

SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

(FOR MANAGEMENT PURPOSE ONLY)

	SCHEDULES	12 months Year ended 31.03.2013 HK\$	14 months Period ended 31.03.2012 HK\$
DONATION RECEIPTS		492,127.60	128,948
OTHER INCOME AND GAIN	1	3,774.95	821
DONATION PAYMENTS		( 382,446.99 )	( 18,900 )
ADMINISTRATIVE EXPENSES	2	-	( 7,800 )
OTHER OPERATING EXPENSES	3	( 21,178.24 )	( 2,438 )
SURPLUS FOR THE YEAR/PERIOD		<u>92,277.32</u>	<u>100,631</u>

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Taxation

The association has been exempted from tax under section 88 of the Inland Revenue Ordinance and accordingly, no tax was paid nor provided during the year.

3. DONATION RECEIPTS

Donation receipts represent total donation income from members and non-members.

	12 months Year ended 31.03.2013 HK\$	14 months Period ended 31.03.2012 HK\$
4. OTHER INCOME AND GAIN		
Bank interest received	181.20	-
Gain on exchange	2,843.75	121
Membership fee received	<u>750.00</u>	<u>700</u>
	<u>3,774.95</u>	<u>821</u>

5. SUPRLUS FOR THE YEAR/PERIOD

Surplus for the year/period is arrived at after charging :-

Auditors' remuneration	<u>-</u>	<u>3,500</u>
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6. COMPARATIVE FIGURES

Amounts shown for the current year and comparative amounts disclosed in respect of the previous period are not comparable because the previous reporting period is a fourteen months period which is different from the current reporting year of twelve months.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### d. Cash and cash equivalents

For statement of cash flows purpose, cash and cash equivalents comprises cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, having been within three months of maturity at acquisition.

### e. Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies at the end of the year are translated into Hong Kong dollars at approximately the market rates of exchange ruling at the reporting date. Foreign currency transactions occurred during the year is translated into Hong Kong dollars at the actual exchange rates applicable, at the transaction dates. Gain or loss arising from this translation policy is dealt with in profit or loss.

### f. Related parties

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

- (a) A person or a close member of that person's family is related to the association if that person:
  - (i) is a member of the key management personnel of the association;
  - (ii) has control over the association; or
  - (iii) has joint control or significant influence over the reporting entity or has significant voting power in it.
- (b) An entity is related to the association if any of the following conditions applies:
  - (i) the entity and the association are members of the same group.
  - (ii) either entity is an associate or joint venture of the other entity.
  - (iii) both entities are joint ventures of a third entity.
  - (iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the association or an entity related to the association. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
  - (vi) the entity is controlled or jointly controlled by a person identified in (a).
  - (vii) a person identified in (a)(i) has significant voting power in the entity.

**SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES**  
**TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

1. GENERAL INFORMATION

Seeds of Art Charity Foundation Company Limited (the association) is a company incorporated and domiciled in Hong Kong with liability limited by guarantee. The registered office is situated at Unit 406, 4<sup>th</sup> Floor, Citylink Plaza, Shatin, New Territories, Hong Kong. The principal activities of the association are to provide assistance to students in rural mountain areas in the Mainland China.

The financial statements are presented in Hong Kong Dollars which is the same as the functional currency of the association.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These financial statements 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 (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance.

b. Basis of preparation of the financial statements

The financial statements have been prepared under the accrual basis of accounting and on the basis that the association is on a going concern. The measurement basis used in the preparation of these financial statements is historical cost.

c. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised when it is probable that the economic benefits will flow to the association and when the revenue can be measured reliably, on the following bases :

- (i) Donation receipt is recognised in the financial period of receipt.
- (ii) Membership fee received is recognised in the financial period of receipt.
- (iii) Interest income, on time proportion basis, taking into account the principal outstanding and the effective interest rates applicable.

**SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

	12 months Year ended 31.03.2013 HK\$	14 months Period ended 31.03.2012 HK\$
<b>Cash flows from operating activities</b>		
Surplus for the year/period	<u>92,277</u>	<u>100,631</u>
Operating surplus before changes in working capital	92,277	100,631
(Decrease)/Increase in accrued charge	( 3,500 )	<u>3,500</u>
<b>Net cash generated from operating activities</b>	<u>88,777</u>	<u>104,131</u>
<b>Net increase in cash and cash equivalents</b>	88,777	104,131
<b>Cash and cash equivalents at the beginning of the year/period</b>	<u>104,131</u>	<u>-</u>
<b>Cash and cash equivalents at the end of the year/period</b>	<u>192,908</u>	<u>104,131</u>
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash at bank and in hand	<u>192,908</u>	<u>104,131</u>

The accompanying notes form part of these financial statements.

SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

	Accumulated surplus HK\$	Total HK\$
Balance as at 23 <sup>rd</sup> February, 2011	-	-
Surplus and total comprehensive income for the period	<u>100,630.71</u>	<u>100,630.71</u>
Balance as at 31 <sup>st</sup> March, 2012	100,630.71	100,630.71
Surplus and total comprehensive income for the year	<u>92,277.32</u>	<u>92,277.32</u>
Balance as at 31 <sup>st</sup> March, 2013	<u>192,908.03</u>	<u>192,908.03</u>

**SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> MARCH, 2013**

	As at 31.03.2013 HK\$	As at 31.03.2012 HK\$
<b>Current assets</b>		
Cash at bank	189,320.27	72,971
Cash in hand	<u>3,587.76</u>	<u>31,160</u>
	192,908.03	104,131
<b>Current liabilities</b>		
Accrued charge	<u>-</u>	<u>3,500</u>
<b>Net current assets</b>	<u>192,908.03</u>	<u>100,631</u>
<b>NET ASSETS</b>	<u>192,908.03</u>	<u>100,631</u>
 <b>RESERVE</b>		
Accumulated surplus	<u>192,908.03</u>	<u>100,631</u>
	<u>192,908.03</u>	<u>100,631</u>

The financial statements on pages 5 to 11 were approved and authorised for issue by the Executive Committee on 31st October, 2013 and are signed on its behalf by :



\_\_\_\_\_  
 Mr. Li Chi Hung  
 Executive committee member



\_\_\_\_\_  
 Mr. Chan Hoi Fung  
 Executive committee member

The accompanying notes form part of these financial statements.

**SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

	NOTE	12 months Year ended 31.03.2013 HK\$	14 months Period ended 31.03.2012 HK\$
DONATION RECEIPTS	3	492,127.60	128,948
OTHER INCOME AND GAIN	4	3,774.95	821
DONATION PAYMENTS		( 382,446.99 )	( 18,900 )
ADMINISTRATIVE EXPENSES		-	( 7,800 )
OTHER OPERATING EXPENSES		( <u>21,178.24</u> )	( <u>2,438</u> )
SURPLUS FOR THE YEAR/PERIOD	5	<u>92,277.32</u>	<u>100,631</u>
SURPLUS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		<u>92,277.32</u>	<u>100,631</u>

The accompanying notes form part of these financial statements.



An audit involves performing procedures to obtain audit evidence about the amounts, and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the association'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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive committee, 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.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the state of the association's affairs as at 31<sup>st</sup> March, 2013 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.

  
Yu How Yuen & Company  
Certified Public Accountants (Practising)  
Hong Kong

Date : 4th November, 2013

## YU HOW YUEN & COMPANY

Chartered Accountants  
Certified Public Accountants (Practising)

7/F., 27/F. & Penthouse,

1 Des Voeux Road West, Hong Kong.

7/F (Audit Section)

27/F (Tax & Corporate Secretary Section)

Tel: (852) 2542 2988 Fax: (852) 2543 1299

Mr. Yu How Yuen

FCCA ACA (ICAEW) FCCA FTIHK CTA

余孝源會計師行  
英格蘭及威爾斯特許會計師  
香港執業資深會計師  
香港德輔道西1號  
7樓及27樓連閣樓  
7樓(審計部) 27樓(稅務及企業秘書部)

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED (incorporated in Hong Kong with limited liability by guarantee)

We have audited the financial statements of Seeds of Art Charity Foundation Company Limited ("the association") set out on pages 5 to 11, which comprise the statement of financial position as at 31<sup>st</sup> March, 2013 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.

#### Executive Committee's Responsibility for the Financial Statements

The executive committee is responsible for the preparation of the 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 executive committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

**EXECUTIVE COMMITTEE (CONTINUED)**

In accordance with article 36 of the association's Articles of Association, all executive committee members who have been in office for two years since their last election, shall retire from office and being eligible for re-election.

**EXECUTIVE COMMITTEE MEMBERS' INTEREST IN CONTRACTS**

No contract of significance to which the association was a party and in which the executive committee members had a material interest, either direct or indirect, subsisted at the end of the year or at any time during the financial year.

**EXECUTIVE COMMITTEE MEMBERS' RIGHT TO ACQUIRE SHARES OR DEBENTURES**

At no time during the financial year was the association, a party to any arrangement whose object was to enable the executive committee members of the association to acquire benefits by means of acquisition of shares in or debentures of any other body corporate.

**AUDITORS**

Messrs. Yu How Yuen & Company, Certified Public Accountants (Practising), retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Yu How Yuen & Company, Certified Public Accountants (Practising) as the association's auditors is to be proposed at the forthcoming Annual General Meeting.

By Order of the Executive Committee



Chairman

Hong Kong : 31st October, 2013

## SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED

### REPORT OF THE EXECUTIVE COMMITTEE

The executive committee has pleasure in submitting herewith their annual report together with the audited financial statements for the year ended 31<sup>st</sup> March, 2013.

#### PRINCIPAL PLACE OF BUSINESS

Seeds of Art Charity Foundation Company Limited (the association) is a company incorporated and domiciled in Hong Kong and has its registered office at Unit 406, 4<sup>th</sup> Floor, Citylink Plaza, Shatin, New Territories, Hong Kong.

#### PRINCIPAL ACTIVITIES

The principal activities of the association are to provide assistance to students in rural mountain areas in the Mainland China.

#### STATE OF AFFAIRS AND FINANCIAL RESULTS

The state of affairs of the association at 31<sup>st</sup> March, 2013 and its financial results for the year then ended are set out on pages 5 to 11 of the annexed financial statements.

#### RESERVES

There were no movements in the reserves except for changes to accumulated surplus which arose from surplus or deficit.

#### EXECUTIVE COMMITTEE

The executive committee members who held office during the financial year and up to the date of this report were :-

Mr. Chan Hoi Fung	
Mr. Chan Yiu Hong Alexander	(Appointed on 29 <sup>th</sup> April, 2012 and resigned on 28 <sup>th</sup> April, 2013)
Mr. Chek Ping Cheong	
Ms. Lam Kwai Yung	(Resigned on 23 <sup>rd</sup> June, 2012)
Mr. Leung Wai Tak Dennis	(Resigned on 28 <sup>th</sup> April, 2013)
Mr. Li Chi Hung	
Mr. Li Wai Leung	(Resigned on 28 <sup>th</sup> April, 2013)
Mr. Liu Hiu Fai	(Appointed on 29 <sup>th</sup> April, 2012)
Mr. Ng Hing Wai Willy	(Appointed on 28 <sup>th</sup> April, 2013)
Ms. Ng Lai Kei	
Mr. Siu Cheong Mau Steven	
Ms. To Chung Man	
Mr. Wong Lam	
Ms. Wong Oi Mei	(Resigned on 28 <sup>th</sup> April, 2013)

**SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

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**SEEDS OF ART CHARITY FOUNDATION  
COMPANY LIMITED**

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**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

**余孝源會計師行**  
**YU HOW YUEN & COMPANY**  
CHARTERED ACCOUNTANTS  
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)  
HONG KONG

藝術扶苗慈善基金會有限公司

Income & Expenditure Account

Year ended : 31.3.2013

	HKD	HKD
收入:		
助學行動	250,476.30	
寒冷的呼喚收入	7,570.00	
愛心淨愛堂籌建計劃 - 2012	90,144.00	
愛心雲南行贊助寒衣 - 2012	10,955.00	
愛心木床捐助計劃 2012	22,534.00	
愛心木床捐助計劃 2013	64,568.00	
送暖雲南行愛心米 2013	26,338.00	
病童周碧雲捐助	5,548.70	
關愛廣州重病孩子	1,000.00	
藝術扶苗捐款	7,266.00	
行政經費捐助	3,597.60	
不知明收入	2,130.00	
會員收入	750.00	
利息收入	181.20	
滙率損溢	2,546.41	495,605.21

支出:	
寒冷的呼喚支出	(24,354.29)
愛心木床捐助計劃 2012 匯款	(13,872.00)
愛心木床捐助計劃 2013 匯款	(27,468.00)
送暖雲南行愛心米 2013 支出	(26,338.00)
關愛廣州重病孩子 支出	(1,000.00)
侯碧華助學金支出	(2,000.00)
湖南鳳凰阿拉小學	(76,608.00)
維西蘭永小學匯款	(18,900.00)
尼西小學匯款	(74,214.00)
洛吉小學匯款	(31,500.00)
貴州岩洞第二批助學匯款	(48,132.00)
三壩小學助學金	(20,160.00)
侯碧華助學金	(1,890.00)
匯款至病童周碧雲及匯款費用	(5,048.70)
愛心雲南之行	(10,962.00)
會計師費用	(3,500.00)
銀行費用	(709.50)
文具及印刷費用	(2,237.68)
場地費用	(930.00)
運費	(17,301.06)

For and on behalf of  
SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED  
藝術扶苗慈善基金會有限公司



.....  
Authorized Signature(s)

本年度盈餘

88,479.98

SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED

AUDIT ADJUSTMENTS AS AT 31<sup>ST</sup> MARCH, 2013

	Dr. HK\$	Cr. HK\$	Increase/ (Decrease) in Surplus HK\$
Surplus as per client's financial statements			88,479.98
1. Cash in hand - RMB	552.47		
Cash at bank			
- RMB S/A		251.65	
- USD S/A		3.48	
Exchange difference		297.34	297.34
Being foreign currency monetary assets retranslated at year end rate.			
2. Accrued charge	3,500.00		
Auditors' remuneration		3,500.00	3,500.00
Being posting error for settlement of last year's audit fee.			
Surplus as per audited financial statements			<u>92,277.32</u>

Approved and confirmed by :



Executive committee member



Executive committee member



# YU HOW YUEN & COMPANY

Chartered Accountants

Certified Public Accountants (Practising)

7/F., 27/F. & Penthouse,

1 Des Voeux Road West, Hong Kong.

7/F (Audit Section)

27/F (Tax & Corporate Secretary Section)

Tel: (852) 2542 2988 Fax: (852) 2543 1299

Mr. Yu How Yuen

FCCA ACA (ICAEW) FCCA FTIHK CTA

余孝源會計師行  
英格蘭及威爾斯特許會計師  
香港執業資深會計師  
香港德輔道西1號  
7樓及27樓連閣樓  
7樓(審計部) 27樓(稅務及企業秘書部)

Our Ref. : S.164

6<sup>th</sup> November, 2013

The Executive Committee  
Seeds of Art Charity Foundation  
Company Limited


Dear Sir,

Re : Seeds of Art Charity Foundation Company Limited  
Financial Statements for the Year 31<sup>st</sup> March, 2013

We return herewith the following documents for your record :

- (a) 2 copies of the captioned association's financial statements.
- (b) 1 copy of audit adjustments.

Yours faithfully,



Yu How Yuen & Company  
Certified Public Accountants (Practising)  
Yu/ft  
Encl.

**SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED**

**SCHEDULES ANNEXED TO THE DETAILED**

**INCOME STATEMENT**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

**(FOR MANAGEMENT PURPOSE ONLY)**

	12 months Year ended 31.03.2013 HK\$	14 months Period end 31.03.2012 HK\$
<b>1. OTHER INCOME AND GAIN</b>		
Bank interest received	181.20	-
Gain on exchange	2,843.75	121
Membership fee received	750.00	700
	<u>3,774.95</u>	<u>821</u>
 <b>2. ADMINISTRATIVE EXPENSES</b>		
Auditors' remuneration	-	3,500
Secretarial fee	-	4,300
	<u>-</u>	<u>7,800</u>
 <b>3. OTHER OPERATING EXPENSES</b>		
Bank charges	709.50	150
Printing & stationery	2,237.68	1,319
Sundry expenses	930.00	492
Telephone expenses	-	120
Transportation	17,301.06	357
	<u>21,178.24</u>	<u>2,438</u>