

THE CHINESE PATRIOT ELITES CHARITY FOUNDATION LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014

Sum, Arthur & Co.

THE CHINESE PATRIOT ELITES CHARITY FOUNDATION LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT

The members of the Council of Management submit their report together with the audited financial statements of The Chinese Patriot Elites Charity Foundation Limited (the "Foundation") for the year ended 31st March, 2014.

PRINCIPAL ACTIVITY

The principal activity of the Foundation is to promote the concept of patriotism and righteousness.

RESULTS

The statement of comprehensive income of the Foundation for the year is set out on page 4 of the financial statements.

COUNCIL OF MANAGEMENT

The members of the Council of Management during the year and up to the date of this report were:

Choy Kin Cheung
Chong Kai Man
Ng Lai Shiu Woon
Chu Yu Tin
Li Yuk Shing
Shum Kam Tim

In accordance with Article 17 of the Foundation's Articles of Association, all members of the Council of Management will retire and, being eligible, offer themselves for re-election.

No contracts of significance in relation to the operation of the Foundation to which the Foundation is a party and in which a member of the Council of Management had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

AUDITORS

The financial statements have been audited by Sum, Arthur & Co., Certified Public Accountants, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Council of Management



Chairman

HONG KONG, 5th January, 2015

Sum, Arthur & Co.

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF THE CHINESE PATRIOT ELITES CHARITY FOUNDATION LIMITED
(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of The Chinese Patriot Elites Charity Foundation Limited (the "Foundation") set out on pages 4 to 10, which comprise the statement of financial position as at 31st March, 2014, and the statement of comprehensive income, the statement of changes in accumulated fund and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

RESPECTIVE RESPONSIBILITIES OF THE COUNCIL OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Council of Management is 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 Council of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

RESPONSIBILITY OF AUDITORS

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 predecessor Hong Kong Companies Ordinance, Cap.32 and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the 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 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 judgement of the auditors, 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 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 executive committee members 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 Foundation's affairs as at 31st March, 2014 and of its surplus and cash flows for the year ended 31st March, 2014 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the predecessor Hong Kong Companies Ordinance, Cap.32.

A handwritten signature in black ink that reads "Sum, Arthur & Co." in a cursive script.

SUM, ARTHUR & CO.
Certified Public Accountants

HONG KONG, 5th January, 2015

THE CHINESE PATRIOT ELITES CHARITY FOUNDATION LIMITED

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

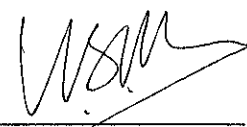
| | 2014 HK\$ | 2013 HK\$ |
|---|--------------|--------------|
| INCOME | | |
| Sponsorship for functions | 905,400 | 2,408,500 |
| | ----- | ----- |
| EXPENDITURE | | |
| Costs of functions | (794,863) | (2,039,476) |
| Sundry expenses | (58,334) | (36,162) |
| Donation | (18,870) | (12,200) |
| Audit fee | (4,000) | (5,500) |
| Bank charges | (400) | (400) |
| | ----- | ----- |
| | (876,467) | (2,093,738) |
| | ----- | ----- |
| SURPLUS FOR THE YEAR | 28,933 | 314,762 |
| CONTRIBUTIONS FROM MEMBERS | 200 | 5,100 |
| | ----- | ----- |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 29,133 | 319,862 |
| | ===== | ===== |

THE CHINESE PATRIOT ELITES CHARITY FOUNDATION LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH, 2014

| | 2014 HK\$ | 2013 HK\$ |
|-----------------------------|----------------|----------------|
| CURRENT ASSETS | | |
| Other receivables | 8,500 | 120,000 |
| Bank balances | 631,834 | 491,201 |
| | <u>640,334</u> | <u>611,201</u> |
| CURRENT LIABILITIES | | |
| Other payables and accruals | (7,200) | (7,200) |
| | <u>633,134</u> | <u>604,001</u> |
| NET CURRENT ASSETS | | |
| EQUITY | | |
| ACCUMULATED FUND | <u>633,134</u> | <u>604,001</u> |


Chairman


Council member

The financial statements on pages 4 to 10 were approved by the Council of Management on 5th January, 2015.

THE CHINESE PATRIOT ELITES CHARITY FOUNDATION LIMITED

STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED 31ST MARCH, 2014

| | 2014 HK\$ | 2013 HK\$ |
|-------------------------------------|--------------|--------------|
| Balance as at beginning of the year | 604,001 | 284,139 |
| Members' contributions received | 200 | 5,100 |
| Surplus for the year | 28,933 | 314,762 |
| | <hr/> | <hr/> |
| Balance as at end of the year | 633,134 | 604,001 |
| | <hr/> <hr/> | <hr/> <hr/> |

THE CHINESE PATRIOT ELITES CHARITY FOUNDATION LIMITED

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

| | 2014 HK\$ | 2013 HK\$ |
|---|----------------|----------------|
| NET CASH INFLOW FROM OPERATING ACTIVITIES | | |
| Surplus for the year | 28,933 | 314,762 |
| Decrease/(Increase) in other receivables | 111,500 | (5,700) |
| Decrease in other payables and accruals | - | (1,600) |
| | <u>140,433</u> | <u>307,462</u> |
| CASH INFLOW FROM FINANCING ACTIVITIES | | |
| Members' contributions received | 200 | 5,100 |
| | <u>140,633</u> | <u>312,562</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 140,633 | 312,562 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 491,201 | 178,639 |
| | <u>631,834</u> | <u>491,201</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>631,834</u> | <u>491,201</u> |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | |
| Bank balances | <u>631,834</u> | <u>491,201</u> |

THE CHINESE PATRIOT ELITES CHARITY FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014

1 GENERAL INFORMATION

The Chinese Patriot Elites Charity Foundation Limited (the "Foundation") is a company incorporated in Hong Kong with limited liability. Each member of the Foundation undertakes to contribute to the assets of the Foundation such amount as may be required not exceeding HK\$100. The Foundation's registered office is located at Unit 1701, Pan Asia Centre, 137 Wai Yip Street, Kwun Tong, Kowloon.

The principal activity of the Foundation is to promote the concept of patriotism and righteousness.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Foundation have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS" which term collectively include all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared under the historical cost convention.

2.2 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.3 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether or not billed to the Foundation.

2.4 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Foundation and when the revenue can be measured reliably on the basis that members' annual subscription and sponsorship for functions are recognised when the services are rendered to members.

3 FINANCIAL INSTRUMENTS BY CATEGORY

The Foundation had the following financial assets of loans and receivables at the end of the reporting period:

| | 2014 HK\$ | 2013 HK\$ |
|-------------------|----------------|----------------|
| Other receivables | 8,500 | 120,000 |
| Bank balances | 631,834 | 491,201 |
| | <u>640,334</u> | <u>611,201</u> |

The financial liabilities at amortised cost were mainly the other payables of HK\$3,200 (2013: HK\$3,200).

4 FAIR VALUE AND FAIR VALUE HIERARCHY

The fair values of financial assets and liabilities are included at the moment at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair values of the financial assets and liabilities approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Foundation has no material financial instruments to be disclosed according to the fair value hierarchy (Level 1,2 and 3).

5 FINANCIAL RISK MANAGEMENT

The Council of Management is not aware of any significant exposure to financial risks including foreign exchange risk, price risk, interest rate risk, credit risk and liquidity risk.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are currently evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. Based on the current operating activity of the Foundation, the Council of Management is not aware of any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within next financial year.

7 REMUNERATION OF THE MEMBERS OF THE COUNCIL OF MANAGEMENT

No emoluments were paid to the members of the Council of Management for their services rendered to the Foundation during the year (2013: nil).

8 INCOME TAX EXPENSE

Hong Kong profits tax has not been provided as the Foundation does not have estimated assessable profits for the year (2013: nil).