

**MUSKETEERS EDUCATION AND CULTURE CHARITABLE  
FOUNDATION LIMITED**

同心教育文化慈善基金會有限公司

(“The Foundation”)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011



黃龍德會計師事務所有限公司

香港執業會計師、英國特許會計師

**PATRICK WONG C.P.A. LIMITED**

*Certified Public Accountants (Practising), Hong Kong Chartered Accountants*



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AC  
30/05/2012

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*Patrick Wong*  
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**CERTIFIED TRUE COPY**  
*Director*

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(EXPRESSED IN HONG KONG DOLLARS)

**MUSKETEERS EDUCATION AND CULTURE CHARITABLE FOUNDATION LIMITED****同心教育文化慈善基金會有限公司****REPORT OF THE DIRECTORS**

YEAR ENDED 31 DECEMBER 2011

The directors have pleasure in submitting the annual report together with the audited financial statements for the year ended 31 December 2011.

***PRINCIPAL ACTIVITIES***

The Foundation is set up to promote any charitable purposes for the advancement of education and culture for the benefits of the community in Hong Kong.

***RESULTS AND STATE OF ITS AFFAIRS***

The results of the Foundation for the year ended 31 December 2011 and the state of its affairs at that date are set out in the financial statements on page 3 to 12.

***DONATIONS***

During the year, the Foundation made charitable donations of \$14,800,000.

***GOVERNORS***

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

Chu Yu Lun  
Fung Siu Por  
Leong Ka Chai

In accordance with Article 40 of the Foundation's Articles of Association, Fung Siu Por shall retire from office at the annual general meeting, but being eligible, offer themselves for re-election.

***GOVERNORS' INTERESTS IN CONTRACTS***

No contract of significance to which the Foundation was a party and in which a director of the Foundation 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 Patrick Wong C.P.A. Limited, Chartered Accountants, Certified Public Accountants (Practising), who retire and being eligible, offer themselves for re-appointment.

FOR AND ON BEHALF OF THE BOARD



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Chairman

Hong Kong,  
21 April 2012

# 黃龍德會計師事務所有限公司

香港執業會計師、英國特許會計師

## PATRICK WONG C.P.A. LIMITED

Certified Public Accountants (Practising), Hong Kong Chartered Accountants

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### 董事 Directors

黃龍德博士、執業會計師

銅紫荊星章、太平紳士

馬淑芳執業會計師

劉旭明執業會計師

PATRICK L. T. WONG, PhD, BBS, JP

FCPA(Practising), ACA, FCCA, FAIA, MSCA, FCIS, FCS, CTA(HK), FTIHK, FHKoD

MA SHUK FONG, VIVIEN

CPA(Practising), FCCA, CTA(HK)

LAU YUK MING, HAROLD

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電郵E-mail: [haroldlau@wllk.com.hk](mailto:haroldlau@wllk.com.hk)

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUSKETEERS EDUCATION AND CULTURE CHARITABLE FOUNDATION LIMITED 同心教育文化慈善基金會有限公司 (INCORPORATED IN HONG KONG WITH LIMITED LIABILITY BY GUARANTEE)

We have audited the financial statements of Musketeers Education and Culture Charitable Foundation Limited ("the Foundation") set out on pages 3 to 12, which comprise the balance sheet as at 31 December 2011, and the income and expenditure statement, 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 are responsible for the preparation of the 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 preparation 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 Section 141 of the Hong Kong Companies Ordinance and for no other purposes. 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 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 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 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.

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 31 December 2011 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 Hong Kong Companies Ordinance.

PATRICK WONG C.P.A. LIMITED  
黃龍德會計師事務所有限公司  
Certified Public Accountants (Practising)

MA SHUK FONG 馬淑芳會計師

CPA (Practising), FCCA, CTA (HK)

Certified Public Accountant (Practising), Hong Kong, 21 April 2012

Practising Certificate Number: P02311

Ref: M395/PWVVM/1174/486

聯營公司:  
Associated:

黃林梁郭會計師事務所有限公司  
Wong Lam Leung & Kwok C.P.A. Ltd



香港鵬城會計師事務所有限公司  
Hong Kong Pengcheng C.P.A. Limited



黃林梁郭秘書有限公司  
Wong Lam Leung & Kwok Secretaries Ltd

江門市龍德諮詢服務有限公司  
Jiangmen Longde Consultants Limited

黃林梁郭商業顧問有限公司  
WLLK Business Consultants Limited

澳門黃林梁郭有限公司  
Macau Wong Lam Leung & Kwok Ltd

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**MUSKETEERS EDUCATION AND CULTURE CHARITABLE FOUNDATION LIMITED**  
**同心教育文化慈善基金會有限公司**

**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2011**

	<u>2011</u>	<u>2010</u>
	\$	\$
<b>INCOME</b>		
Donation income	14,800,000	6,500,000
Bank interest income	28,657	112
	-----	-----
	14,828,657	6,500,112
<b>EXPENDITURE</b>		
Bank charges	300	-
Donations paid	14,800,000	3,306,200
Printing and stationery	1,560	6,450
Secretarial fee	3,000	-
Project feasibility study fee	-	1,801,453
Sundry expenses	805	2,405
	(14,805,665)	(5,116,508)
	-----	-----
<b>SURPLUS FOR THE YEAR</b>	<u>22,992</u>	<u>1,383,604</u>


Surplus for the year represents the total comprehensive income for the year presented, accordingly, no statement of comprehensive income is presented.

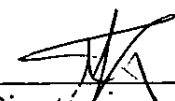
**MUSKETEERS EDUCATION AND CULTURE CHARITABLE FOUNDATION LIMITED**  
**同心教育文化慈善基金會有限公司**

**BALANCE SHEET**  
**AT 31 DECEMBER 2011**

	<u>Note</u>	<u>2011</u>	<u>2010</u>
		\$	\$
<b>CURRENT ASSETS</b>			
Bank balances	8	1,688,615	1,665,623
		<u>                    </u>	<u>                    </u>
Representing:-			
<b>GENERAL FUND</b>			
Accumulated funds		1,688,615	1,665,623
		<u>                    </u>	<u>                    </u>

APPROVED BY:-

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

**MUSKETEERS EDUCATION AND CULTURE CHARITABLE FOUNDATION LIMITED**  
**同心教育文化慈善基金會有限公司**

**STATEMENT OF CHANGES IN GENERAL FUND**  
**YEAR ENDED 31 DECEMBER 2011**

	Accumulated <u>funds</u> \$
<b>Balance at 31 December 2009</b>	282,019
Surplus for the year	1,383,604
	-----
<b>Balance at 31 December 2010</b>	1,665,623
Surplus for the year	22,992
	-----
<b>Balance at 31 December 2011</b>	<u><u>1,688,615</u></u>

**MUSKETEERS EDUCATION AND CULTURE CHARITABLE FOUNDATION LIMITED**  
**同心教育文化慈善基金會有限公司**

**CASH FLOW STATEMENT**  
**YEAR ENDED 31 DECEMBER 2011**

	<u>Note</u>	<u>2011</u>	<u>2010</u>
		\$	\$
<b>Cash flows from operating activities</b>			
Surplus for the year		22,992	1,383,604
Adjustments for:			
Interest income		(28,657)	(112)
		-----	-----
Net cash from / (used in) operating activities		(5,665)	1,383,492
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		28,657	112
Net cash from investing activities		28,657	112
		-----	-----
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		22,992	1,383,604
<b>CASH AND CASH EQUIVALENTS AT</b>			
<b>BEGINNING OF THE YEAR</b>		1,665,623	282,019
		-----	-----
<b>CASH AND CASH EQUIVALENTS AT</b>			
<b>END OF THE YEAR</b>	8	1,688,615	1,665,623

The notes on pages 7 to 12 form an integral part of these financial statements.  
Independent Auditor's Report - Page 2



**MUSKETEERS EDUCATION AND CULTURE CHARITABLE FOUNDATION LIMITED****同心教育文化慈善基金會有限公司****NOTES TO THE FINANCIAL STATEMENTS**

31 DECEMBER 2011

**1. GENERAL INFORMATION**

Musketeers Education and Culture Charitable Foundation Limited (“the Foundation”) is incorporated in Hong Kong under the Companies Ordinance and is limited by guarantee and not having a share capital. Under the Clause 8 of the Memorandum of Association, every member shall, in the event of the Foundation being wound up, contribute to the assets of the Foundation to an amount not exceeding the sum of \$100.

The Foundation is set up to promote charitable purposes for the advancement of education and culture for the benefits of the community in Hong Kong; to promote and advance all aspects of educational, cultural and artistic activities, to establish, support, sponsor and maintain schools and educational facilities; to provide consultation, training and liaison services to people concerning further education, cultural and artistic training and to co-ordinate, manage and organize or to assist in managing, liaising and organizing the relevant activities including educational, cultural, physical educational and artistic exchanges and visits between people in Hong Kong and elsewhere in the world.

The Foundation was domiciled in Hong Kong with its registered office at Unit 2406, 24/F., Low Block of Grand Millennium Plaza, 181 Queen’s Road Central, Hong Kong.

**2. STATEMENT OF COMPLIANCE WITH HONG KONG FINANCIAL REPORTING STANDARDS**

The Foundation’s financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which 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 significant accounting policies is set out in note 3.

In 2011, the Foundation has initially applied the following new and revised HKFRSs issued by the HKICPA that are first effective for accounting periods beginning on or after 1 January 2011:-

- HKAS 24 (Revised) *Related Party Disclosures*
- Improvement to HKFRSs 2010

The application of these HKFRSs has no material effects on the company’s financial performance and positions.

**MUSKETEERS EDUCATION AND CULTURE CHARITABLE FOUNDATION LIMITED**

同心教育文化慈善基金會有限公司

**NOTES TO THE FINANCIAL STATEMENTS**

31 DECEMBER 2011

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of preparation of the financial statements**

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

**(b) Cash and cash equivalents**

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(c) 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 member of a company 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.

**MUSKETEERS EDUCATION AND CULTURE CHARITABLE FOUNDATION LIMITED**

同心教育文化慈善基金會有限公司

**NOTES TO THE FINANCIAL STATEMENTS**

31 DECEMBER 2011

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(d) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable by the Foundation. Provided that it is probable that the economic benefits associated with the revenue transaction will flow to the Foundation and the revenue and the costs, if any, in respect of the transaction can be measured reliably, revenue is recognised as follows:-

**i) Donations**

Donations are recognised when no significant uncertainty as to its collectability exists.

**ii) Interest income**

Interest income is recognised using the effective interest method.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT**

The Foundation's management makes assumptions, estimates and judgments in the process of applying the Foundation's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRSs. The assumptions, estimates and judgments are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgments', estimates and assumptions continuously, the actual results will seldom equal the estimates.

Certain key assumptions and risk factors in respect of the financial risk management are set out in note 10. There are no other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

**5. INCOME TAX EXPENSE**

The Foundation being a charitable institution of a public character is therefore exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance.

**6. DIRECTORS' REMUNERATION**

Directors' remuneration disclosed pursuant to section 161 of the Companies Ordinance for the year is \$ nil (2010: \$ nil).

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**MUSKETEERS EDUCATION AND CULTURE CHARITABLE FOUNDATION LIMITED**

同心教育文化慈善基金會有限公司

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

**7. CASH AND CASH EQUIVALENTS**

	<u>2011</u>	<u>2010</u>
	\$	\$
Bank balances	1,688,615	1,665,623
	-----	-----
Cash and cash equivalents in the balance sheet and in cash flow statements	<u>1,688,615</u>	<u>1,665,623</u>

**8. MATERIAL RELATED PARTY TRANSACTIONS**

In addition to the transactions and balance disclosed elsewhere in these financial statements, the Foundation had the following transactions with related parties:-

	<u>2011</u>	<u>2010</u>
	\$	\$
Donation income from related companies	6,200,000	2,400,000
Donation income from directors	8,600,000	4,000,000
Donations paid to related companies	<u>6,000,000</u>	<u>2,006,200</u>

**9. CAPITAL DISCLOSURE**

Capital comprises general fund stated on the balance sheet. The Foundation's objective when managing funds is to safeguard its ability to continue as a going concern, so that it can continue to provide funding for its operations. The directors manage capital by regularly monitoring its current and expected liquidity requirements.

The Foundation is a limited liability by guarantee and does not have any share capital. The liability of the members is limited and every member of the Foundation undertakes to contribute to the assets of the Foundation in the event of its being wound up to the extent of not exceeding \$100. The Foundation's operation is mainly sourced from the donation income.

The Foundation is not subject to either internally or externally imposed capital requirements.

**MUSKETEERS EDUCATION AND CULTURE CHARITABLE FOUNDATION LIMITED**

同心教育文化慈善基金會有限公司

**NOTES TO THE FINANCIAL STATEMENTS**

31 DECEMBER 2011

**10. FINANCIAL INSTRUMENTS**

The Foundation has classified its financial assets in the following categories:-

	<u>Loans and receivables</u>	
	<u>2011</u>	<u>2010</u>
	\$	\$
Cash and cash equivalents	1,688,615	1,665,623

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2011.

The Foundation is exposed to credit risk, liquidity risk and market risk arising in the normal course of its business and financial instruments. The Foundation's risk management objectives, policies and processes mainly focus on minimizing the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

(a) Credit risk

The Foundation is exposed to credit risk on financial assets, mainly attributable to cash at bank. To mitigate the risk arising from banks, the Foundation only places its deposits to certain reputable banks.

Summary quantitative data

	<u>2011</u>	<u>2010</u>
	\$	\$
Cash and cash equivalents	1,688,615	1,665,623

At 31 December 2011, the Foundation has the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(b) Liquidity risk

The Foundation is not exposed to significant liquidity risk on its financial liabilities. It manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need.

MUSKETEERS EDUCATION AND CULTURE CHARITABLE FOUNDATION LIMITED

同心教育文化慈善基金會有限公司

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

10. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Market risk

Interest rate risk

The Foundation's exposure on cash flow interest rate risk mainly arises from its deposits with bank. The directors considered the exposure not significant.

Summary quantitative data

	<u>2011</u>	<u>2010</u>
	\$	\$
<u>Floating-rate financial assets</u>		
Deposits with banks	357,751	357,621

No sensitivity analysis for the Foundation's exposure to interest rate risk arising from cash at bank is prepared since the exposure may not have significant impact on the Foundation's financial position.

(d) Financial instruments carried at fair value.

At the balance sheet date, there were no financial statements stated at fair value.

11. HONG KONG FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR

HKFRSs that have been issued but are not yet effective for the period include the following HKFRSs which may be relevant to the Foundation's operations and financial statements:-

	Effective for annual periods beginning on or after
HKFRS 9 <i>Financial Instruments</i>	<u>1 January 2015</u>

The Foundation has not early adopted these HKFRSs. Initial assessment has indicated that the adoption of these HKFRSs would not have a significant impact on the Foundation's financial statements in the period of initial application. The Foundation will be continuing with the assessment of the impact of these HKFRSs and other significant changes may be identified as a result.

12. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Foundation's directors on 21 April 2012.