



Bo Charity Foundation Limited
(Limited by Guarantee)
小寶慈善基金有限公司

Financial Statements
Year ended 31 March 2016

Directors' Report

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 March 2016.

Principal place of business

Bo Charity Foundation Limited ("the Foundation") is a foundation incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 2A, Fung Sing Building, 235 Hai Tan Street, Sham Shui Po, Kowloon.

Principal activity

The Foundation is a charitable organisation limited by guarantee. The principal activity of the Foundation is to help fight against hunger & food waste.

Business Review

Business Objectives

Founded in 2009 as a registered charitable organisation, the Foundation has dedicated to conserving the environment and caring for the underprivileged communities in Hong Kong.

The Foundation strives to accomplish its missions to reduce food waste at the source, alleviate hunger and poverty, and educate the next generation through its food assistance programs, central kitchen initiatives, food collection by the effort of our delivery fleet, community outreach services, education programs and volunteer team.

Our Work in 2016

Food Rescue & Food Assistance

The mission of the Foundation is "Waste Not, Hunger Not, With Love". We target to rescue edible surplus food from different sectors of the food industry, that would otherwise be disposed of as waste. Following strict safety protocols, we prepare nutritious hot meals in our central kitchens with the rescued food, and serve them to underprivileged communities.

In the current financial year, we have rescued close to 969,911 kg of edible surplus food from the food industry and 26,887 pcs of bread from the bakeries in Hong Kong. Making use of the surplus food, we have prepared 1,202,065 meals boxes, bread and non-perishable food packs of a total weight of 259,932 kg. These meal boxes and food packs have been sent to our beneficiaries through our 159 charity partners.

Business Review (continued)

Services

We operate a community centre at which we provide free dine-in meals to the vulnerable and frail elderly in Sham Shui Po district. In addition, our outreach team delivers hot nutritious meal boxes and non-perishable food packs to singletons and deprived elderly.

Education

Food Angel runs a variety of educational activities throughout the school year to build our young generation's consciousness of cherishing food and preserving natural resources. School children are encouraged to learn about issues of food waste, hunger, poverty and elderly care in our society. In the current financial year, our Green Angel has visited over 113 local and international schools and inspired more than 31,000 students.

Financial Performance for the year ended 31 March 2016

The total donation income was HK\$41,632,345, an increase of 67 % or HK\$16,684,538 from the last financial year.

The total program expense were HK\$21,039,002, an increment of 31%, or HK\$5,007,455 from the last financial year.

The administration expense were HK\$1,789,600, a rise of 27% or HK\$378,791 from the last financial year.

Depreciation of property, plant and equipment was HK\$2,416,028, an increase by 48%, or HK\$784,268 from the last financial year.

Responsibility Accountability and management of capital

The Foundation's Board of Directors ("the Board") comprised of chiefs in the finance, legal, public affairs and social service sectors is in place and be responsible for formulating and revising vision and missions of the Foundation from time to time. The Board will also oversee strategic directions, financial performance and management of capital and risks of the Foundation and approve key initiatives proposed by the Directors.

Our board members are leaders and subject matter experts who will bring in new expertise and to propel the healthy growth of the organisation.

The Foundation complies with section 88 of the Inland Revenue Ordinance on Charitable Institution.

Risks and Uncertainties

In the changing and sometimes challenging financial climate, a steady inflow of donation is critical in the provision of uninterrupted service to our existing beneficiaries.

Currently, with the continued support of funders, foundations and the HK community, we have been able to maintain a stable donation income to sustain our long-term commitment.

The Foundation is funded by donations, we do not identify any liquidity issues.

Upcoming Key Development

To help tackle the growing volume of edible surplus food and to meet the growing demand from the community on free hot meal service, we will continue to look for opportunities to streamline and expand our operation capacity. One of the key initiatives is to set up a central food storage and processing centre. This centre will allow us to have a bigger storage capacity for rescued food. The central processing of certain food categories will relieve space and resources for the 2 central kitchens to expand meal box outputs.

There is no important event affecting the Foundation that has occurred since the end of the financial year.

Fund

Details of the movements in general fund, as described in note 11 to the financial statements, are set out in the statement of changes in fund. The movements in designated fund are set out in note 10 to the financial statements.

Directors

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

Alice Oi Lai Tung
Kenny Oi Kan Yiu
Ming Git Cheng
Kam Chung Leung
Kitty Kit Hing Ip
Wai Man Leung
So Cheung Tak Douglas (appointed on 11 July 2015)

In accordance with articles 37 & 38 of the Foundation's articles of association, all present directors shall retire from the board every two years and, being eligible, offer themselves, for re-election.

At no time during the year was the Foundation a party to any arrangement to enable the directors of the Foundation to acquire benefits by means of the acquisition of shares in or debenture of the Foundation or any other body corporate.

Directors' interests in transactions, arrangements or contracts

No transaction, arrangement or contract of significance to which the Foundation was a party, and in which a director of the Foundation had a material interest, subsisted at the end of the year or at any time during the year.

Auditors

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Foundation is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Kam Chung Leung

Hong Kong,

28 APR 2017



Independent auditor's report to the members of Bo Charity Foundation Limited

(Incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of Bo Charity Foundation Limited ("the Foundation") set out on pages 7 to 28, which comprise the statement of financial position as at 31 March 2016, the statement of profit or loss and other comprehensive income, statement of changes in 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 Foundation 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 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. 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 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 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 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.



**Independent auditor's report to the members of
Bo Charity Foundation Limited (continued)**
(Incorporated in Hong Kong and limited by guarantee)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation as at 31 March 2016 and of the Foundation's 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.

A handwritten signature in black ink, appearing to read 'KPMG'.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 APR 2017

Statement of profit or loss and other comprehensive income for the year ended 31 March 2016

(Expressed in Hong Kong dollars)

	<i>Note</i>	<i>2016</i>	<i>2015</i> (restated)
Income			
General donation	2	\$ 26,045,082	\$ 11,529,882
Designated donation		15,587,263	13,417,925
Bank interest income		53	33
		<u>\$ 41,632,398</u>	<u>\$ 24,947,840</u>
Expenditure			
Program expenses	3(a)	\$ 21,039,002	\$ 16,031,547
Fundraising and marketing expenses		1,262,163	169,669
Administrative expenses		1,789,600	1,410,809
		<u>\$ 24,090,765</u>	<u>\$ 17,612,025</u>
Surplus and total comprehensive income for the year	3	<u>\$ 17,541,633</u>	<u>\$ 7,335,815</u>

The notes on pages 12 to 28 form part of these financial statements.

Statement of financial position

(Expressed in Hong Kong dollars)

	<i>Note</i>	<i>As at 31 March</i> <i>2016</i>	<i>2015</i> <i>(restated)</i>	<i>As at 1 April</i> <i>2014</i> <i>(restated)</i>
Non-current assets				
Property, plant and equipment	6	\$ 6,149,657	\$ 8,301,935	\$ 5,160,516
Current assets				
Other receivables, prepayments and deposits	7	\$ 9,929,501	\$ 6,612,578	\$ 2,015,288
Cash and cash equivalents	8	20,137,175	2,469,204	3,638,898
		<u>\$ 30,066,676</u>	<u>\$ 9,081,782</u>	<u>\$ 5,654,186</u>
Current liabilities				
Creditors and accruals	9	\$ 1,001,562	\$ 3,144,867	\$ 3,876,114
Unearned income	10	4,452,623	1,018,335	1,053,888
		<u>\$ 5,454,185</u>	<u>\$ 4,163,202</u>	<u>\$ 4,930,002</u>
Net current assets		<u>\$ 24,612,491</u>	<u>\$ 4,918,580</u>	<u>\$ 724,184</u>
NET ASSETS		<u>\$ 30,762,148</u>	<u>\$ 13,220,515</u>	<u>\$ 5,884,700</u>

Statement of financial position (continued)
(Expressed in Hong Kong dollars)

Fund	<i>Note</i>	<i>As at 31 March</i> 2016	2015 (restated)	<i>As at 1 April</i> 2014 (restated)
General fund	11	<u>\$ 30,762,148</u>	<u>\$ 13,220,515</u>	<u>\$ 5,884,700</u>

Approved and authorised for issue by the board of directors on **28 APR 2017**

)
)
) Directors
)

Wai Man Leung

Kenny Oi Kan Yiu

The notes on pages 12 to 28 form part of these financial statements.

Statement of changes in fund
for the year ended 31 March 2016
(Expressed in Hong Kong dollars)

	<i>General fund</i>
Balance at 1 April 2014 ((as previously reported)	\$ 5,805,632
Effect of prior period adjustments	<u>79,068</u>
Balance at 1 April 2014 (as restated)	\$ 5,884,700
Surplus and total comprehensive income for the year (restated)	<u>7,335,815</u>
Balance at 31 March 2015 and 1 April 2015 (restated)	\$ 13,220,515
Surplus and total comprehensive income for the year	<u>17,541,633</u>
Balance at 31 March 2016	<u><u>\$ 30,762,148</u></u>

The notes on pages 12 to 28 form part of these financial statements.

Cash flow statement
for the year ended 31 March 2016
(Expressed in Hong Kong dollars)

	<i>Note</i>	<i>2016</i>	<i>2015</i>
Operating activities			
Cash generated from operations	8(b)	<u>\$ 17,931,668</u>	<u>\$ 3,052,357</u>
Net cash generated from operating activities		<u><u>\$ 17,931,668</u></u>	<u><u>\$ 3,052,357</u></u>
Investing activities			
Bank interest received		\$ 53	\$ 33
Payment for the purchase of property, plant and equipment		<u>(263,750)</u>	<u>(4,222,084)</u>
Net cash used in investing activities		<u><u>\$ (263,697)</u></u>	<u><u>\$ (4,222,051)</u></u>
Net increase/(decrease) in cash and cash equivalents		\$ 17,667,971	\$ (1,169,694)
Cash and cash equivalents at the beginning of the year		<u>2,469,204</u>	<u>3,638,898</u>
Cash and cash equivalents at the end of the year	8(a)	<u><u>\$ 20,137,175</u></u>	<u><u>\$ 2,469,204</u></u>

The notes on pages 12 to 28 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 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”) and 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 Foundation 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 foundation. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Foundation 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 the 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 recognised 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.

1 Significant accounting policies (continued)

(c) Changes in accounting policies

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Foundation:

- *Annual Improvements to HKFRSs 2010-2012 Cycle*
- *Annual Improvements to HKFRSs 2011-2013 Cycle*

None of these developments have had a material effect on how the Foundation's results and financial position for the current or prior periods have been prepared or presented. The Foundation has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Changes in the application of accounting policies

Designated donation is recognised on a systematic basis in accordance with the accounting policies set out in note 1(I)(ii). Prior to the year ended 31 March 2016, the Foundation recognised designated donation as income based on the amounts granted by the sponsors under specific programmes in a given year.

During the year ended 31 March 2016, the Foundation reconsidered the basis of recognition of designated donation income. As a result, the Foundation recognised designated donation income in profit or loss in the same period in which the Foundation recognises as expenses the related costs for which the donations are intended to sponsor. The Foundation assessed that the revised basis provides a better reflection of the pattern of economic benefits and expenses flowing through the Foundation for designated donation. As a result of this change in application of accounting policy, the comparative figures have been restated accordingly. The effects of the adjustments to each of the line items in the statement of financial position as at 1 April 2014, 31 March 2015 and 31 March 2016 and the statement of profit or loss and other comprehensive income for the years ended 31 March 2015 and 31 March 2016 are set out below.

Effects on the Foundation's statement of financial position as at 1 April 2014

	<i>As previously reported</i>	<i>Adjustments</i>	<i>As restated</i>
Other receivables, prepayments and deposits	\$ 5,201,267	\$ (3,185,979)	\$ 2,015,288
Unearned income	(867,690)	(186,198)	(1,053,888)
General fund	(5,805,632)	(79,068)	(5,884,700)
Designated fund	(3,451,245)	3,451,245	-

1 Significant accounting policies (continued)

Effects on the Foundation's statement of financial position as at 31 March 2015

	<i>As previously reported</i>	<i>Adjustments</i>	<i>As restated</i>
Other receivables, prepayments and deposits	\$ 9,372,255	\$ (2,759,677)	\$ 6,612,578
Creditors and accruals	(2,889,867)	(255,000)	(3,144,867)
Unearned income	(1,122,690)	104,355	(1,018,335)
General fund	(11,945,644)	(1,274,871)	(13,220,515)
Designated fund	(4,185,193)	4,185,193	-

Effects on the Foundation's statement of financial position as at 31 March 2016

	<i>Before the change in accounting policy is applied</i>	<i>Impact of the change in accounting policy</i>	<i>As adjusted</i>
Other receivables, prepayments and deposits	\$ 9,040,099	\$ 889,402	\$ 9,929,501
Unearned income	(2,360,968)	(2,091,655)	(4,452,623)
General fund	(26,848,950)	(3,913,198)	(30,762,148)
Designated fund	(5,115,451)	5,115,451	-

Effects on the Foundation's statement of profit or loss and other comprehensive income for the year ended 31 March 2015

	<i>As previously reported</i>	<i>Adjustments</i>	<i>As restated</i>
Designated donation	\$ 12,956,070	\$ 461,855	\$ 13,417,925
Surplus and total comprehensive income for the year	6,873,960	461,855	7,335,815

1 Significant accounting policies (continued)

Effects on the Foundation's statement of profit or loss and other comprehensive income for the year ended 31 March 2016

	<i>Before the change in accounting policy is applied</i>	<i>Impact of the change in accounting policy</i>	<i>As adjusted</i>
General donation	\$ (23,020,671)	\$ (3,024,411)	\$ (26,045,082)
Designated donation	<u>(16,903,605)</u>	<u>1,316,342</u>	<u>(15,587,263)</u>

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

- Leasehold improvements over the remaining lease terms
- Fixtures and kitchen equipments 3 to 4 years
- Office equipments 3 to 4 years
- Motor vehicles 3 years

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

1 Significant accounting policies (continued)

The carrying amounts of property, plant and equipment are reviewed for indications of impairment at the end of each reporting period. An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The recoverable amount of an asset, or of the cash-generating unit to which it belongs, is the greater of its fair value less costs of disposal 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 the time value of money and the risks specific to the assets. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

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

(f) Operating lease charges

Leases which do not transfer substantially all the risks and rewards of ownership to the Foundation are classified as operating leases.

Where the Foundation 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 recognised in profit or loss as an integral part of the aggregate net lease payments made.

(g) Other receivables, prepayments and deposits

Other receivables, prepayments and deposits are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts.

Impairment losses for bad and doubtful debts are recognised when there is objective evidence of impairment and are measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the asset's original effective interest rate where the effect of discounting is material. Objective evidence of impairment includes observable data that comes to the attention of the Foundation about events that have an impact on the asset's estimated future cash flows such as significant financial difficulty of the debtor.

1 Significant accounting policies (continued)

Impairment losses for debtors whose recovery is considered doubtful but not remote are recorded using an allowance account. When the Foundation is satisfied that recovery is remote, the amount considered irrecoverable is written off against debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(h) Creditors and accruals

Creditors and accruals are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(i) 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.

(j) Employee benefits

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

(k) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Foundation 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 expenditure 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.

1 Significant accounting policies (continued)

(l) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Foundation and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) General donation

General donation is recognised when the Foundation becomes entitled to the donations and it is probable that they will be received, which is generally upon receipt of cash.

(ii) Designated donation

Designated donation is deferred in the statement of financial position initially when the Foundation assessed that they will be received and that the Foundation will comply with the condition attached to them. Designated donation is recognised as income in profit or loss on a systematic basis, upon fulfillment of the conditions (if any), in the same periods in which the expenses are incurred.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(m) 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 are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

(n) Related parties

- (1) A person, or a close member of that person's family, is related to the Foundation if that person:
 - (i) has control or joint control over the Foundation;
 - (ii) has significant influence over the Foundation; or
 - (iii) is a member of the key management personnel of the Foundation or the Foundation's parent.

1 Significant accounting policies (continued)

- (2) An entity is related to the Foundation if any of the following conditions applies:
- (i) The entity and the Foundation 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 Foundation or an entity related to the Foundation.
 - (vi) The entity is controlled or jointly controlled by a person identified in (1).
 - (vii) A person identified in (1)(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).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

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.

2 General donation

	<i>2016</i>	<i>2015</i>
General donation from:		
- Public	\$ 14,783,262	\$ 7,674,992
- Corporate	1,930,310	2,151,965
- Fundraising events	5,955,021	1,702,925
- Programs	3,376,489	-
	\$ 26,045,082	\$ 11,529,882

3 Surplus and total comprehensive income for the year

Surplus and total comprehensive income for the year is arrived at after charging:

	2016	2015
(a) Program expenses[#]		
Food Angel Rescue & Assistance Program	\$ 17,028,368	\$ 13,515,006
Food Angel Community Center	1,478,301	780,042
Corporate Angel CSR Program	639,849	643,232
Outreach Angel Community Outreach Service	511,040	471,639
Green Angel Education Program	561,674	621,628
Charity art sales	607,049	-
Enable the Disabled Kitchen Skill Hands-on Program	127,401	-
Love Food Hate Waste Program	85,320	-
	\$ 21,039,002	\$ 16,031,547
(b) Staff costs		
Contributions to defined contribution retirement plan	\$ 531,967	\$ 366,632
Salaries, wages and other benefits	10,757,047	8,069,049
	\$ 11,289,014	\$ 8,435,681
(c) Other items		
Auditor's remuneration	\$ -	\$ -
Depreciation	2,416,028	1,631,760
Logistics expenses	3,387,767	2,419,249
Loss on disposal of property, plant and equipment	-	401,610
Operating lease charges in respect of property rentals*	943,363	1,025,781
	943,363	1,025,781

[#] Program expenses include \$16,572,122 (2015: \$12,553,517) relating to staff costs depreciation, logistic expenses and operating lease charges, which amount is also included in the respective total amounts disclosed separately in notes 3(b) and 3(c) for each of these types of expenses.

* Operating lease charges in respect of property rentals do not include \$77,500 (2015: \$Nil) relating to property rental paid by Tung Oi Lai, Alice, a director of the Foundation, which amount is also disclosed separately in note 17.

4 Taxation

No provision for Hong Kong Profits Tax has been made in the financial statements as the Foundation is an approved charitable institution and is exempted from taxation under section 88 of the Hong Kong Inland Revenue Ordinance.

5 Directors' emoluments

Directors' emoluments 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:

		2016		2015
Directors' fees	\$	Nil	\$	Nil
Salaries, allowances and benefits in kind		Nil		Nil
Discretionary bonuses		Nil		Nil
Retirement scheme contributions		Nil		Nil

6 Property, plant and equipment

	<i>Leasehold improvements</i>	<i>Fixtures and kitchen equipments</i>	<i>Offices equipments</i>	<i>Motor vehicles</i>	<i>Total</i>
Cost:					
At 1 April 2014	\$ 2,430,746	\$ 2,910,970	\$ 13,993	\$ 700,702	\$ 6,056,411
Additions	4,114,944	1,517,465	-	-	5,632,409
Disposals	(753,646)	(837,007)	-	-	(1,590,653)
At 31 March 2015	<u>\$ 5,792,044</u>	<u>\$ 3,591,428</u>	<u>\$ 13,993</u>	<u>\$ 700,702</u>	<u>\$ 10,098,167</u>
At 1 April 2015	\$ 5,792,044	\$ 3,591,428	\$ 13,993	\$ 700,702	\$ 10,098,167
Additions	-	237,750	26,000	-	263,750
At 31 March 2016	<u>\$ 5,792,044</u>	<u>\$ 3,829,178</u>	<u>\$ 39,993</u>	<u>\$ 700,702</u>	<u>\$ 10,361,917</u>
Accumulated depreciation:					
At 1 April 2014	\$ 240,346	\$ 540,619	\$ 1,050	\$ 113,880	\$ 895,895
Charge for the year	569,761	917,661	4,198	140,140	1,631,760
Disposals	(141,832)	(589,591)	-	-	(731,423)
At 31 March 2015	<u>\$ 668,275</u>	<u>\$ 868,689</u>	<u>\$ 5,248</u>	<u>\$ 254,020</u>	<u>\$ 1,796,232</u>
At 1 April 2015	\$ 668,275	\$ 868,689	\$ 5,248	\$ 254,020	\$ 1,796,232
Charge for the year	1,158,409	1,113,281	4,198	140,140	2,416,028
At 31 March 2016	<u>\$ 1,826,684</u>	<u>\$ 1,981,970</u>	<u>\$ 9,446</u>	<u>\$ 394,160</u>	<u>\$ 4,212,260</u>
Net book value:					
At 31 March 2016	<u>\$ 3,965,360</u>	<u>\$ 1,847,208</u>	<u>\$ 30,547</u>	<u>\$ 306,542</u>	<u>\$ 6,149,657</u>
At 31 March 2015	<u>\$ 5,123,769</u>	<u>\$ 2,722,739</u>	<u>\$ 8,745</u>	<u>\$ 446,682</u>	<u>\$ 8,301,935</u>

7 Other receivables, prepayment and deposits

All of the other receivables, prepayment and deposits, except for deposits of \$382,300 (2015: \$419,699), are expected to be recovered or recognised as expense within one year.

8 Cash at bank and in hand

(a) Cash and cash equivalents comprise:

	2016	2015
Cash at bank and on hand	\$ 20,137,175	\$ 2,469,204

(b) Reconciliation of surplus and total comprehensive income for the year to cash generated from operations:

	Note	2016	2015 (restated)
Surplus and total comprehensive income for the year		\$ 17,541,633	\$ 7,335,815
Adjustments for:			
Depreciation	3(c)	2,416,028	1,631,760
Bank interest income		(53)	(33)
Loss on disposal of property, plant and equipment	3(c)	-	401,610
Changes in working capital:			
Increase in other receivables, prepayments and deposits		(3,316,923)	(4,597,290)
Decrease in creditors and accruals		(2,143,305)	(1,683,952)
Increase/(decrease) in unearned income		3,434,288	(35,553)
Cash generated from operations		\$ 17,931,668	\$ 3,052,357

9 Creditors and accruals

	2016	2015 (restated)
Amount due to a director	\$ -	\$ 600,000
Other payables and accruals	<u>1,001,562</u>	<u>2,544,867</u>
	<u>\$ 1,001,562</u>	<u>\$ 3,144,867</u>

Amount due to a director was unsecured, interest-free and had no fixed terms of repayment.

Other payables and accruals are expected to be settled within one year or repayable on demand.

10 Unearned income

	Lee Hysan Foundation - Food Recycling Alliance Hong Kong Project	Hong Jockey Club - Food Angel Rescue & Assistance Program (Kowloon Kitchen)	The Community Chest of Hong Kong - Food Angel Rescue & Assistance Program (Hong Kong Kitchen)	The Community Chest of Hong Kong - Green Angel Education Program	Hong Kong Airport Authority - Food Angel Food Rescue & Assistance Program	Food Angel Community Center Sponsorship	Administration Cost Sponsorship	HSBC-Enabled the Disabled Kitchen Skill Hands-on	Environmental Campaign Committee - Love Food Hate Waste Program	Social Welfare Department - Food Angel S.H.A.R.E. Program	Wai Yin Association - Food Angel Equipment Sponsorship (Hong Kong Kitchen)	Total
Balance at 1 April 2014 (as previously reported)	\$ 867,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 867,690
Impact of restating designated donation income	(854,824)	-	127,130	88,428	825,464	-	-	-	-	-	-	186,198
Balance at 1 April 2014 (restated)	\$ 12,866	\$ -	\$ 127,130	\$ 88,428	\$ 825,464	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,053,888
Designated donation received or receivable during the year	1,197,593	6,497,691	2,124,066	621,734	150,260	891,028	1,900,000	-	-	-	-	13,382,372
Recognised as designated donation income during the year	(1,210,459)	(6,497,691)	(2,124,214)	(621,628)	(662,096)	(891,028)	(1,410,809)	-	-	-	-	(13,417,925)
Balance at 31 March 2015 and 1 April 2015 (restated)	\$ -	\$ -	\$ 126,982	\$ 88,534	\$ 313,628	\$ -	\$ 489,191	\$ -	\$ -	\$ -	\$ -	\$ 1,018,335
Designated donation received or receivable during the year	1,631,034	7,726,812	2,467,520	640,400	515,468	4,108,972	200,000	132,300	461,136	750,000	1,077,100	19,710,742
Recognised as designated donation income during the year	(1,631,034)	(7,726,812)	(2,466,529)	(561,674)	(630,485)	(1,731,489)	-	(127,401)	(85,320)	(249,460)	(377,059)	(15,587,263)
Recognised as general donation income during the year (Note)	-	-	-	-	-	-	(689,191)	-	-	-	-	(689,191)
Balance at 31 March 2016	\$ -	\$ -	\$ 127,973	\$ 167,260	\$ 198,611	\$ 2,377,483	\$ -	\$ 4,899	\$ 375,816	\$ 500,540	\$ 700,041	\$ 4,452,623

Unearned income represents designated donation received from sponsors for individual programs. Income is recognised in profit or loss when expenses under these programs are incurred.

Note: During the year ended 31 March 2016, the sponsors for Administration Cost Sponsorship agreed that the balance of \$689,191 can be used for any purposes at the discretion of the Foundation. Accordingly, the amount was recognised as general donation income during the year.

11 Fund

(a) *Components of the Foundation's fund*

The reconciliation between the opening and closing balances of the Foundation's fund is set out in the statement of changes in fund.

(b) *Nature and purpose of fund*

General fund is used for the general operation and administration of the Foundation.

	<i>Self supporting programs</i>	
	<i>2016</i>	<i>2015</i>
		<i>(restated)</i>
Income		
General donation	\$ 26,045,082	\$ 11,529,882
Bank interest income	53	33
	<u>\$ 26,045,135</u>	<u>\$ 11,529,915</u>
Expenditure		
Program expenses	\$ 5,451,739	\$ 4,024,431
Fundraising and marketing expenses	1,262,163	169,669
Administrative expenses	1,789,600	-
	<u>\$ 8,503,502</u>	<u>\$ 4,194,100</u>
Surplus for the year	<u>\$ 17,541,633</u>	<u>\$ 7,335,815</u>

12 Members' liability

The Foundation is not authorised to issue share capital and is limited by guarantee. Under the provision of the Foundation's memorandum and articles of association, every member shall, in the event of the Foundation being wound up, contribute such amount as may be required to meet the liabilities of the Foundation but not exceeding \$100 per member.

13 Capital management

The Foundation's primary objectives when managing capital are to safeguard the Foundation's ability to continue as a going concern.

The Foundation defines "capital" as including the general fund maintained by the Foundation.

The Foundation's capital structure is regularly reviewed and managed. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Foundation, to the extent that these do not conflict with the directors' fiduciary duties towards the Foundation or the requirements of the Hong Kong Companies Ordinance.

14 Financial risk management and fair values

Exposure to credit and liquidity risks arises in the normal course of the Foundation's operations. The Foundation's exposure to these risks and the financial risk management policies and practices used by the Foundation to manage these risks are described below.

(a) Credit risk

The Foundation's credit risk is primarily attributable to other receivables, prepayment and deposits. Management has a policy in place and the exposure to these credit risks are monitored on an ongoing basis.

(b) Liquidity risk

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

All financial liabilities are due within one year or repayable on demand and their carrying amounts approximate their contractual undiscounted cash flows at the end of the reporting period.

(c) Fair value measurement

All financial instruments of the Foundation are carried at amounts not materially different from their fair values as at 31 March 2016 and 2015.

15 Operating lease commitments

At 31 March 2016, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	<i>2016</i>	<i>2015</i>
Within one year	\$ 941,000	\$ 1,002,000
After one year but within five years	264,000	1,205,000
	<u>\$ 1,205,000</u>	<u>\$ 2,207,000</u>

The Foundation is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of two to four years, at the end of which period all terms are renegotiated. None of the leases includes contingent rentals.

16 Comparative figures

As a result of the prior period adjustments as disclosed in note 1(d) to the financial statements, certain comparative figures have been adjusted to conform to the current year's presentation.

17 Material related party transaction

During the year ended 31 March 2016 and 31 March 2015, the Foundation received donations from the following related parties:

	<i>2016</i>	<i>2015</i>
Tung Oi Lai, Alice ¹	\$ 100,000	\$ 100,000
Lo Chor Cheung, Colin ²	-	100,000
Kids Planet Enterprises Limited ³	500,000	300,000
Leung Kam Chung ¹	433,000	-
Leung Wai Man ¹	473,220	400,000
	<u>\$ 1,506,220</u>	<u>\$ 900,000</u>

¹ Directors of the Foundation

² Close family member of Tung Oi Lai, Alice, a director of the Foundation

³ Entity controlled by Tung Oi Lai, Alice, a director of the Foundation

17 Material related party transaction (continued)

The donations received from the above related parties were subsidies towards the program expenses and administrative expenses.

Tung Oi Lai, Alice, a director of the Foundation, paid property rental for the Foundation amounting to \$77,500 (2015: \$Nil) for the year ended 31 March 2016.

18 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2016

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and new standards which are not yet effective for the year ended 31 March 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to the Foundation.

	<i>Effective for accounting periods beginning on or after</i>
<i>Annual improvements to HKFRSs 2012-2014 Cycle</i>	1 January 2016
<i>Amendments to HKAS 1, Disclosure Initiative</i>	1 January 2016
<i>Amendments to HKAS 16 and HKAS 38, Clarification of acceptable methods of depreciation and amortisation</i>	1 January 2016
<i>HKFRS 15, Revenue from contracts with customers</i>	1 January 2018
<i>HKFRS 9, Financial instruments</i>	1 January 2018
<i>HKFRS 16, Leases</i>	1 January 2019

The Foundation 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 Foundation's financial statements.