

TIN YAN CHARITY ORGANIZATION
天恩愛心義工隊
MANAGEMENT COMMITTEE'S REPORT

The management committee has pleasure in presenting herewith to the members their report together with the audited financial statements of the Association for the year ended 31 March 2011.

PRINCIPAL ACTIVITIES

During the year, the Association has been carrying out its charitable activities.

RESULTS AND
(Registered in Hong Kong under Societies Ordinance)
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

PLANT AND EQUIPMENT

Movement of plant and equipment during the year is set out in note (3) to the financial statements.

MANAGEMENT COMMITTEE MEMBERS

During the year, the following persons were members of the management committee of the Association:

Choi Ling Fung
Lau Ai Ming
Fung Nai Lee

In accordance with the Association, all members of the management committee bear a full and honest responsibility for the management of the Association and for the financial statements.

AUTHORITY

The auditor, Messrs. Horwath Chan & Company, Certified Public Accountants, who have audited the financial statements, offer themselves for re-appointment.

On behalf of the Board:


Chairman
Norman Chan, 17 December 2011



陳業文會計師事務所
NORMAN CHAN & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)
HONG KONG

TIN YAN CHARITY ORGANIZATION
天恩愛心義工隊
MANAGEMENT COMMITTEE'S REPORT

The management committee has pleasure in presenting herewith to the member their report together with the audited financial statements of the Association for the year ended 31 March 2011.

PRINCIPAL ACTIVITIES

During the year, the Association was engaged principally in the operation of a charity association.

RESULTS AND APPROPRIATIONS

The results of the Association for the year ended 31 March 2011 and the state of the Association's affairs as at that date are set out in the annexed financial statements.

PLANT AND EQUIPMENT

Movement in plant and equipment during the year is set out in note (8) to the financial statements.

MANAGEMENT COMMITTEE MEMBER

During the year, the following persons were members of the management committee of the Association:-


Chau Kam Fung
Tam Kai Ming
Fung Sui Lan

In accordance with the Association, all members of the management committee retire at the expiration of the term of two years, and being eligible, offer themselves for re-election.

AUDITOR

The auditor, Messrs. Norman Chan & Company, Certified Public Accountants, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Chairman
Hong Kong, 17 December 2011.



陳業文會計師事務所

NORMAN CHAN & COMPANY

Certified Public Accountants (Practising)

**INDEPENDENT AUDITOR'S REPORT
TO THE MANAGEMENT COMMITTEE OF TIN YAN CHARITY ORGANIZATION**

天恩愛心義工隊

(Registered in Hong Kong under Societies Ordinance)

We have audited the financial statements of Tin Yan Charity Organization on pages 3 to 9, which comprise the statement of financial position as at 31 March 2011, and the statement of income and retained surplus, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Committee's responsibility for the financial statements

The management committee is responsible for the preparation and the true and fair presentation of these financial statements in accordance with the Hong Kong Financial Reporting Standards for Private Entities ("HKFRSPE") issued by the Hong Kong Institute of Certified Public Accountants, and for such internal control as the management committee determine is necessary to enable the presentation 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 our agreed terms of engagement and for 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 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 the financial statements 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.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Association's affairs as at 31 March 2011 and of its surplus and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standard for Private Entities.

Norman Chan & Company
Certified Public Accountants (Practising)
Hong Kong, 17 December 2011

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TIN YAN CHARITY ORGANIZATION

天恩愛心義工隊

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 HK\$	2010 HK\$
Revenue	5	595,140	642,343
Operating and administrative expenses			
Accounting fee		2,000	-
Activity expenses		112,332	185,475
Advertising expenses		12,718	16,786
Audit fee		7,000	6,000
Bank charge		250	-
Depreciation		789	212
Electricity and water		3,245	2,419
Entertainment		9,516	22,340
Insurance		2,000	2,000
Licence fee		3,940	5,930
Mandatory provident fund		7,200	3,600
Purchases (for charity sales)		76,286	15,395
Printing and stationery		16,106	15,242
Rent		60,000	60,000
Repair and maintenance		4,600	-
Salaries and allowances		170,400	158,570
Staff messing		14,056	-
Sponsorship expenses		-	12,791
Sundry expenses		2,327	133,255
Telephone		16,621	13,254
Transportation		12,197	-
Travelling – local		11,417	29,702
		545,000	682,971
Surplus/(Deficit) before taxation	6	50,140	(40,628)
Taxation	7	-	-
Surplus/(Deficit) for the year		50,140	(40,628)
(Accumulated Deficit)/Retained surplus at start of year		(29,386)	11,242
Retained surplus/(Accumulated Deficit) at end of year		20,754	(29,386)

TIN YAN CHARITY ORGANIZATION
 天恩愛心義工隊
 STATEMENT OF FINANCIAL POSITION
 AS AT 31 MARCH 2011

	Notes	2011 HK\$	2010 HK\$
ASSETS AND LIABILITIES			
Non-current assets			
Plant and equipment	8	2,925	827
Current assets			
Prepayment and utility deposit		11,631	11,000
Cash at bank		81,818	30,841
		93,449	41,841
Current liabilities			
Other payable		55,732	60,054
Accrued expenses		19,888	12,000
		75,620	72,054
Net current assets/(liabilities)		17,829	(30,213)
NET ASSETS/(LIABILITIES)		20,754	(29,386)
ACCUMULATED FUND ACCOUNT		20,754	(29,386)

TIN YAN CHARITY ORGANIZATION
 天恩愛心義工隊
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 MARCH 2011

	2011 HK\$	2010 HK\$
Operating activities		
Surplus/(Deficit) before tax	50,140	(40,628)
Adjustment for:		
Depreciation	789	212
Operating surplus/(deficit) before changes in working capital	50,929	(40,416)
Increase in prepayment and utility deposit	(631)	-
(Decrease)/Increase in other payable	(4,322)	41,090
Increase in accrued expenses	7,888	6,000
Net cash generated from operating activities	<u>53,864</u>	<u>6,674</u>
Investing activities		
Purchases of plant and equipment	(2,887)	-
Net cash used in investing activities	<u>(2,887)</u>	<u>-</u>
Net increase in cash and cash equivalents	50,977	6,674
Cash and cash equivalents at the beginning of year	<u>30,841</u>	<u>24,167</u>
Cash and cash equivalents at the end of year	<u>81,818</u>	<u>30,841</u>
Analysis of cash and cash equivalents:		
Cash at bank	<u>81,818</u>	<u>30,841</u>

TIN YAN CHARITY ORGANIZATION
天恩愛心義工隊
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

The Tin Yan Charity Organization (“The Association”) is registered under the Societies Ordinance. The address of association is Flat B, 8/F., Keader Centre, 129-149 On Lok Road, Yuen Long, New Territories, Hong Kong. The Association was engaged principally in the operation of a charity association.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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. They have been prepared under the historical cost convention.

3. PRINCIPAL ACCOUNTING POLICIES

a. Plant and equipment

Plant and equipment are stated at cost less depreciation and accumulated impairment loss, if any. 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 asset has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income and expenditure account 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 economic benefits expected to be obtained from the use of the plant and equipment, the expenditure is capitalized as an additional cost of the asset.

When assets are sold or retired, their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the income and expenditure account.

b. Depreciation on plant and equipment

Depreciation is provided to write off the cost of plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight line method, at the following rates per annum:

<u>Category</u>	<u>Rate</u>
Furniture and equipment	20%

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

c. Impairment

At each balance sheet date, the Association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately, unless the relevant asset is carried at a revalued amount under another Standard, in which case the impairment loss is treated as revaluation decrease under that Standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount under another Standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other Standard.

d. Leases

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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.

e. Employee benefit obligations

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

Contributions to Mandatory Provident Funds (“MPF”) as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognized as an expense in the income statement as incurred.

f. Revenue recognition

- (i) Charity sales recognized when the right to receive payment is established.
- (ii) Sponsor income, activity income and donation income are recognized on actual receipt and according to the terms of sponsorship, if any.

TIN YAN CHARITY ORGANIZATION
 天恩愛心義工隊
NOTES TO THE FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, there are no estimates or assumptions used on these financial statements that the directors expect will have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. REVENUE

	2011 HK\$	2010 HK\$
Revenue:		
Charity sales	308,807	420,259
Sponsorship	21,129	32,660
Activities income	62,086	162,684
Donation received	98,268	26,740
Membership received	4,850	-
Lottery income	100,000	-
	<u>595,140</u>	<u>642,343</u>

6. SURPLUS/(DEFICIT) FOR THE YEAR

	2011 HK\$	2010 HK\$
Surplus/(Deficit) for the year is arrived at after charging:		
Auditor's remuneration	7,000	6,000
Depreciation	789	212
Committee members' remuneration:		
Fees	-	-
Other emoluments	30,000	29,800
Staff cost	<u>191,656</u>	<u>162,170</u>

7. TAXATION

No provision has been made for Hong Kong profits tax as the Association is exempted under Section 88 of Hong Kong Inland Revenue Ordinance.

TIN YAN CHARITY ORGANIZATION
天恩愛心義工隊
NOTES TO THE FINANCIAL STATEMENTS

8. PLANT AND EQUIPMENT

	Furniture and Equipment HK\$
COST	
At 1 April 2010	1,057
Additions	2,887
At 31 March 2011	<u>3,944</u>
AGGREGATE DEPREICATION	
At 1 April 2010	230
Charge for the year	789
At 31 March 2011	<u>1,019</u>
NET BOOK VALUE	
At 31 March 2011	<u>2,925</u>
At 31 March 2010	<u>827</u>

9. OPERATING LEASE COMMITMENTS

As at 31 March 2011, the Company had commitments under operating leases for office to make payments as follows:

	2011 HK\$	2010 HK\$
Within one year	-	8,100
In the second to fifth year inclusive	-	-
	<u>-</u>	<u>8,100</u>

10. COMPARATIVE FIGURES

The comparative figures were audited by Messrs. S.K. Yeung & Co., Certified Public Accountants who had issued an unqualified audit opinion on the financial statements for the year ended 31 March 2010.

Certain comparative figures have been re-classified to conform with current year's presentation.