

VIVA NETWORK (HONG KONG) LIMITED

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

2015

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015



LAM & CHUI CPA LIMITED
Certified Public Accountants

林 徐 會 計 師 行 有 限 公 司

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 2015.

PRINCIPAL PLACE OF BUSINESS

The Company is incorporated and domiciled in Hong Kong and has its registered office at 22nd Floor, Siu On Building, 243-245 Des Voeux Road West, Hong Kong and principal place of business at Unit 204, 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 networks 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 financial performance of the Company for the year ended 31 March 2015 and the financial position of the Company at that date are set out in the financial statements on pages 5 to 20.

EQUITY-LINKED ARRANGEMENTS

The Company had no equity-linked agreement subsisting at the end of the year or at any time during the year.

DIRECTORS

The names of persons who were the directors of the Company during the financial year and up to the date of this report are as follows:

Roy HUANG

John Henry SNELGROVE

Miles Richard BUTTRICK

Wai Man Raymond KWONG

Yan Kay Rachel LAM

Karen LAM

Amanda Louise MCCALLA-LEACY

(resigned 14 August 2015)

VIVA NETWORK (HONG KONG) LIMITED

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

REPORT OF THE DIRECTORS (Continued)

PERMITTED INDEMNITY PROVISION

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more directors of the Company.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Company.

BUSINESS REVIEW

The Company falls within reporting exemption for the financial year. Accordingly, the Company is exempted from preparing a business review.

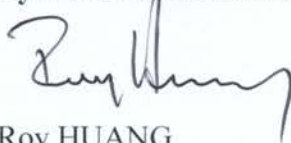
MANAGEMENT CONTRACT

Except for those transactions disclosed in note 15 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.

APPROVAL OF DIRECTORS' REPORT

This report was approved by the directors on 19 October 2015.

By order of the board



Roy HUANG

Director

Hong Kong



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 20, which comprise the statement of financial position as at 31 March 2015, 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 Hong Kong Companies Ordinance, 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 405 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 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 financial position of the company as at 31 March 2015 and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.



Lam & Chui CPA Limited
Certified Public Accountants
Hong Kong, 19 October 2015
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 2015

	Note	<u>2015</u> HK\$	<u>2014</u> HK\$
Donation income	4	2,228,103	1,876,503
Other revenue		50,390	35,545
		<u>2,278,493</u>	<u>1,912,048</u>
Administrative & other operating expenses		(1,346,916)	(1,525,813)
Surplus before taxation	5	<u>931,577</u>	<u>386,235</u>
Income tax	9	-	-
Surplus and total comprehensive income for the year		<u><u>931,577</u></u>	<u><u>386,235</u></u>

The notes on pages 9 to 20 form part of these financial statements.

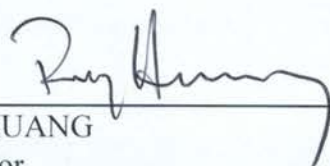
VIVA NETWORK (HONG KONG) LIMITED

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

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015

	Note	2015 HK\$	2014 HK\$
Non-current assets			
Plant & equipment	10	-	-
Current assets			
Prepayments		6,250	-
Deposits		12,000	11,000
Bank balances		1,706,626	797,630
		<u>1,724,876</u>	<u>808,630</u>
Current liabilities			
Accounts and other payable	11	7,704	19,170
Accruals	12	10,310	14,175
		<u>18,014</u>	<u>33,345</u>
Net current assets		<u>1,706,862</u>	<u>775,285</u>
Net assets		<u>1,706,862</u>	<u>775,285</u>
Reserves			
General fund	13	<u>1,706,862</u>	<u>775,285</u>

Approved and authorized for issue by the board of directors


Roy HUANG
Director

Miles Richard BUTTRICK
Director

The notes on pages 9 to 20 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 2015**

	General fund
	<u>HK\$</u>
Balance at 1 April 2013	389,050
Total comprehensive income for the year	386,235
Balance at 31 March 2014 and 1 April 2014	<u>775,285</u>
Total comprehensive income for the year	931,577
Balance at 31 March 2015	<u><u>1,706,862</u></u>

The notes on pages 9 to 20 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 2015**

	<u>2015</u>	<u>2014</u>
	HK\$	HK\$
Operating activities		
Surplus from ordinary activities before taxation	931,577	386,235
Adjustments for:-		
Depreciation	-	3,195
Operating surplus before changes in working capital	<u>931,577</u>	<u>389,430</u>
Increase in deposits	(1,000)	-
Increase in prepayments	(6,250)	-
(Decrease)/Increase in accounts and other payable	(11,466)	10,905
(Decrease)/Increase in accruals	(3,865)	5,422
Net cash generated from operating activities	<u>908,996</u>	<u>405,757</u>
Net increase in cash and cash equivalents	<u>908,996</u>	<u>405,757</u>
Cash and cash equivalents at 1 April	<u>797,630</u>	<u>391,873</u>
Cash and cash equivalents at 31 March	<u>1,706,626</u>	<u>797,630</u>
 <i>Analysis of the balances of cash and cash equivalents:</i>		
Bank balances	<u>1,706,626</u>	<u>797,630</u>

The notes on pages 9 to 20 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 2015****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 Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Company is set out below.

The Company falls within reporting exemption for the reporting period under section 359(1) of the Hong Kong Companies Ordinance. Nevertheless, the directors resolved not to take advantage of the reporting exemption and these financial statements comply with HKFRSs. The directors have acknowledged that, to achieve fair presentation of the financial statements, it may be necessary for management to provide disclosures beyond those specifically required by HKFRSs.

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.

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 2015 (Continued)**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(b) Basis of preparation of the financial statements (Continued)**

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.

(c) Plant & equipment

Plant & equipment are stated 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 the end of each reporting period. 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.

VIVA NETWORK (HONG KONG) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (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

The functional currency of the company is Hong Kong Dollar. Foreign currency transactions are translated into the functional currency at the approximate rates of exchange 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 end of the reporting period. 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.

VIVA NETWORK (HONG KONG) LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (Continued)****2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(i) 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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (Continued)**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(j) 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.

(k) 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.

(l) 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.

The company operates a defined contribution plan under mandatory provident fund plan. The company pays contributions to independent administrator on a mandatory basis. The company has no further payment obligations once the contributions are paid. The contributions are recognized as employee benefit expense when they are incurred and the cost can be measured reliably.

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 2015 (Continued)****3. CHANGES IN ACCOUNTING POLICIES**

The HKICPA has issued the following amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Company:

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities*
- Amendments to HKAS 32, *Offsetting financial assets and financial liabilities*
- Amendments to HKAS 36, *Recoverable amount disclosures for non-financial assets*
- Amendments to HKAS 39, *Novation of derivatives and continuation of hedge accounting*
- HK(IFRIC) 21, *Levies*

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 is received from the different kinds of sponsors as follows:

	2015	2014
	HK\$	HK\$
Donation income from:		
- individuals	1,553,761	1,429,566
- churches	3,767	8,800
- groups	60,236	48,615
- corporations	606,440	328,038
- Viva Network (a UK registered charity)	3,899	61,484
Total donation income	<u>2,228,103</u>	<u>1,876,503</u>

VIVA NETWORK (HONG KONG) LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (Continued)****5. SURPLUS BEFORE TAXATION**

Surplus before taxation is arrived at after charging:

	2015	2014
	HK\$	HK\$
Depreciation	-	3,195
Exchange loss	7,906	-
Grants & donations paid	280,349	572,529
Operating lease charges in respect of a property	67,500	66,000
Employee benefit costs		
- Fees, salaries, wages and other short-term benefits	660,346	644,810
- Expenses for defined contribution scheme	24,566	18,617
- Interest of defined contribution scheme	-	-
- Equity-settled share-based payment expenses	-	-
- Termination benefit	-	-
	<u>684,912</u>	<u>663,427</u>
and after crediting:		
Exchange gain	-	2,225
	<u>-</u>	<u>2,225</u>

6. GRANTS & DONATIONS PAID

The grants & donations paid are analyzed as follows:

	2015	2014
	HK\$	HK\$
Grants & donations paid to the following organizations:		
- Shalom Global Foundation	77,578	119,206
- Peace Team Cambodia	8,929	-
- Philippine Children's Ministries Network	-	38,764
- Viva Network (a UK registered charity)	193,842	414,559
	<u>280,349</u>	<u>572,529</u>

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 2015 (Continued)****7. DIRECTORS' REMUNERATION**

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2015	2014
	HK\$	HK\$
Emoluments (including benefit in kind)		
Acting as directors		
- Emoluments (including benefit in kind)	-	-
- Retirement benefits	-	-
- Compensation for termination of directors' services	-	-
	-----	-----
	-	-
Provision of management services		
- Emoluments (including benefit in kind)	-	-
- Retirement benefits	-	-
- Compensation for termination of directors' services	-	-
	-----	-----
	-	-
Total	-----	-----
	-	-

8. AUDITOR'S REMUNERATION

Auditor's remuneration and expenses for the year disclosed pursuant to Part 2 of Schedule 4 of the Hong Kong Companies Ordinance are as follows:

	2015	2014
	HK\$	HK\$
Auditor's remuneration	6,000	6,000
Auditor's expenses	-	-
	-----	-----
	6,000	6,000

9. 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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (Continued)****10. PLANT & EQUIPMENT**

	Office equipment	
	2015	2014
	HK\$	HK\$
Cost:		
At 1 April & 31 March	9,583	9,583
Accumulated depreciation:		
At 1 April	9,583	6,388
Charge for the year	-	3,195
At 31 March	9,583	9,583
Net book value:		
At 31 March	-	-

11. ACCOUNTS AND OTHER PAYABLE

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

12. ACCRUALS

Accruals are expected to be settled within one year.

13. 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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (Continued)****14. OPERATING LEASE COMMITMENTS**

At 31 March 2015, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	<u>2015</u>	<u>2014</u>
	HK\$	HK\$
Within 1 year	54,000	-
After 1 year but within 5 years	-	-
After 5 years	-	-
	<u>54,000</u>	<u>-</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.

15. 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. Mr. Roy Huang and Mr. Miles Richard Buttrick, the directors of the Company, are also the directors of Viva Network.

	<u>2015</u>	<u>2014</u>
	HK\$	HK\$
Donation income received	3,899	61,484
Grants & donations paid	<u>193,842</u>	<u>414,559</u>

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

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 2015 (Continued)**16. 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.

(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 2015.

VIVA NETWORK (HONG KONG) LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (Continued)****17. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2015**

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 2015 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 19, <i>Defined benefit plans: Employee contributions</i>	1 July 2014
<i>Annual improvements to HKFRSs 2010-2012 cycle</i>	1 July 2014
<i>Annual improvements to HKFRSs 2011-2013 cycle</i>	1 July 2014
Amendments to HKFRS 11, <i>Accounting for acquisitions of interests in joint operations</i>	1 January 2016
Amendments to HKAS 16 and HKAS 38, <i>Clarification of acceptable methods of depreciation and amortisation</i>	1 January 2016
HKFRS 15, <i>Revenue from contracts with customers</i>	1 January 2017
HKFRS 9, <i>Financial instruments</i>	1 January 2018

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.

18. APPROVAL AND ISSUE OF FINANCIAL STATEMENTS

The statement of financial position was approved and the financial statements were authorized for issue by the directors on 19 October 2015.

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 2015**

	2015	2014
	HK\$	HK\$
Donation income	2,228,103	1,876,503
Sundry income	50,390	33,320
Exchange gain	-	2,225
	<u>2,278,493</u>	<u>1,912,048</u>
Less: Expenses		
Auditor's remuneration	6,000	6,000
Bank charges	58,201	15,399
Depreciation	-	3,195
Donor events	95,100	8,980
Exchange loss	7,906	-
Fundraising & networking expenses	7,275	34,498
Grants & donations paid	280,349	572,529
Hospitality	9,219	3,662
Mandatory provident fund contribution	24,566	18,617
Program expenses	55,979	65,870
Rent and rates	67,500	66,000
Salaries & allowances	660,346	644,810
Secretarial fee	-	5,000
Stationery & office supplies	13,630	14,668
Sundry expenses	19,126	21,840
Telecommunications	12,748	6,293
Transportation expenses	-	7,820
Travelling expenses	28,971	30,632
	<u>1,346,916</u>	<u>1,525,813</u>
Surplus for the year	<u>931,577</u>	<u>386,235</u>