

**Report of the Council**  
**Audited Financial Statements**  
**HONGKONG HUILING, LIMITED**  
**慧靈(香港)智障人仕服務有限公司**  
(Incorporated in Hong Kong with limited liability by guarantee)  
**31 March 2011**

***Andrew Hung & Co.***

洪宏信會計師事務所  
*Certified Public Accountants*  
*Hong Kong*

**HONGKONG HUILING, LIMITED**  
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**HONGKONG HUILING, LIMITED**  
**REPORT OF THE COUNCIL**

(Incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

The Council has the pleasure to present its annual report and its audited financial statements for the year ended 31 March 2011.

**Principal activities**

HongKong HuiLing, Limited ("the Organisation") is a charitable organisation and the principal activity of the Organisation is provision of services to the people with mental disabilities for improving their life quality.

**Results**

The results for the year ended 31 March 2011 and its state of affairs at that date are set out in the financial statements on pages 5 to 12.

**Council**

The members of the Council who held office during the year and up to the date of this report are:

Bonnie CHEUNG Yin Hung  
Fernando CAGNIN  
Luke TSE Kam Chuen  
MENG Wei Na  
Michael TSUI Kee Cheong  
Angelo Francesco CUMBO (Resigned on 24 October 2010)

In accordance with the articles of association, all the council members retire and, being eligible, offer themselves for re-election.

**HONGKONG HUILING, LIMITED**  
**REPORT OF THE COUNCIL**

(Incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

**Council members' interests in contracts**

None of the members had a beneficial interest in any material contracts to which the Council Member was a party during the year.

**Auditor**

Andrew Hung & Co. retire and, being eligible, offer themselves for re-appointment.

BY ORDER OF THE COUNCIL



Chairman  
Hong Kong  
19 September 2011

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
HONGKONG HUILING, LIMITED**

(Incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

We have audited the financial statements of HongKong Huiling, Limited ("the Organisation") set out on pages 5 to 12, which comprise the statement of financial position as at 31 March 2011, and the statement of comprehensive income, statement of changes in general funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Council members' responsibility for the financial statements**

The council members are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 141 of the Hong Kong Companies Ordinance, and for no other 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 of 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 as to 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 and true and fair presentation of the financial statements 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 council members, as well as evaluating the overall presentation of the financial statements.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
HONGKONG HUILING, LIMITED**

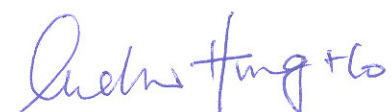
(Incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

**Auditor's responsibility (continued)**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the Organisation's affairs as at 31 March 2011 and of its result and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



Andrew Hung & Co.  
Certified Public Accountants  
Hong Kong  
19 September 2011

**HONGKONG HUILING, LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 March 2011**  
(Expressed in Hong Kong dollars)

	Notes	2011 HK\$	2010 HK\$
Revenues	3	1,419,529	711,452
Expenditure		<u>(1,111,908)</u>	<u>(754,856)</u>
Surplus / (deficit) before taxation		307,621	(43,404)
Taxation	6	<u>-</u>	<u>-</u>
Surplus / (deficit) for the year/ period		<u>307,621</u>	<u>(43,404)</u>

The notes to financial statements form an integral part of, and should be read in conjunction with, these financial statements.

**HONGKONG HUILING, LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 31 March 2011**  
(Expressed in Hong Kong dollars)

	2011 HK\$	2010 HK\$
<b>CURRENT ASSETS</b>		
Cash at bank	<u>595,279</u>	<u>287,658</u>
<b>NET ASSETS</b>	<u>595,279</u>	<u>287,658</u>
<b>GENERAL FUND</b>		
Accumulated funds	<u>595,279</u>	<u>287,658</u>
	<u>595,279</u>	<u>287,658</u>

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

The notes to financial statements form an integral part of, and should be read in conjunction with, these financial statements.

**HONGKONG HUILING, LIMITED**  
**STATEMENT OF CHANGES IN FUNDS**  
**For the year ended 31 March 2011**  
(Expressed in Hong Kong dollars)

	Accumulated funds HK\$
Balance as at 1 April 2009	331,062
Deficit for the year	<u>(43,404)</u>
Balance as at 31 March 2010	287,658
Surplus for the year	<u>307,621</u>
Balance as at 31 March 2011	<u>595,279</u>

The notes to financial statements form an integral part of, and should be read in conjunction with, these financial statements.

**HONGKONG HUILING, LIMITED**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 31 March 2011**  
(Expressed in Hong Kong dollars)

	2011 HK\$	2010 HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus / (deficit) for the year	<u>307,621</u>	<u>(43,404)</u>
Net cash generated / (used in) from operation	307,621	(43,404)
Cash and cash equivalents at the beginning of year	<u>287,658</u>	<u>331,062</u>
Cash and cash equivalents at the end of year	<u>595,279</u>	<u>287,658</u>
<b>ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS</b>		
Cash at bank	<u>595,279</u>	<u>287,658</u>

The notes to financial statements form an integral part of, and should be read in conjunction with, these financial statements.

**HONGKONG HUILING, LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended 31 March 2011**  
(Expressed in Hong Kong dollars)

1. GENERAL INFORMATION

HongKong Huiling, Limited (“the Organisation”) is a charitable organisation incorporated in Hong Kong with limited liability by guarantee and not having a share capital. The Organisation’s registered office is located at 16/F Good Harvest Commercial Building 515-517 Nathan Road, Yaumatei, Kowloon, Hong Kong. The principal activity of the Organisation is provision of services to the people with mental disabilities for improving their life quality.

2. PRINCIPAL ACCOUNTING POLICIES

a) Statement of Compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Organisation is set out below.

The HKICPA has issued a number of new interpretations and an amendment to HKFRSs that are first effective for the current accounting period of the Organisation. However, none of these developments are relevant to the Organisation’s operations.

The Organisation has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Possible Impact of Amendments, New Standards and Interpretations issued but not yet effective for the year ended 31 March 2011

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2011 and which have not been adopted in these financial statements.

The Organisation is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations 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 Organisation’s results of operations and financial position.

**HONGKONG HUILING, LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended 31 March 2011**  
(Expressed in Hong Kong dollars)

b) Basis of preparation

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.

c) Revenue recognition

Donations are recognised when received.

Bank interest income is recognised when received

d) 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 and non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the foreign exchange rates ruling at the statement of financial position date. Exchange gains and losses are recognised in the income and expenditure account.

**HONGKONG HUILING, LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended 31 March 2011**  
(Expressed in Hong Kong dollars)

3. REVENUE

Revenues recognised during the year are as follows:

	2011 HK\$	2010 HK\$
Donation income	1,083,460	505,769
Sponsorship fees	335,024	204,193
Membership fees	1,040	1,480
Interest received	5	10
	<u>1,419,529</u>	<u>711,452</u>

4. COUNCIL MEMBERS' REMUNERATION

Remuneration of the Organisation's council members disclosed pursuant to section 161 of the Companies Ordinance is as follows:

	2011 HK\$	2010 HK\$
Fees	-	-
Other emoluments	-	-
	<u>-</u>	<u>-</u>

5. SURPLUS / (DEFICIT) BEFORE TAXATION

Surplus / (deficit) before taxation is stated after charging the following:

	2011 HK\$	2010 HK\$
Audit remuneration	-	-
Relief payments	1,094,514	743,476
	<u>1,094,514</u>	<u>743,476</u>

**HONGKONG HUILING, LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended 31 March 2011**  
(Expressed in Hong Kong dollars)

6. TAXATION

The Organisation is exempted from the payment of Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance. (2010: HK\$ NIL)

No provision for deferred taxation has been made as there is no effect of timing differences.

7. COMPARATIVE FIGURES

Certain comparative figures have been adjusted for proper presentation.

8. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Council on 19 September 2011