

## CHINESE TEMPLES COMMITTEE

### Report on the administration of the Chinese Temples Fund for the year ended 31 March 2015

The Chinese Temples Fund (the Fund) was established by the Chinese Temples Committee (the Committee) under Section 8(1) of the Chinese Temples Ordinance (Cap. 153) for the due observance of the customary ceremonies at temples and the maintenance of temple buildings and temple properties. Under Section 8(2) of the Ordinance, the Committee may, at its own discretion, transfer any surplus of the Fund to the General Chinese Charities Fund for the purpose of any Chinese charity in Hong Kong.

2. The Fund is administered by the Committee. A membership list for the year under review is at Appendix I. The Trust Funds and Temples Joint Secretariat is responsible for the secretarial and accounting work of the Fund. The Director of Audit is the auditor of the Fund's account.

3. Surplus from self-administered and delegated temples during the period under report amounted to HK\$36.80 million, representing an increase of HK\$2.59 million as compared with that of HK\$34.21 million in 2013-14.

4. During the period under report, the total expenditure incurred on repair and maintenance of the self-administered and delegated temples amounted to HK\$32.12 million. Commenced in November 2013, the slope improvement and demolition of the old columbarium of Tsz Wan Shan Kwun Yum Temple was completed in November 2014.

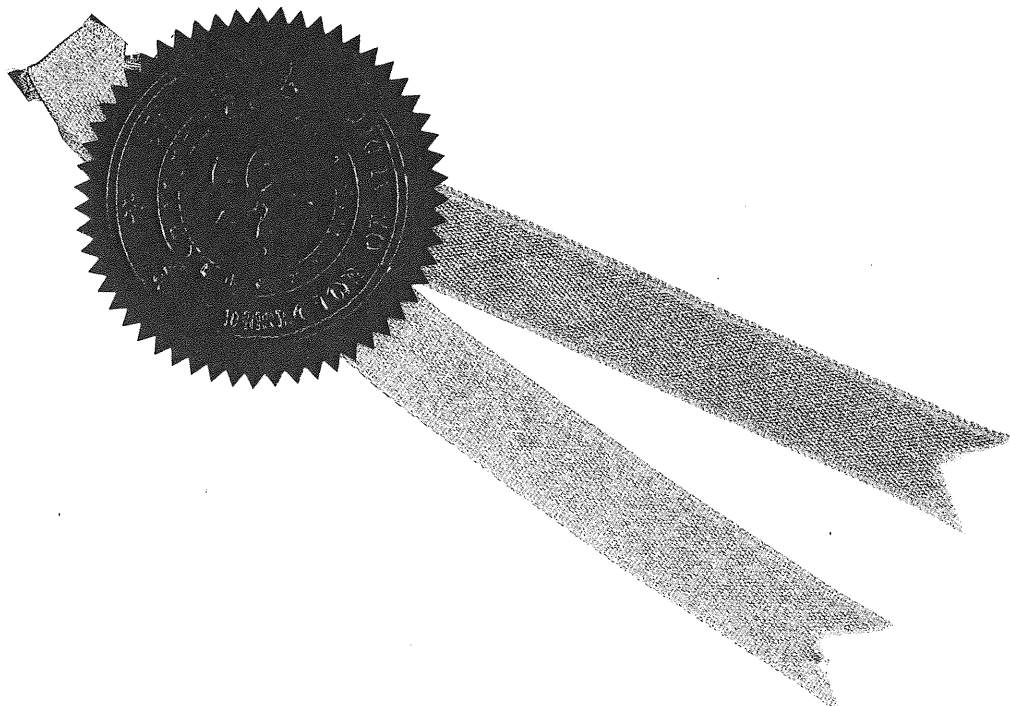
5. The audited Financial Statements of the Fund for the year ended 31 March 2015 is at Appendix II.



(Lau Kong-wah)  
Secretary for Home Affairs  
Chairman  
Chinese Temples Committee  
14 December 2015

**Membership of the Chinese Temples Committee  
(1.4.2014-31.3.2015)**

1. Secretary for Home Affairs (Chairman)  
Mr TSANG Tak-sing, GBS, JP
2. The Chairman of the Board of Directors (up to 31.3.2015)  
of Tung Wah Group of Hospitals  
(Mr SZE Wing-hang)
3. Mr IP Cheung-ching
4. Mr KWOK Ngok-chung, Dick
5. Mr LO Wai-kon
6. Mr MA Ching-yuk, SBS, JP
7. Ms TONG Kei-yuk, Judy
8. Mr YEUNG Chun-tong



## Chinese Temples Fund

Financial statements for the year ended 31 March 2015

# *Report of the Director of Audit*



**Audit Commission**

**The Government of the Hong Kong Special Administrative Region**

## **Independent Audit Report**

### **To the Legislative Council**

I certify that I have audited the financial statements of the Chinese Temples Fund set out on pages 3 to 16, which comprise the balance sheet as at 31 March 2015, and the income and expenditure account, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Secretary for Home Affairs' Responsibility for the Financial Statements**

The Secretary for Home Affairs is responsible for the preparation of financial statements that give a true and fair view in accordance with regulation 10(1) of the Chinese Temples Fund Regulations (Cap. 153 sub. leg. A) and Hong Kong Financial Reporting Standards, and for such internal control as the Secretary for Home Affairs determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with regulation 10(2) of the Chinese Temples Fund Regulations and the Audit Commission auditing standards. Those standards require that I 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 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 Secretary for Home Affairs, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements give a true and fair view of the financial position of the Chinese Temples Fund as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with regulation 10(1) of the Chinese Temples Fund Regulations.



TEO Wing-on  
Principal Auditor  
for Director of Audit

14 December 2015

Audit Commission  
26th Floor  
Immigration Tower  
7 Gloucester Road  
Wanchai, Hong Kong

**CHINESE TEMPLES FUND**  
**BALANCE SHEET AS AT 31 MARCH 2015**

	Note	2015 HK\$	2014 HK\$
<b>NON-CURRENT ASSETS</b>			
Available-for-sale financial assets	3	556,868,762	460,518,634
		-----	-----
<b>CURRENT ASSETS</b>			
Utilities deposits		208,300	206,300
Stock of worshipping items		11,022	29,360
Accounts receivable	4	1,101,941	1,655,588
Cash and cash equivalents	5	290,277,978	287,985,548
		-----	-----
		291,599,241	289,876,796
		-----	-----
<b>CURRENT LIABILITIES</b>			
Contractors' retention money		(1,299,025)	(1,764,631)
Deposits from temple-keepers and other deposits		(5,617,779)	(6,844,449)
Advance receipts		(7,176,912)	(8,643,733)
Accounts payable	6	(7,740,761)	(6,381,154)
Provision for legal expenses		(1,485,298)	(1,485,298)
		-----	-----
		(23,319,775)	(25,119,265)
		-----	-----
<b>NET CURRENT ASSETS</b>		268,279,466	264,757,531
		-----	-----
		825,148,228	725,276,165
		=====	=====
<b>ACCUMULATED FUND</b>		488,954,309	480,138,915
<b>RESERVE FOR THE MAINTENANCE OF TO CHI FAT SHE AT VICTORIA ROAD</b>		1,321,867	1,321,867
<b>RESERVE FOR THE MAINTENANCE OF TEMPLES</b>		207,507,430	212,800,889
<b>INVESTMENT REVALUATION RESERVE</b>		127,364,622	31,014,494
		-----	-----
		825,148,228	725,276,165
		=====	=====

The accompanying notes 1 to 16 form part of these financial statements.



(Lau Kong-wah)  
Secretary for Home Affairs  
Chairman  
Chinese Temples Committee  
14 December 2015

# CHINESE TEMPLES FUND

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 HK\$	2014 HK\$
<b>INCOME</b>			
Surplus for the year from self-administered and delegated temples	7	36,158,146	33,664,926
Surplus from temples administered by Tung Wah Group of Hospitals	8	3,729,442	4,993,193
Gains on sale of worshipping items	9	644,335	542,235
Donations		9,061	1,030
Dividends		18,431,171	17,185,744
Interest	10	3,809,382	3,263,065
Gains on disposal of available-for-sale financial assets		200,424	-
Refund of grant		-	377,207
Exchange gains		4,349	-
Other income		58,283	-
		<hr/> 63,044,593 <hr/>	<hr/> 60,027,400 <hr/>
<b>EXPENDITURE</b>			
Repairs and maintenance of self-administered and delegated temples		(32,122,209)	(13,499,115)
Grants for religious ceremonies and repairs to temples		(549,421)	(1,674,625)
Deficit from temple fair	11	(2,545,517)	(5,000)
Transfer to General Chinese Charities Fund		(23,729,442)	(4,993,193)
Release of contract fulfillment rewards		(5,286)	(2,420,670)
Legal expenses		(50,000)	(269,900)
Miscellaneous		(520,783)	(471,907)
Exchange losses		-	(10,651)
		<hr/> (59,522,658) <hr/>	<hr/> (23,345,061) <hr/>
<b>SURPLUS FOR THE YEAR</b>		<hr/> 3,521,935 <hr/> <hr/>	<hr/> 36,682,339 <hr/> <hr/>

The accompanying notes 1 to 16 form part of these financial statements.

**CHINESE TEMPLES FUND**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2015**

	<b>2015 HK\$</b>	<b>2014 HK\$</b>
<b>SURPLUS FOR THE YEAR</b>	3,521,935	36,682,339
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>		
Items that may be reclassified subsequently to surplus or deficit :		
Available-for-sale financial assets		
Fair value changes on revaluation	96,350,128	(38,584,096)
	<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>	99,872,063	(1,901,757)
	=====	=====

The accompanying notes 1 to 16 form part of these financial statements.



# CHINESE TEMPLES FUND

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Accumulated Fund HK\$	Reserve for the maintenance of To Chi Fat She at Victoria Road HK\$	Reserve for the maintenance of Temples HK\$	Investment Revaluation Reserve HK\$	Total HK\$
Balance at 1 April 2013	441,454,538	1,321,867	214,802,927	69,598,590	727,177,922
Transfer from Reserve for the maintenance of Temples	2,002,038	-	(2,002,038)	-	-
Total comprehensive loss for 2013-14	36,682,339	-	-	(38,584,096)	(1,901,757)
Balance at 31 March 2014	480,138,915	1,321,867	212,800,889	31,014,494	725,276,165
Transfer from Reserve for the maintenance of Temples	5,293,459	-	(5,293,459)	-	-
Total comprehensive income for 2014-15	3,521,935	-	-	96,350,128	99,872,063
Balance at 31 March 2015	488,954,309	1,321,867	207,507,430	127,364,622	825,148,228

The accompanying notes 1 to 16 form part of these financial statements.

**CHINESE TEMPLES FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 HK\$	2014 HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year		3,521,935	36,682,339
Dividends		(18,431,171)	(17,185,744)
Interest		(3,809,382)	(3,263,065)
Surplus from temples administered by Tung Wah Group of Hospitals		(3,729,442)	(4,993,193)
Transfer to General Chinese Charities Fund		3,729,442	4,993,193
Exchange (gains)/losses		(4,349)	134,755
Gains on disposal of available-for-sale financial assets		(200,424)	-
Increase in utilities deposits		(2,000)	(700)
Decrease /(Increase) in stock of worshipping items		18,338	(18,435)
Decrease /(Increase) in accounts receivable		178,348	(646,971)
Decrease in prepayments		-	4,863
(Decrease)/Increase in contractors' retention money		(465,606)	236,095
(Decrease)/ Increase in deposits from temple-keepers and other deposits		(1,226,670)	3,048,940
(Decrease)/ Increase in advance receipts		(1,466,821)	1,840,580
Increase in accounts payable		1,359,607	1,662,583
Decrease in provision for legal expenses		-	(191,402)
<b>NET CASH (USED IN)/FROM OPERATING ACTIVITIES</b>		<u>(20,528,195)</u>	<u>22,303,838</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of available-for-sale financial assets		200,424	-
Bank interest received		3,879,285	3,072,918
Dividends received		18,736,479	17,177,944
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<u>22,816,188</u>	<u>20,250,862</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		2,287,993	42,554,700
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		287,985,548	245,565,603
<b>EFFECTS OF EXCHANGE RATES CHANGES ON CASH AND CASH EQUIVALENTS</b>		4,437	(134,755)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	5	<u>290,277,978</u>	<u>287,985,548</u>

The accompanying notes 1 to 16 form part of these financial statements.

# CHINESE TEMPLES FUND

## NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL

The Chinese Temples Fund (the Fund) was established for the due observance of the customary ceremonies at temples and the maintenance of temple buildings and temple properties in accordance with section 8(1) of the Chinese Temples Ordinance (Cap. 153). Any surplus of income may be transferred to the General Chinese Charities Fund for the purposes of any Chinese charity in Hong Kong at the discretion of the Chinese Temples Committee (the Committee) in accordance with section 8(2) of the Chinese Temples Ordinance.

The address of the Fund's principal place of business is 34<sup>th</sup> Floor, Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of compliance

The financial statements have been prepared in accordance with regulation 10(1) of the Chinese Temples Fund Regulations (Cap. 153 sub. leg. A) and all applicable Hong Kong Financial Reporting Standards (HKFRSs) issued by the Hong Kong Institute of Certified Public Accountants.

#### (b) Basis of preparation

The financial statements have been prepared on an accrual basis and under the historical cost convention except that available-for-sale financial assets are stated at fair value as explained in the accounting policy set out in note 2(d) below.

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 expenditure. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the 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.

There are no critical accounting judgements involved in the application of the Fund's accounting policies. There are neither key assumptions concerning the future nor other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next year.

**(c) Adoption of new/revised HKFRSs**

The Fund has adopted all new/revised HKFRSs which are effective and relevant to the Fund for the current accounting period.

The Fund has not early adopted any amendments, new standards and interpretations which are not yet effective for the current accounting period. The Fund is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial adoption. So far, it has concluded that the adoption of them is unlikely to have a significant impact on the Fund's result of operations and financial position.

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

The Fund's available-for-sale financial assets are classified as non-current assets unless the Committee intends to dispose of the investments within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date on which the Fund is committed to the transactions. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. At each balance sheet date, the fair value is re-measured and any unrealised holding gain or loss arising from the change in fair value is recognised in other comprehensive income and accumulated separately in the investment revaluation reserve.

When available-for-sale financial assets are sold, gains or losses on disposal include the difference between the net sale proceeds and the carrying amount, as well as the accumulated fair value adjustments released from the investment revaluation reserve to the income and expenditure account.

The fair values of quoted investments are based on current bid-prices.

The Fund assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. The cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income and expenditure account – is removed from the investment revaluation reserve and recognised in the income and expenditure account. Such impairment losses are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses for debt securities are recognised in the income and expenditure account. Reversals of impairment losses for equity securities are recognised directly in other comprehensive income.

**(e) Foreign currency translation**

Hong Kong dollar is the currency of the primary economic environment in which the Fund operates. Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the income and expenditure account.

**(f) Revenue recognition**

Interest income is recognised on an accrual basis using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period to the net carrying amount of the financial asset.

Dividend income is recognised when the Fund's right to receive payment is established.

Donation income is recognised once the amount is received.

**(g) Valuation of stock**

The cost of stock sold is calculated on a first-in-first-out basis. The value of stock at year end is stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses.

**(h) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, having been within three months of maturity when acquired.

**(i) Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when there is 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.

**3. AVAILABLE-FOR-SALE FINANCIAL ASSETS**

	<b>2015 HK\$</b>	<b>2014 HK\$</b>
Fair value of equity securities at end of year		
Listed in Hong Kong	556,868,762	460,518,634
	=====	=====

**4. ACCOUNTS RECEIVABLE**

	<b>2015 HK\$</b>	<b>2014 HK\$</b>
Interest on bank deposits	326,764	396,659
Dividends	157,862	463,266
Revenue from self-administered and delegated temples	474,815	273,819
Others	142,500	521,844
	-----	-----
	1,101,941	1,655,588
	=====	=====

**5. CASH AND CASH EQUIVALENTS**

	<b>2015 HK\$</b>	<b>2014 HK\$</b>
Time deposits with original maturity within 3 months	248,045,826	255,447,830
Cash with the Director of Accounting Services	10,915,783	18,604,741
Cash at banks	31,027,856	13,932,977
Cash on hand	288,513	-
	-----	-----
	290,277,978	287,985,548
	=====	=====

**6. ACCOUNTS PAYABLE**

	<b>2015 HK\$</b>	<b>2014 HK\$</b>
Repairs and maintenance to temples	6,242,149	141,826
Deposits from temple-keepers	36,950	36,950
Expenditure on self-administered and delegated temples	472,470	4,970,346
Others	989,192	1,232,032
	-----	-----
	7,740,761	6,381,154
	=====	=====

**7. SURPLUS FOR THE YEAR FROM  
SELF-ADMINISTERED AND DELEGATED  
TEMPLES**

	<b>2015 HK\$</b>	<b>2014 HK\$</b>
Income for the year	38,549,770	36,575,582
Less: Expenditure for the year	(2,391,624)	(2,910,656)
	<u>36,158,146</u>	<u>33,664,926</u>
	=====	=====

**8. SURPLUS FROM TEMPLES ADMINISTERED  
BY TUNG WAH GROUP OF HOSPITALS**

	<b>2015 HK\$</b>	<b>2014 HK\$</b>
Income for the year	10,850,436	9,864,920
Less: Expenditure for the year	(7,120,994)	(4,871,727)
	<u>3,729,442</u>	<u>4,993,193</u>
	=====	=====

**9. GAINS ON SALE OF WORSHIPPING ITEMS**

	<b>2015 HK\$</b>	<b>2014 HK\$</b>
Sale of worshipping items	863,530	810,755
Less: Cost of worshipping items	(219,195)	(268,520)
	<u>644,335</u>	<u>542,235</u>
	=====	=====

**10. INTEREST**

	<b>2015 HK\$</b>	<b>2014 HK\$</b>
Interest on bank deposits	3,809,382	3,263,065
	<u>3,809,382</u>	<u>3,263,065</u>
	=====	=====

**11. DEFICIT FROM TEMPLE FAIR**

	<b>2015 HK\$</b>	<b>2014 HK\$</b>
Income for the year	85,283	-
Less: Expenditure for the year	(2,630,800)	(5,000)
	<u>(2,545,517)</u>	<u>(5,000)</u>
	=====	=====

## 12. FINANCIAL RISK MANAGEMENT

- (a) The Fund's major financial instruments include available-for-sale financial assets, accounts receivable and bank deposits. The major risks associated with these financial instruments are set out below.

### (I) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Fund's maximum exposure to credit risk as at the balance sheet date in relation to each class of financial assets is the carrying amount of those assets as stated in the balance sheet. To minimise the credit risk arising from bank deposits, they are placed with reputable licensed banks in Hong Kong. For the cash balance with the Director of Accounting Services, credit risk is considered to be minimal. For other receivables, the Fund considers that adequate provision has been made, where necessary, for amounts which are expected to be irrecoverable at the balance sheet date.

### (II) Market risk

The Fund is exposed to market risk due to changes in market variables such as equity prices, interest rates and exchange rates.

#### (i) Equity price risk

The Fund maintains a diversified portfolio of investments. The Committee monitors the performance of the portfolio and regularly reviews the investment strategy of the Fund to manage the equity price risk. It is estimated that if the market prices of the respective equity securities had been 10% (2014: 10%) higher/lower, the investment revaluation reserve of the Fund at the balance sheet date would have increased/decreased by about HK\$55,687,000 (2014: HK\$46,052,000). The sensitivity analysis was based on the carrying amounts of equity securities held by the Fund at the balance sheet date and on the assumption that all other variables were held constant.

#### (ii) Interest rate risk

Interest rate risk is the risk of loss arising from changes in market interest rates. This can be further classified into fair value interest rate risk and cash flow interest rate risk.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Since the Fund's deposits with banks bear interest at fixed rates, their fair values will fall when market interest rates increase. As they are stated at amortised cost, changes in market interest rates will not affect their carrying amounts and the Fund's surplus and equity.



Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's exposure to cash flow interest rate risk is small as it has no major floating-rate investments other than bank balances in savings accounts.

(iii) Foreign currency risk

(a) Exposure to currency risk

The Fund maintained net financial instruments denominated in United States dollars and Renminbi at a total of USD20,356 (2014: USD19,338) and CNY16,982,426 (2014: CNY16,427,701) respectively at the balance sheet date. As Hong Kong dollar is pegged to the United States dollar within a narrow range, it is considered that the Fund had no significant exposure to foreign exchange risk relating to this currency. Since no foreign currency rate hedging is made by the Fund, the carrying amounts of the financial instruments in Renminbi represent the maximum exposure of the Fund to foreign currency risk in respect of Renminbi.

(b) Sensitivity analysis

It is estimated that, as at 31 March 2015, should the Renminbi strengthen/weaken by 5% (2014: 5%) against the Hong Kong dollar, with all other variables being held constant, the surplus of the Fund would increase/decrease by about HK\$1,061,000 (2014: HK\$1,026,000).

The sensitivity analysis above has been determined assuming that the change in foreign exchange rate had occurred at the balance sheet date and for financial instruments in existence at that date. The 5% (2014: 5%) strengthening/weakening in Renminbi represents the assessment by the Fund of a reasonably possible change in foreign exchange rate over the period until the end of next year.

**(III) Liquidity risk**

In the management of liquidity risk, the Fund maintains a level of cash and cash equivalents that is considered adequate to finance its operations and mitigate the effects of fluctuations in cash flows.

**(b) Fair value hierarchy of financial instruments**

The following table presents the carrying value of financial instruments measured at fair value at the balance sheet date on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement.

	2015		2014	
	Level 1 HK\$	Total HK\$	Level 1 HK\$	Total HK\$
<b>Available-for-sale financial assets</b>				
Equity securities:				
- Listed	556,868,762 =====	556,868,762 =====	460,518,634 =====	460,518,634 =====

No financial instruments were classified under Level 2 and Level 3.

The three levels of the fair value hierarchy are :

Level 1: fair value measured using only unadjusted quoted prices in active markets for identical financial instruments at the measurement date;

Level 2: fair value measured using observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and

Level 3: fair value measured using significant unobservable inputs.

**13. CAPITAL MANAGEMENT**

The capital structure of the Fund consists of accumulated fund, reserve for the maintenance of To Chi Fat She at Victoria Road, reserve for the maintenance of temples and investment revaluation reserve. The Fund's objectives when managing capital are:

- (a) to comply with the Chinese Temples Ordinance; and
- (b) to maintain a strong capital base for carrying out the purposes of the Fund as stated in note 1 above.

The Fund manages capital to ensure that its level is sufficient to fund future grants and expenditure, taking into account projected cash flow requirements, future financial obligations and commitments.

#### **14. COMMITMENTS**

As at 31 March 2015, the financial commitments of the Fund were as follows:

- (a) HK\$25,776,156 (2014: HK\$49,841,206) for repairs and maintenance of self-administered and delegated temples;
- (b) HK\$3,863,994 (2014: HK\$4,287,814) for renovation projects for temples other than self-administered temples;
- (c) HK\$2,495,460 (2014: HK\$2,495,290) for rewards to temple-keepers upon the satisfactory completion of their temple management contracts; and
- (d) HK\$571,063 (2014: HK\$406,437) for grants for religious ceremonies.

#### **15. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES**

All financial assets and liabilities are stated in the balance sheet at amount equal to or not materially different from their fair values.

#### **16. CONTINGENT LIABILITIES**

As at 31 March 2015, the Fund had an outstanding litigation case amounting to HK\$3.4 million (2014: HK\$3.4 million). The legal proceedings of this case have not yet been completed. Since the outcome of this case is uncertain, no provision has been made.