

LA SALLE FOUNDATION LIMITED

喇沙基金有限公司

(incorporated in Hong Kong and limited by guarantee without a share capital)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**



華德會計師事務所

CW CPA Certified Public Accountants

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DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended 31 March 2019.

PRINCIPAL ACTIVITIES

The principal activities of La Salle Foundation Limited (hereinafter referred to as "the Foundation") are to promote and advance in all aspects education of all levels, the quality in education and all matters of or concerning education in Hong Kong and in particular the provision and maintenance of educational facilities at La Salle College and La Salle Primary School.

BUSINESS REVIEW

The Foundation falls within the reporting exemption for the year and is exempted from preparation of a business review in this report.

RESULTS

The results of the Foundation for the year ended 31 March 2019 are set out on page 3 of the financial statements.

DONATIONS

During the year, the Foundation made other donations amounted to HK\$3,125,140 (2018: HK\$1,102,958).

RESERVES

Movements in the reserves of the Foundation during the year are set out on page 5 of the financial statements.

DIRECTORS

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

Huang Lester Garson	(Chairman)
Mong Tak Yeung David	(Vice chairman)
Yuen Kwok Kin Andrew	(Honorary treasurer)
So Chi Tak	(Committee member)
Tierney James Christopher	(Committee member)
Pau Shiu Hung Artisticide	(Committee member)
Chu Wing Fei Leonard	(Committee member)
Chan Kit Ying Charles	(Committee member)
Lee Shiu Fung Roger	(Committee member)
Tong Wun Sing	(Committee member)
Chandni Nair	(Committee member)
Bo Ho Man Herman	(Committee member, appointed on 6 July 2018)
Chan Kwong Fat	(Committee member, appointed on 17 July 2018)
Ma Wan Hin	(Honorary secretary, appointed on 17 July 2018)
Li Chi Pang	(Honorary secretary, resigned on 17 July 2018)
Chu Wing Fei Leonard	(Committee member, resigned on 17 July 2018)

In accordance with Articles 32 and 33 of the Foundation's Articles of Association, all directors with the exception of the ex-officio directors retire at the forthcoming annual general meeting but may offer themselves for re-election.

DIRECTORS' REPORT (continued)

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE FOUNDATION'S BUSINESS

Except for those as disclosed in note 11 to the financial statements, no other transactions, arrangements or contracts of significance in relation to the Foundation's business 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.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Foundation were entered into or existed during the year.

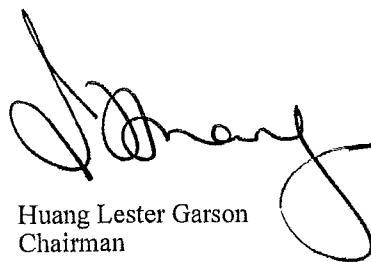
PERMITTED INDEMNITY PROVISIONS

At no time during the financial year and up to the date of this Directors' Report, was or is there, any permitted indemnity provision being in force for the benefit of any of the directors of the Foundation.

HONORARY AUDITOR

The financial statements have been audited by CW CPA, Certified Public Accountants, who retire and, being eligible, offer themselves for reappointment.

On behalf of the board



Huang Lester Garson
Chairman

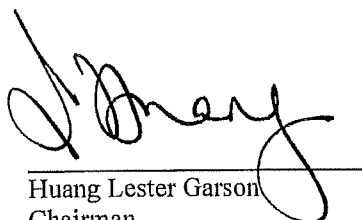
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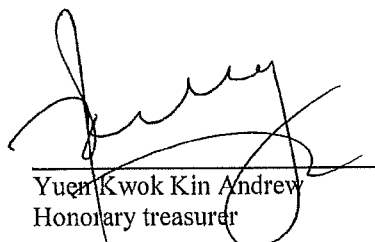
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 HK\$	2018 HK\$
Income		
Donations received		
- Diamond Jubilee Fundraising Campaign	7,382,023	21,834,907
- Other donation	<u>1,305,620</u>	<u>2,666,408</u>
	8,687,643	24,501,315
Interest income from debt securities	126,881	126,496
Interest income on bank deposits	<u>306,658</u>	<u>138</u>
	<u><u>9,121,182</u></u>	<u><u>24,627,949</u></u>
Expenditure		
Bank charges	4,496	3,123
Contract services charge	31,800	-
Donations paid	10 3,125,140	1,102,958
Investment management and brokerage fees	-	832
Sundry expenses	<u>107</u>	<u>1,110</u>
	<u><u>3,161,543</u></u>	<u><u>1,108,023</u></u>
Surplus for the year	5,959,639	23,519,926
Other comprehensive surplus for the year	<u>-</u>	<u>-</u>
Total comprehensive surplus for the year	<u><u>5,959,639</u></u>	<u><u>23,519,926</u></u>

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 HK\$	2018 HK\$
ASSETS			
Non-current assets			
Held-to-maturity financial assets	7	-	2,722,908
Current assets			
Financial assets at amortised cost	7	2,719,333	-
Interest receivable		308,541	4,299
Bank balances	8	41,968,168	36,309,196
		<u>44,996,042</u>	<u>36,313,495</u>
TOTAL ASSETS		<u>44,996,042</u>	<u>39,036,403</u>
FUNDS AND LIABILITIES			
General funds			
Accumulated surplus		44,996,039	39,036,400
Current liabilities			
Other payables	9	<u>3</u>	<u>3</u>
TOTAL FUNDS AND LIABILITIES		<u>44,996,042</u>	<u>39,036,403</u>


Huang Lester Garson
Chairman


Yuen Kwok Kin Andrew
Honorary treasurer

**STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED 31 MARCH 2019**

	Accumulated surplus HK\$
At 1 April 2017	15,516,474
Total comprehensive surplus for the year	<u>23,519,926</u>
At 31 March 2018	<u>39,036,400</u>
At 1 April 2018	39,036,400
Total comprehensive surplus for the year	<u>5,959,639</u>
At 31 March 2019	<u>44,996,039</u>

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 HK\$	2018 HK\$
Cash flows from operating activities		
Surplus for the year	5,959,639	23,519,926
Adjustments for :		
Bond interest income	(126,881)	(126,496)
Interest income	<u>(306,658)</u>	<u>(138)</u>
Operating surplus before working capital changes	5,526,100	23,393,292
Changes in working capital		
- Other payables	<u>-</u>	<u>(382,987)</u>
Net cash generated from operating activities	5,526,100	23,010,305
Cash flow from investing activities		
Interest received	132,872	130,210
Increase in bank deposit with maturity over 3 months	<u>(30,000,000)</u>	<u>-</u>
Net cash (used in) / generated from investing activities	<u>(29,867,128)</u>	<u>130,210</u>
Net (decrease) / increase in cash and cash equivalents	(24,341,028)	23,140,515
Cash and cash equivalents at the beginning of the year	<u>36,309,196</u>	<u>13,168,681</u>
Cash and cash equivalents at the end of the year	<u><u>11,968,168</u></u>	<u><u>36,309,196</u></u>
Analysis of the balances of cash and cash equivalents		
Cash at bank	<u><u>11,968,168</u></u>	<u><u>36,309,196</u></u>

NOTES TO THE FINANCIAL STATEMENTS

1 LEGAL STATUS

La Salle Foundation Limited ("the Foundation") was incorporated under the Companies Ordinance and is limited by guarantee without a share capital. Under the provision of the Foundation's Memorandum and Articles of Association, every member of the Foundation undertakes to contribute to the assets of the Foundation to the extent of HK\$50 in the event of the Foundation being wound up. The address of its registered office is 18 La Salle Road, Kowloon, Hong Kong.

The principal activities of the Foundation are to promote and advance in all aspects education of all levels, the quality in education and all matters of or concerning education in Hong Kong and in particular the provision and maintenance of educational facilities at La Salle College and La Salle Primary School.

The financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Foundation.

2 PRINCIPAL ACCOUNTING POLICIES

2.1 Basis of preparation and changes in accounting policies

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("the HKICPA") and the requirement of Hong Kong Companies Ordinance.

The measurement basis used in the preparation of the financial statements is historical cost, except for the financial instruments which are stated at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Foundation's accounting policies. There is no area involving a higher degree of judgement or complexity, or area where assumptions and estimates are significant to the financial statements.

(a) New and amended standards adopted by the Foundation

The Foundation applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2018 :

- *HKFRS 9 Financial Instruments*
- *HKFRS 15 Revenue from Contracts with Customers*
- *Interpretation 22 Foreign Currency Transactions and Advance Consideration*

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation and changes in accounting policies (continued)

(a) New and amended standards adopted by the Foundation (continued)

(i) HKFRS 9, Financial instruments

HKFRS 9 replaces HKAS 39, "Financial instruments: recognition and measurement". It sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The Company has applied HKFRS 9 retrospectively to items that existed at 1 April 2018 in accordance with the transition requirements. The Company has recognized the cumulative effect of initial application as an adjustment to the opening equity at 1 April 2018, if any. Therefore, comparative information continues to be reported under HKAS 39.

HKFRS 9 categorizes financial assets into three principal classification categories : measured at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVPL"). These supersede HKAS 39's categories of held-to-maturity ("HTM") investments, loans and receivables, available-for-sale ("AFS") financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics. Under HKFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

The Foundation investments in fixed-interest debt securities were reclassified from HTM to financial assets at amortised cost. These investments are held for collection of contractual cash flows, and the cash flows represent solely payments of principal and interest on the principal amount. At the date of initial application of HKFRS 9, HK\$2,722,908 were reclassified from HTM to financial assets at amortised cost.

The following table shows the original measurement categories for each class of the Foundation's financial assets under HKAS 39 and reconciles the carrying amounts of those financial assets determined in accordance with HKAS 39 at 31 March 2018 to those determined in accordance with HKFRS 9 at 1 April 2018:

	As at 31.3.2018 HK\$	Re- classification HK\$	As at 1.4.2018 HK\$
Held-to-maturity financial assets	2,722,908	(2,722,908)	-
Financial assets at amortised cost	-	2,722,908	2,722,908
	<u>2,722,908</u>	<u>-</u>	<u>2,722,908</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation and changes in accounting policies (continued)

(a) *New and amended standards adopted by the Foundation (continued)*

(i) *HKFRS 9, Financial instruments (continued)*

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the “expected credit loss” (ECL) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognizes ECL earlier than under the “incurred loss” accounting model in HKAS 39. The adoption of the ECL model does not have any material impact on the financial statements of the Foundation.

(ii) *HKFRS 15, Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for recognizing revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, Revenue, which covered revenue arising from sale of goods and rendering of services. The adoption of HKFRS 15 does not have any material impact on the financial statements of the Foundation.

(iii) *HK(IFRIC) 22, Foreign currency transactions and advance consideration*

This interpretation provides guidance on determining “the date of the transaction” for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The Interpretation clarifies that “the date of the transaction” is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognizing the related item, the date of the transaction for each payment or receipt should be determined in this way. The adoption of HK(IFRIC) 22 does not have any material impact on the financial statements of the Foundation.

(b) *Standards, amendments and interpretations to existing standards that are relevant to the Foundation but not yet effective and have not been early adopted by the Foundation*

Up to the date of this report, a number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2019, and have not been applied in preparing these financial statements. None of these will have material effect on the financial statements of the Foundation.

2.2 Revenue recognition

- (i) Donations received are recognized in the period in which they are being received by the Foundation.
- (ii) Investment income is recognized when the right to receive payment is established.
- (iii) Interest income is recognized on a time proportion basis, taking into account the principal amount outstanding and the interest rate applicable.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

2.3 Investments and other financial assets

Accounting policies applied as from 1 April 2018

(i) Classification

From 1 April 2018, the Foundation classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Foundation's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Foundation has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Foundation reclassifies debt investments when and only when its business mode for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Foundation commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Foundation measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Foundation's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Foundation classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains / (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

2.3 Investments and other financial assets (continued)

(iii) Measurement (continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains / (losses) in the period in which it arises.

(iv) Impairment

From 1 April 2018, the Foundation assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Accounting policies applied until 31 March 2018

(i) Classification

Until 31 March 2018 the Foundation classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments, and
- available-for-sale financial assets.

The classification determined on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period. See note 7 for details about financial asset.

(ii) Held-to-maturity financial assets

Investment in non-derivative financial assets with fixed or determinable payments and fixed maturity that the Foundation has the positive intention and ability to hold to maturity are classified as held-to-maturity investments, which are measured at amortised cost using the effective interest method, less impairment losses, if any.

Impairment losses on held-to-maturity investments are recognized in statement of comprehensive income when there is objective evidence that an impairment loss has been incurred and are measured as the difference between its carrying amount and the present value of estimated future cash flows discounted at its original effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognized, subject to the restriction that the carrying amount of the asset at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognized.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

2.3 Investments and other financial assets (continued)

(iii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories of financial assets. At the end of the reporting period subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognized in other comprehensive income and accumulated in investment reserves, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment reserves is reclassified to the income and expenditure. Impairment losses on available-for-sale equity investments will not be reversed through the income and expenditure in subsequent periods.

(iv) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers, but also incorporate other types of contractual monetary assets. They are carried at amortised cost using the effective interest method, less any identified impairment loss. An impairment loss is recognised in the income and expenditure when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss is reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2.4 Derecognition of financial assets and financial liabilities

Financial assets are derecognized when the contractual rights to receive the cash flows of the financial assets expire; or where the Foundation transfers the financial assets and either (i) it has transferred substantially all the risks and rewards of ownership of the financial assets; or (ii) it has neither transferred nor retained substantially all the risks and rewards of ownership of the financial assets but has not retained control of the financial assets.

Financial liabilities are derecognized when they are extinguished, i.e. when the obligation is discharged, cancelled or expires.

2.5 Impairment of financial assets

The Foundation recognizes loss allowances for ECL on the financial instruments that are not measured at fair value through profit or loss. The Foundation considers the probability of default upon initial recognition of financial assets and assesses whether there has been a significant increase in credit risk on an ongoing basis.

The Foundation considers the credit risk of a financial instrument is low if the financial instrument has a low risk of default, the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfill its contractual cash flow obligations.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

2.5 Impairment of financial assets (continued)

The carrying amount of the receivables is reduced through the use of the receivable impairment charges account. Changes in the carrying amount of the receivable impairment charges account are recognized in profit or loss. The receivable is written off against the receivable impairment charges account when the Foundation has no reasonable expectations of recovering the receivable.

If, in a subsequent period, the amount of ECL decreases, the reversal would be adjusted to the receivable impairment charges account at the end of the reporting period. The amount of any reversal is recognized in profit or loss.

2.6 Cash and cash equivalents

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

2.7 Provisions

Provisions are recognized when the Foundation has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.8 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Foundation operates ("the functional currency"). The financial statements are presented in HK\$, which is the Foundation's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 FINANCIAL RISK MANAGEMENT

The Foundation's activities do not expose it to significant foreign exchange risk and credit risk. It minimizes liquidity risk by maintaining sufficient cash to meet current and expected liquidity so as to enable it to meet its liabilities as and when they fall due and to continue operating for the foreseeable future. Its remaining contractual maturity for its financial liabilities are within 3 months or on demand. Other than cash at bank, the Foundation has no significant interest-bearing assets and liabilities. Included in cash at bank are balances of HK\$41,968,168 (2018: HK\$36,309,196) which earn interest on bank deposit rates. The cash flow interest rate risk is considered limited as the range of interest rates fluctuation is not significant.

4 CAPITAL MANAGEMENT

Capital comprises total funds stated on the statement of financial position. The Foundation's objective when managing capital is to safeguard its ability to continue as a going concern.

The Foundation manages capital by regularly monitoring its current and expected liquidity requirements.

5 DIRECTORS' REMUNERATION

None of the directors received any emoluments in respect of their services rendered to the Foundation during the year. (2018 : nil)

6 TAXATION

The Foundation is exempt from Hong Kong profits tax by virtue of Section 88 of the Inland Revenue Ordinance.

7 FINANCIAL ASSETS AT AMORTISED COST / HELD-TO-MATURITY FINANCIAL ASSETS

Financial assets at amortised cost (2018 : held-to-maturity financial assets) represent the following:-

	2019 HK\$	2018 HK\$
Listed fixed-interest debt securities in Hong Kong maturing on 19 March 2020	<u>2,719,333</u>	<u>2,722,908</u>
	HK\$	HK\$
Fair value	<u>2,795,838</u>	<u>2,837,087</u>

None of the Financial assets – measured at amortised cost / held-to-maturity financial assets are either past due or impaired. All Financial assets at amortised cost / held-to-maturity financial assets are denominated in United States Dollars. Fair value was determined by reference to published price quotations in an active market. It is classified as level 1 in the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8 BANK BALANCE

	2019 HK\$	2018 HK\$
Cash at bank	11,968,168	36,309,196
Bank deposits with maturity over 3 months *	30,000,000	-
Total bank balance	<u>41,968,168</u>	<u>36,309,196</u>
Cash and cash equivalents as stated in statements of cash flows	<u>11,968,168</u>	<u>36,309,196</u>

* Bank deposits are interest bearing at an interest rate of 2% p.a. and maturing on 10 June 2019

9 OTHER PAYABLES

All of the other payables are expected to be settled or recognized as income within one year or are repayable on demand, and the carrying amounts approximate their fair values.

10 DONATION PAID

Donation made by the Foundation during the year are as follows:

	2019 HK\$	2018 HK\$
Donation beneficiary		
- La Salle College	1,219,360	-
- La Salle Primary School	1,905,780	1,102,958
Total donation paid	<u>3,125,140</u>	<u>1,102,958</u>

11 RELATED PARTY TRANSACTIONS

- Except for the transactions and balances disclosed elsewhere in these financial statements, the Foundation did not have other major transactions with related parties.
- Members of key management during the year comprised only of the directors who did not receive any remuneration as set out in note 5 to the financial statements.

12 APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 3 to 15 were approved and authorized for issue by the board of directors on **2 SEP 2019**



華德會計師事務所

CW CPA Certified Public Accountants

W www.cwhkcpa.com | E cw@cwhkcpa.com

Partners

黃華榮 執業會計師
THOMAS W S WONG, FCPA (Practising)

蔡懿德 執業會計師
ROSANNA Y T CHOI, FCPA (Practising)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LA SALLE FOUNDATION LIMITED

喇沙基金有限公司

(incorporated in Hong Kong and limited by guarantee without a share capital)

Opinion

We have audited the financial statements of La Salle Foundation Limited (the "Foundation") set out on pages 3 to 15, which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in accumulated surplus and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LA SALLE FOUNDATION LIMITED (continued)

Responsibilities of directors 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 HKFRSs issued by the HKICPA 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.

In preparing the financial statements, the directors are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Foundation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



華德會計師事務所

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LA SALLE FOUNDATION LIMITED (continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CW CPA

Certified Public Accountants

HONG KONG, 2 SEP 2019