

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

FCPA 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樓連圍樓
7樓(會計部) 27樓(稅務及企業秘書部)

Our Ref. : S.164

8th December, 2014

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 31st March, 2014

We return herewith 2 copies of the captioned financial statements for your record.

Yours faithfully,



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

藝術扶苗慈善基金會有限公司
Seeds of Art Charity Foundation Company Limited

Income & Expenditure Account

Year ended : 31.3.2014

	HKD	HKD
收入		
善款箱收入	4,535.86	
助學行動	360,960.20	
愛心熱水器捐款	100,544.00	
羅平步行活動經費	3,380.00	
愛心雲南行捐款	94,123.00	
愛心雲南行旅費	14,400.00	
慈善籌款晚宴捐款	89,840.00	
尼西地震校園重建捐款	103,767.90	
紅河步行-行政經費捐款	32,500.00	
紅河步行籌款旅費	233,750.00	
紅河步行捐款	260,505.64	
藝術扶苗捐款	41,717.70	
愛心廁所籌建計劃	30,814.00	
寒冷的呼喚	500.00	
愛心棹椅捐助計劃 2013	22,800.00	
愛心淨愛堂籌建計劃 - 2012	6,570.00	
不知明收入	7,260.00	
會員收入	1,100.00	
利息收入	230.85	
其他收入	500.00	
匯率損溢	-1,950.42	1,407,848.73
支出		
愛心木床捐助計劃 2013匯款	(5,292.00)	
尼西地震校園生活重建計劃匯款	(158,234.66)	
廣州高州三學童助學金匯款	(3,150.00)	
慈善籌款晚宴支出	(25,999.50)	
湖南阿拉小學助學金匯款	(31,907.20)	
貴州岩洞第二批助學匯款	(50,642.00)	
尼西助學金	(77,742.00)	
茂名學生謝金仙助學金匯款	(1,907.20)	
岩洞小學愛心廁所匯款	(124,969.40)	
三霸小學助學金	(32,130.00)	
愛心棹椅匯款	(13,860.00)	
藝術扶苗慈善基金T-Shirt 費用	(4,851.00)	
紅河步行籌款探路費	(10,005.00)	
紅河步行籌款旅費	(231,415.00)	
紅河步行籌款T-Shirt 費用	(10,972.80)	
紅河步行活動(內地活動統籌費用)	(6,410.00)	
紅河慶功宴支出	(5,000.00)	

藝術扶苗慈善基金會有限公司
Seeds of Art Charity Foundation Company Limited
 Income & Expenditure Account
 Year ended : 31.3.2014

	HKD	HKD
洛吉小學匯款	(28,980.00)	
東旺小學助學金匯款	(37,800.00)	
愛心雲南行支出-圖書,玩具,寒衣,棉被	(77,556.30)	
紅河活動慈善款項20%轉至香港影視體育協會	(50,914.00)	
福建步行籌款-探路費	(14,750.80)	
資助先天性心臟病患者手術費用捐款	(12,742.00)	
會計師費用		
公司註冊處費用及查冊費用	(105.00)	
宣傳費用	(658.00)	
銀行費用	(1,650.80)	
文具及印刷費用	(7,350.18)	
郵費	(496.28)	
運費	(39,155.39)	
什項	(5,696.08)	
場地費用	(1,473.00)	(1,073,815.59)
本年度盈餘		334,033.14

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)

藝術扶苗慈善基金會有限公司
Seeds of Art Charity Foundation Company Limited
 Statement of Financial Position
 As at : 31.3.2014

	HKD	HKD
流動資產		
中國銀行港幣儲蓄戶口	438,869.23	
中國銀行人民幣儲蓄戶口 (RMB53,563.53)	67,490.05	
中國銀行美金儲蓄戶口 (USD87.09)	675.82	
零用現金 - 港幣	3,835.40	
- 人民幣 (RMB12,754.50)	<u>16,070.67</u>	526,941.17
		<u>526,941.17</u>
盈餘滾存		192,908.03
本年度盈餘		334,033.14
		<u>526,941.17</u>

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)

SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2014

**SEEDS OF ART CHARITY FOUNDATION
COMPANY LIMITED**

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH, 2014

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF FINANCIAL POSITION

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CASH FLOWS

NOTES TO THE FINANCIAL STATEMENTS AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS

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

SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2014

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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 31st March, 2014.

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, 4th 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 31st March, 2014 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 Chi Fai Jeremy	(Appointed on 17 th November, 2013)
Mr. Chan Hoi Fung	
Mr. Chan Yiu Hong Alexander	(Resigned on 28 th April, 2013)
Mr. Chek Ping Cheong	
Ms. Kwok Siu Ping	(Appointed on 17 th November, 2013)
Mr. Leung Wai Tak Dennis	(Resigned on 28 th April, 2013)
Mr. Li Chi Hung	
Mr. Li Wai Leung	(Resigned on 28 th April, 2013)
Mr. Liu Hiu Fai	(Resigned on 29 th June, 2014)
Mr. Ng Hing Wai Wily	(Appointed on 28 th April, 2013)
Ms. Ng Lai Kei	(Resigned on 29 th June, 2014)
Mr. Siu Cheong Mau Steven	
Ms. To Chung Man	
Mr. Wong Lam	
Ms. Wong Oi Mei	(Resigned on 28 th April, 2013)
Mr. Yim Tsz Ming	(Appointed on 17 th November, 2013)

EXECUTIVE COMMITTEE (CONTINUED)

The following executive committee members were appointed after the end of the financial year :

Mr. Chung Wing Mun	(Appointed on 23 rd September, 2014)
Mr. Ng Wai Hung	(Appointed on 23 rd September, 2014)
Ms. Yick Wing Man	(Appointed on 23 rd September, 2014)

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.

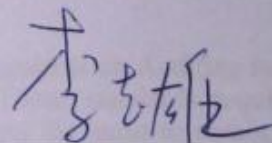
EXECUTIVE COMMITTEE MEMBERS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

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.

On behalf of the Executive Committee



Mr. Li Chi Hung
Chairman

Hong Kong : 5th December, 2014

YU HOW YUEN & COMPANY

Chartered Accountants
Certified Public Accountants (Practising)

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

1 Des Voeux Road West, Hong Kong.

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

Mr. Yu How Yuen

FCPA 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 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.

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 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 the 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 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 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.


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

Date : 8th December, 2014

SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED

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

	NOTE	2014 HK\$	2013 HK\$
DONATION RECEIPTS	3	1,159,818.30	492,128
OTHER INCOME AND GAIN	4	249,980.85	3,775
DONATION PAYMENTS		(707,826.76)	(382,447)
ADMINISTRATIVE EXPENSE		(105.00)	-
OTHER OPERATING EXPENSES		(367,834.25)	(21,179)
SURPLUS FOR THE YEAR	5	<u>334,033.14</u>	<u>92,277</u>
SURPLUS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>334,033.14</u>	<u>92,277</u>

The accompanying notes form part of these financial statements.

(Signature)
Executive committee member

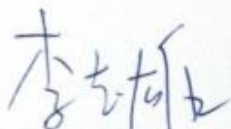
(Signature)
Executive committee member

The accompanying notes form part of these financial statements.

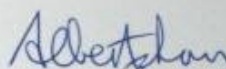
SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2014

	2014 HK\$	2013 HK\$
Current assets		
Cash at bank	507,035.10	189,320
Cash in hand	19,906.07	3,588
	<u>526,941.17</u>	<u>192,908</u>
NET ASSETS	<u>526,941.17</u>	<u>192,908</u>
RESERVE		
Accumulated surplus	<u>526,941.17</u>	<u>192,908</u>
	<u>526,941.17</u>	<u>192,908</u>

The financial statements on pages 5 to 11 were approved and authorised for issue by the Executive Committee on 5th December, 2014 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 CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2014

	Accumulated surplus HK\$	2014 1023	2013 Total HK\$
<i>Cash flows from operating activities</i>			
Balance as at 31 st March, 2012	100,630.71	<u>100,630.71</u>	100,630.71
Surplus and total comprehensive income for the year	<u>92,277.32</u>	<u>192,908.03</u>	<u>92,277.32</u>
Balance as at 31 st March, 2013	192,908.03		192,908.03
Surplus and total comprehensive income for the year	<u>334,033.14</u>	<u>334,033.14</u>	<u>334,033.14</u>
Balance as at 31 st March, 2014	<u>526,941.17</u>		<u>526,941.17</u>
<i>Cash and cash equivalents at the beginning of the year</i>		<u>192,908</u>	<u>192,908</u>
<i>Cash and cash equivalents at the end of the year</i>		<u>526,941</u>	<u>192,908</u>
<i>Analysis of the balances of cash and cash equivalents</i>			
<i>Cash at bank and in hand</i>		<u>526,941</u>	<u>192,908</u>

The accompanying notes form part of these financial statements.

SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2014

	2014 HK\$	2013 HK\$
Cash flows from operating activities		
Surplus for the year	<u>334,033</u>	<u>92,277</u>
Operating surplus before changes in working capital	334,033	92,277
Decrease in accrued charge	<u>-</u>	<u>(3,500)</u>
Net cash generated from operating activities	<u>334,033</u>	<u>88,777</u>
Net increase in cash and cash equivalents	334,033	88,777
Cash and cash equivalents at the beginning of the year	<u>192,908</u>	<u>104,131</u>
Cash and cash equivalents at the end of the year	<u>526,941</u>	<u>192,908</u>
Analysis of the balances of cash and cash equivalents		
Cash at bank and in hand	<u>526,941</u>	<u>192,908</u>

The accompanying notes form part of these financial statements.

SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES

TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2014

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, 4th 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). These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance which concern the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance, Cap. 32, in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance, Cap. 622, "Account and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements have been prepared under the historical cost convention. A summary of the significant accounting policies adopted by the Association is set out below.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 is recognised on time proportion basis, taking into account the principal outstanding and the effective interest rates applicable.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Related parties (continued)

- (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.

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.

	2014 HK\$	2013 HK\$
4. OTHER INCOME AND GAIN		
Bank interest received	230.85	181
Gain on exchange	-	2,844
Membership fee received	1,100.00	750
Receipts for charity activities	248,150.00	-
Sundry income	500.00	-
	<u>249,980.85</u>	<u>3,775</u>

5. SUPRLUS FOR THE YEAR

Surplus for the year is arrived at after charging :-

Expenses for charity activities	231,415.00	-
Loss on exchange	<u>1,950.42</u>	<u>-</u>

SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2014

(FOR MANAGEMENT PURPOSE ONLY)

	SCHEDULE	2014 HK\$	2013 HK\$
DONATION RECEIPTS		1,159,818.30	492,128
OTHER INCOME AND GAIN	1	249,980.85	3,775
DONATION PAYMENTS		(707,826.76)	(382,447)
ADMINISTRATIVE EXPENSE	2	(105.00)	-
OTHER OPERATING EXPENSES	3	(367,834.25)	(21,179)
SURPLUS FOR THE YEAR		<u>334,033.14</u>	<u>92,277</u>

2. ADMINISTRATIVE EXPENSE

Secretarial fee

105.00

3. OTHER OPERATING EXPENSES

Bank charges

1,530.30

716

Expenses for charity activities

241,415.27

Fund raising expenses

77,138.10

Loss on exchange

1,950.42

Postage

496.23

Printing and stationery

17,740.74

2,239

Promotion expense

628.06

Sundry expenses

12,620.43

915

Transportation

79,153.75

17,381

367,834.25

21,179

SEEDS OF ART CHARITY FOUNDATION COMPANY LIMITED
SCHEDULES ANNEXED TO THE DETAILED
INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2014
(FOR MANAGEMENT PURPOSE ONLY)

	2014 HK\$	2013 HK\$
1. OTHER INCOME AND GAIN		
Bank interest received	230.85	181
Gain on exchange	-	2,844
Membership fee received	1,100.00	750
Receipts for charity activities	248,150.00	-
Sundry income	500.00	-
	<u>249,980.85</u>	<u>3,775</u>
 2. ADMINISTRATIVE EXPENSE		
Secretarial fee	<u>105.00</u>	<u>-</u>
 3. OTHER OPERATING EXPENSES		
Bank charges	1,650.80	710
Expenses for charity activities	231,415.00	-
Fund raising expenses	73,138.10	-
Loss on exchange	1,950.42	-
Postage	496.28	-
Printing and stationery	7,350.18	2,238
Promotion expense	658.00	-
Sundry expenses	12,020.08	930
Transportation	39,155.39	17,301
	<u>367,834.25</u>	<u>21,179</u>