERLY CHARITABLE LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL
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FOR THE YEAR ENDED 31ST MARCH 2014

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT.)

h) Operating leases

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

i) Account payables

Account payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2. LIMITED LIABILITY BY GUARANTEE

Every member of the company undertakes to contribute to the assets of the company, in the event of its being wound up while he is a member, or within one year after he ceased to be a member, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and of the costs, charges and expenses of winding-up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding HK\$10.

3. REVENUE

Revenue represents income from donation and public subscription received or receivable during the year. An analysis of the company's revenue is set out below:

	2014 <u>HK\$</u>	2013 <u>HK\$</u>
Donation received	1,147,731	1,500,656
Public subscription	448,601	349,833
	<u>1,596,332</u>	<u>1,850,489</u>

The net income from the public subscription has been used for financing the daily operation of the company.

獻愛長者慈善社有限公司
GIVING LOVE ELDERLY CHARITABLE LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL
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FOR THE YEAR ENDED 31ST MARCH 2014

4. SURPLUS/(DEFICIT) BEFORE TAX

Surplus/(deficit) before tax is arrived at:

	2014 <u>HK\$</u>	2013 <u>HK\$</u>
After charging the following items:		
Auditors' remuneration	9,000	9,000
Depreciation	24,252	22,387
Operating lease rental in respect of leased premises	358,000	492,000
Staff costs (excluding directors' remuneration)		
- Salaries and welfare	533,200	482,325
- Contributions to mandatory contribution fund	27,036	20,243

5. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 78 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), which requires compliance with section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32) is as follows:

	2014 <u>HK\$</u>	2013 <u>HK\$</u>
Fees	-	-
Other emoluments	-	-

6. INCOME TAX EXPENSE

The company, being a charitable institution, is exempted from tax under Section 88 of the Inland Revenue Ordinance.

7. CASH AND CASH EQUIVALENTS

	2014 <u>HK\$</u>	2013 <u>HK\$</u>
Cash at bank and on hand	216,670	152,369

獻愛長者慈善社有限公司
GIVING LOVE ELDERLY CHARITABLE LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL
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FOR THE YEAR ENDED 31ST MARCH 2014

8. PLANT AND EQUIPMENT

	Leasehold improvement <u>HK\$</u>	Plant and machinery <u>HK\$</u>	Furniture and equipment <u>HK\$</u>	Total <u>HK\$</u>
Cost				
At 1 st April 2013	20,000	59,600	194,375	273,975
Additions	-	-	25,920	25,920
At 31 st March 2014	20,000	59,600	220,295	299,895
Accumulated depreciation and impairment losses				
At 1 st April 2013	10,000	59,600	166,627	236,227
Depreciation for the year	5,000	-	19,252	24,252
At 31 st March 2014	15,000	59,600	185,879	260,479
Net carrying amount				
At 31 st March 2014	5,000	-	34,416	39,416
At 31 st March 2013	10,000	-	27,748	37,748

9. AMOUNT DUE TO A DIRECTOR

The amount is due to the director Mr. Chim Terence; and is interest-free, unsecured and has no fixed repayment term.

10. COMMITMENTS UNDER OPERATING LEASES

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

	2014 HK\$	2013 HK\$
- not later than one year	270,000	12,000

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ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL
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FOR THE YEAR ENDED 31ST MARCH 2014

11. RELATED PARTY TRANSACTIONS

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

	2014 <u>HK\$</u>	2013 <u>HK\$</u>
Rental paid to a related company	<u>196,000</u>	<u>336,000</u>

The director of the company, Mr. Chim Terence, is the sole proprietor of the related company.

12. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the company's Board of Directors on 16 FEB 2015 .

THE FOLLOWING SCHEDULE DOES NOT FORM PART OF THE
AUDITED FINANCIAL STATEMENTS

獻愛長者慈善社有限公司
GIVING LOVE ELDERLY CHARITABLE LIMITED

DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2014

	For information of management only	
	2014	2013
	<u>HK\$</u>	<u>HK\$</u>
REVENUE		
Donation received	1,147,731	1,500,656
Public subscription	448,601	349,833
	1,596,332	1,850,489
Less: DIRECT COSTS		
Direct costs on public subscription	22,305	17,614
GROSS SURPLUS	<u>1,574,027</u>	<u>1,832,875</u>
Less: ADMINISTRATIVE EXPENSES		
Advertising and promotion expenses	-	382,976
Audit fee	9,000	9,000
Bank charges	17,280	19,569
Consumables	13,613	-
Depreciation	24,252	22,387
Function expenses	386,836	334,480
Insurance	-	1,108
Messing	7,161	23,908
Postage and courier	-	18
Printing and stationery	21,029	47,369
Professional fee	18,350	5,850
Rent	358,000	492,000
Salaries and allowances	560,236	502,568
Sundry expenses	9,986	7,253
Telephone and communication	5,037	9,693
Transportation	-	670
Travelling	-	41
Utilities	15,812	34,966
	1,446,592	1,893,856
SURPLUS/(DEFICIT) BEFORE TAX	<u>127,435</u>	<u>(60,981)</u>