

**VIVA NETWORK (HONG KONG) LIMITED**

**(Incorporated in Hong Kong under the Companies  
Ordinance and Limited by Guarantee)**

**2014**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**REPORT OF THE DIRECTORS**

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 March 2014.

**PRINCIPAL PLACE OF BUSINESS**

The Company is incorporated and domiciled in Hong Kong and has its registered office at 21st Floor, Sunshine Plaza, 353 Lockhart Road, Wanchai, Hong Kong and principal place of business at Unit 902, Won Hing Building, 74-78 Stanley Street, Central, Hong Kong.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company are raising funds, awareness and prayer for children at risk through Viva's network around the world, with a particular emphasis on Asia:

- To reduce and alleviate child poverty worldwide by enabling Christians and others to work together effectively and appropriately;
- To improve quality of life for children at risk, through training and provision of quality services that enhance their protection, development, health, education, nutrition and welfare; and
- To work with children at risk, enabling them to identify their talents, achieve their potential and participate in changing their communities for good.

**FINANCIAL STATEMENTS**

The results of the Company for the year ended 31 March 2014 and the state of the Company's affairs at that date are set out in the financial statements on pages 5 to 18.

**FIXED ASSETS**

Movements in fixed assets of the Company are set out in note 9 to the financial statements.

**DIRECTORS**

The directors during the financial year and up to the date of this report were:

Roy HUANG	
John Henry SNELGROVE	
Miles Richard BUTTRICK	
Wai Man Raymond KWONG	
Yan Kay Rachel LAM	(appointed on 17 January 2014)
Karen LAM	(appointed on 20 June 2014)
Amanda Louise MECALLA-LEACY	(appointed on 20 June 2014)
Ester Joyse Sau Han LI	(resigned on 11 November 2013)
Thomas G READ	(resigned on 20 June 2014)

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**REPORT OF THE DIRECTORS (Continued)**

**DIRECTORS**

In accordance with the Association's Articles of Association, one-third of the directors shall retire by rotation. All the Directors, if willing to act, are eligible to be re-elected to the Board of Directors.

The Company engaged Viva Network, a UK registered company and charity, to line manage the National Directors of the Company in managing and distributing funds raised by the Company for the benefit of children at risk principally in Asia and to determine future global strategy. It is the intention of the Company that the funds raised by it are sent directly to projects in the developing world that seek to achieve the Objects of the Company as defined in its constitutional documents. One of the Company's directors, Mr. Miles Richard Buttrick is also a director of the UK charity and represents its interests on that board.

**DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE**

Except for those transactions disclosed in note 14 to the financial statements, no other 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.

**AUDITOR**

A resolution for the re-appointment of Lam & Chui CPA Limited as auditor of the Company is to be proposed at the forthcoming annual general meeting.

**By order of the board**

**Director**

Hong Kong, 25 November 2014

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and limited by guarantee)

We have audited the financial statements of Viva Network (Hong Kong) Limited set out on pages 5 to 18, which comprise the balance sheet as at 31 March 2014, and statement of comprehensive income, statement of changes in general fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Directors' responsibility for the financial statements**

The directors of the company are 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 predecessor Hong Kong Companies Ordinance, Cap. 32, and for such internal control as the directors 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. This report is made 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 auditor's judgement, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
VIVA NETWORK (HONG KONG) LIMITED (Continued)**

(Incorporated in Hong Kong under the Companies Ordinance and limited by guarantee)

**Auditor's responsibility (Continued)**

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 31 March 2014 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the predecessor Hong Kong Companies Ordinance, Cap. 32.

**Lam & Chui CPA Limited**  
**Certified Public Accountants**  
Hong Kong, 25 November 2014  
Chui Wing Kit  
Practising Certificate No.: P2153

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

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

	Note	2014 HK\$	2013 HK\$
<b>Donation income</b>	4	1,876,503	1,826,449
<b>Other revenue</b>		35,545	-
		1,912,048	1,826,449
<b>Administrative &amp; other operating expenses</b>		(1,525,813)	(1,576,083)
<b>Surplus before taxation</b>	5	386,235	250,366
<b>Income tax</b>	8	-	-
<b>Surplus and total comprehensive income for the year</b>		386,235	250,366

The notes on pages 9 to 18 form part of these financial statements.

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**BALANCE SHEET AT 31 MARCH 2014**

	Note	<u>2014</u> HK\$	<u>2013</u> HK\$
<b>Non-current assets</b>			
Fixed assets			
- Plant & equipment	9	-	3,195
<b>Current assets</b>			
Deposits		11,000	11,000
Bank balances		797,630	391,873
		<u>808,630</u>	<u>402,873</u>
<b>Current liabilities</b>			
Accounts and other payable	10	19,170	8,265
Accruals	11	14,175	8,753
		<u>33,345</u>	<u>17,018</u>
<b>Net current assets</b>		<u>775,285</u>	<u>385,855</u>
<b>Net assets</b>		<u>775,285</u>	<u>389,050</u>
<b>Reserves</b>	12		
General fund		<u>775,285</u>	<u>389,050</u>

Approved and authorized for issue by the board of directors on 25 November 2014

\_\_\_\_\_  
Director\_\_\_\_\_  
Director

The notes on pages 9 to 18 form part of these financial statements.

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**STATEMENT OF CHANGES IN GENERAL FUND  
FOR THE YEAR ENDED 31 MARCH 2014**

	General fund
	<u>HK\$</u>
<b>Balance at 1 April 2012</b>	138,684
<b>Total comprehensive income for the year</b>	250,366
<b>Balance at 31 March 2013 and 1 April 2013</b>	<u>389,050</u>
<b>Total comprehensive income for the year</b>	386,235
<b>Balance at 31 March 2014</b>	<u><u>775,285</u></u>

The notes on pages 9 to 18 form part of these financial statements.



**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2014**

	<u>2014</u>	<u>2013</u>
	HK\$	HK\$
<b>Operating activities</b>		
Surplus from ordinary activities before taxation	386,235	250,366
Adjustments for:-		
Depreciation	3,195	3,194
<b>Operating surplus before changes in working capital</b>	<u>389,430</u>	<u>253,560</u>
Increase in deposits	-	(11,000)
Increase/(Decrease) in accounts and other payable	10,905	(38,875)
Increase in accruals	5,422	2,753
<b>Net cash generated from operating activities</b>	<u>405,757</u>	<u>206,438</u>
<b>Net increase in cash and cash equivalents</b>	<u>405,757</u>	<u>206,438</u>
<b>Cash and cash equivalents at 1 April</b>	<u>391,873</u>	<u>185,435</u>
<b>Cash and cash equivalents at 31 March</b>	<u><u>797,630</u></u>	<u><u>391,873</u></u>
 <i>Analysis of the balances of cash and cash equivalents:</i>		
<b>Bank balances</b>	<u><u>797,630</u></u>	<u><u>391,873</u></u>

The notes on pages 9 to 18 form part of these financial statements.

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014****1. GENERAL INFORMATION**

Viva Network (Hong Kong) Limited is incorporated in Hong Kong under the Companies Ordinance on 15 August 2011. The Company is a charitable organization in Hong Kong. Under the provision of the Company's Articles of Association, every member shall, in the event of the Company being wound up, contribute such amount as may be required to meet the liabilities of the Company but not exceeding HK\$100 each.

**2. SIGNIFICANT ACCOUNTING POLICIES****(a) Statement of compliance**

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the requirements of the predecessor Hong Kong Companies Ordinance, Cap. 32. A summary of the significant accounting policies adopted by the Company is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Company for the current and prior accounting periods reflected in these financial statements.

**(b) Basis of preparation of the financial statements**

The measurement basis used in the preparation of the financial statements is historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014 (Continued)****2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(c) Plant & equipment**

Plant & equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the cost of items of plant & equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Office equipment 33.30% per annum

Both the useful life of an asset and its residual value, if any, are reviewed annually.

The carrying amounts of plant & equipment are reviewed for indications of impairment at each balance sheet date. An impairment loss is recognized to the extent that the carrying amount of an asset, or the cash-generating unit to which it belongs, is more than its recoverable amount. The recoverable amount of an asset, or of the cash generating unit to which it belongs, is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the assets. An impairment loss is reversed if there has been a favourable change in estimates used to determine the recoverable amount.

Gains or losses arising from the retirement or disposal of an item of plant & equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss on the date of retirement or disposal.

**(d) Revenue recognition**

Donation income is recognized on a receipt basis.

Interest income is accrued on a time-apportioned basis by reference to the principal outstanding and at the interest rate applicable.

**VIVA NETWORK (HONG KONG) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014 (Continued)****2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(e) Accounts and other receivables**

Accounts and other receivables are initially recognized at fair value and thereafter stated at amortized cost less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Impairment losses for bad and doubtful debts are measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted where the effect of discounting is material.

**(f) Accounts and other payables**

Accounts and other payables are initially recognized at fair value and thereafter stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

**(g) Translation of foreign currencies**

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognized in profit or loss.

**(h) Cash and cash equivalents**

Cash and cash equivalents comprise 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 changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

**(i) Employee benefits**

Salaries, annual bonuses, paid annual leave, contributions to defined contribution 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.

**VIVA NETWORK (HONG KONG) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014 (Continued)****2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(j) Related parties**

- (a) A person, or a close member of that person's family, is related to the Company if that person:
  - (i) has control or joint control over the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is a member of the key management personnel of the Company or the Company's parent.
- (b) An entity is related to the Company if any of the following conditions applies:
  - (i) 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).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One 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 Company or an entity related to the Company.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014 (Continued)****2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(k) Provisions and contingent liabilities**

Provisions are recognized for liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

**(l) Operating leases**

Where the Company has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognized in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014 (Continued)****3. CHANGES IN ACCOUNTING POLICIES**

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs as follows that are first effective for the current accounting period of the company.

- Amendments to HKAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income*
- HKFRS 10, *Consolidated financial statements*
- HKFRS 11, *Joint arrangements*
- HKFRS 12, *Disclosure of interests in other entities*
- HKFRS 13, *Fair value measurement*
- Revised HKAS 19, *Employee benefits*
- *Annual Improvements to HKFRSs 2009-2011 Cycle*
- Amendments to HKFRS 7 – *Disclosures – Offsetting financial assets and financial liabilities*

However, none of these developments are relevant to the company's operations or have an impact on these financial statements.

The company has not applied any new standard or interpretation that is not yet effective for the current accounting period.

**4. DONATION INCOME**

The Company is an approved charitable institution in Hong Kong. It aims to improve the lives of children at risk with a particular emphasis on Asia.

Donation income are received from the different kinds of sponsors as follows.

	2014	2013
	HK\$	HK\$
<b>Donation income from:</b>		
- individuals	1,429,566	1,562,315
- churches	8,800	19,749
- groups	48,615	6,371
- corporations	328,038	93,643
- Viva Network (a UK registered charity)	61,484	144,371
<b>Total donation income</b>	1,876,503	1,826,449

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014 (Continued)****5. SURPLUS BEFORE TAXATION**

Surplus before taxation is arrived at after charging:

	<u>2014</u>	<u>2013</u>
	HK\$	HK\$
Auditor's remuneration	6,000	6,000
Depreciation	3,195	3,194
Grants & donations paid	572,529	909,086
Operating lease charges in respect of a property	66,000	16,500
Staff costs		
- Mandatory provident fund contribution	18,617	17,033
- Salaries & allowances	644,810	433,369
	<u>663,427</u>	<u>450,402</u>
and after crediting:		
Exchange gain	<u>2,225</u>	<u>-</u>

**6. GRANTS & DONATIONS PAID**

The grants &amp; donations paid are analyzed as follows:

	<u>2014</u>	<u>2013</u>
	HK\$	HK\$
Grants & donations paid to the following organisations:		
- Shalom Global Foundation	119,206	-
- Philippine Children's Ministries Network	38,764	-
- Viva Network (a UK registered charity)	414,559	909,086
	<u>572,529</u>	<u>909,086</u>

**7. DIRECTORS' REMUNERATION**

No Directors received any remuneration necessary to be disclosed pursuant to section 161 of the predecessor Hong Kong Companies Ordinance, Cap. 32.

**8. INCOME TAX**

No provision has been made for Hong Kong profits tax as the Company has been exempted from profits tax under section 88 of the Inland Revenue Ordinance.



**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014 (Continued)****9. FIXED ASSETS**

	Office equipment	
	2014	2013
	HK\$	HK\$
Cost:		
At 1 April & 31 March	9,583	9,583
Accumulated depreciation:		
At 1 April	6,388	3,194
Charge for the year	3,195	3,194
At 31 March	9,583	6,388
Net book value:		
At 31 March	-	3,195

**10. ACCOUNTS AND OTHER PAYABLE**

All of the accounts and other payable are expected to be settled within one year.

**11. ACCRUALS**

Accruals are expected to be settled within one year.

**12. RESERVES****(a) Components of the Company's reserves**

The movement of the Company's reserves during the period is set out in the statement of changes in general fund. The General Fund represents the accumulated surpluses arising from the charitable business.

**(b) Capital management**

The Company's objectives when managing reserves are to safeguard the Company's ability to continue as a going concern so that it can continue to provide adequate resources for the attainment of its objects.

**(c) Nature of reserves**

Under the provision of the Company's Articles of Association, no distributions of reserves by way of dividends to any member of the Company are allowed. Upon dissolution of the Company, any remains after the satisfaction of its debts and liabilities shall be given to other institutions having objects similar to those of the Company.

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014 (Continued)****13. OPERATING LEASE COMMITMENTS**

At 31 March 2014, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	<u>2014</u>	<u>2013</u>
	HK\$	HK\$
Within 1 year	-	55,000
After 1 year but within 5 years	-	-
After 5 years	-	-
	<u>-</u>	<u>55,000</u>

The Company leases a property under an operating lease. The lease runs on a year by year basis. None of the lease includes contingent rentals.

**14. RELATED PARTY TRANSACTIONS**

The Company had the following material related party transactions during the year with a related charitable organization in the United Kingdom, Viva Network. One of the Company's directors, Mr. Miles Richard Buttrick is also a director of Viva Network.

	<u>2014</u>	<u>2013</u>
	HK\$	HK\$
Donation income received	61,484	144,371
Grants and donations paid	<u>414,559</u>	<u>909,086</u>

The directors of the Company are of opinion that the above transactions were entered into in the normal course of charities.

**15. FINANCIAL INSTRUMENTS**

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Company's business. These risks are limited by the Company's financial management policies and practices below:

## (a) Credit risk

The Company has no concentrations of credit risks. The exposure to this risk is monitored by the Company's management on an ongoing basis.

## (b) Liquidity risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014 (Continued)****15. FINANCIAL INSTRUMENTS (Continued)**

## (c) Interest rate risk

The Company's exposure to market risk for changes in interest rates is not significant. The exposure to this risk is monitored by the Company's management on an ongoing basis.

## (d) Foreign currency risk

The Company is exposed to foreign currency risk primarily through income and expenses that are denominated in a currency other than the functional currency of the operations to which they relate. The exposure to this risk is monitored by the Company's management on an ongoing basis.

## (e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2014.

**16. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2014**

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the accounting year ended 31 March 2014 and which have not been adopted in these financial statements. These include the following which may be relevant to the company.

	<i>Effective for accounting periods beginning on or after</i>
Amendments to HKAS 32, <i>Offsetting financial assets and financial liabilities</i>	1 January 2014
Amendments to HKAS 39, <i>Novation of derivatives and continuation of hedge accounting</i>	1 January 2014
HKFRS 9, <i>Financial instruments</i>	1 January 2015

The company is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the company's results of operations and financial position.

**VIVA NETWORK (HONG KONG) LIMITED**

(Incorporated in Hong Kong under the Companies Ordinance and Limited by Guarantee)

**DETAILED INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2014**

	2014	2013
	HK\$	HK\$
<b>Donation income</b>	1,876,503	1,826,449
<b>Sundry income</b>	33,320	-
<b>Exchange gain</b>	2,225	-
	<u>1,912,048</u>	<u>1,826,449</u>
<b>Less: Expenses</b>		
Advertising	-	14,173
Auditor's remuneration	6,000	6,000
Bank charges	15,399	18,869
Depreciation	3,195	3,194
Donor events	8,980	25,047
Exchange loss	-	4,015
Fundraising & networking expenses	34,498	-
Grants & donations paid	572,529	909,086
Hospitality	3,662	4,446
Mandatory provident fund contribution	18,617	17,033
Program expenses	65,870	37,272
Rent and rates	66,000	16,500
Salaries & allowances	644,810	433,369
Secretarial fee	5,000	5,000
Stationery & office supplies	14,668	9,212
Sundry expenses	21,840	23,769
Telecommunications	6,293	3,455
Transportation expenses	7,820	969
Travelling expenses	30,632	44,674
	<u>1,525,813</u>	<u>1,576,083</u>
<b>Surplus for the year</b>	<u>386,235</u>	<u>250,366</u>