

**Report of the Council**

**Audited Financial Statements**

**HONGKONG HUILING, LIMITED**

**慧靈(香港)智障人士服務有限公司**

(Incorporated in Hong Kong with limited liability by guarantee)

**31 March 2016**

***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**

The Council has the pleasure to present its report and its audited financial statements for the year ended 31 March 2016.

#### **Principal activity**

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 of the Organisation for the year ended 31 March 2016 and its state of affairs at that date are set out in the financial statements on pages 5 to 10.

#### **Business review report**

The Company is exempted from preparing a business review report.

#### **Council**

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

BELLATI Franco  
CAGNIN Fernando  
CHEUNG Lai Ping  
CHEUNG Yin Hung Bonnie  
MENG Wei Na  
TSANG Chun Yu (appointed on 29 November 2015)  
TSE Kam Chuen Luke  
TSUI Kee Cheong Michael

In accordance with the Organisation’s articles of association, all the council members shall retire and, being eligible, offer themselves for re-election for the forthcoming annual general meeting.

#### **Council members' interests in contracts of significance**

No contract of significance to which the Organisation was a party and in which a council member of the Organisation had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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

**Auditor**

Andrew Hung & Co. retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Andrew Hung & Co. as auditor of the Organisation is to be proposed at the forthcoming annual general meeting.

BY ORDER OF THE COUNCIL



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Tse Kam Chuen Luke

Chairman

Hong Kong

31 October 2016



**ANDREW HUNG & CO.**

*Certified Public Accountants (Practising)*

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**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)

**Report on the financial statements**

We have audited the financial statements of HongKong Huiling, Limited ("the Organisation") set out on pages 5 to 10, which comprise the statement of financial position as at 31 March 2016, and the statement of income and expenditure, statement of changes in general funds 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 of financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, 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 and with reference to Practice Note 900 (Revised) "Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard" issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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.

**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)**

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.

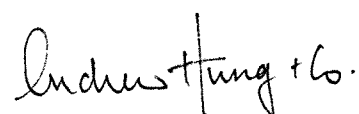
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements of the Organisation for the year ended 31 March 2016 are prepared, in all material respects, in accordance with the SME-FRS and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Report on other matters under section 407 to the Hong Kong Companies Ordinance**

We report that we have obtained all the information and explanations which we have required.



Andrew Hung & Co.  
Certified Public Accountants  
Hong Kong  
31 October 2016

**HONGKONG HUILING, LIMITED**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**For the year ended 31 March 2016**  
(Expressed in Hong Kong Dollars)

	Notes	2016 HKD	2015 HKD
Revenue	3	5,401,404	4,057,057
Expenditure		<u>(5,946,781)</u>	<u>(4,879,100)</u>
Deficit before taxation	4	(545,377)	(822,043)
Income tax expense	6	<u>-</u>	<u>-</u>
Deficit for the year		<u><u>(545,377)</u></u>	<u><u>(822,043)</u></u>

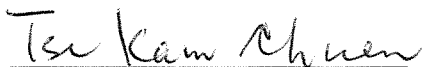
The notes to the financial statements form an integral part of, and should be read in conjunction with, these financial statements.

**HONGKONG HUILING, LIMITED**  
**STATEMENT OF FINANCIAL POSITION**


**As at 31 March 2016**

(Expressed in Hong Kong Dollars)

	2016 HKD	2015 HKD
<b>CURRENT ASSETS</b>		
Other receivable	3,855	-
Cash in hand and at bank	<u>1,078,422</u>	<u>1,666,607</u>
	1,082,277	1,666,607
<b>CURRENT LIABILITIES</b>		
Other payable	<u>-</u>	<u>38,953</u>
<b>NET ASSETS</b>	<u>1,082,277</u>	<u>1,627,654</u>
<b>GENERAL FUNDS</b>		
Accumulated funds	<u>1,082,277</u>	<u>1,627,654</u>



Tse Kam Chuen Luke  
The member of the Council



Cheung Yin Hung Bonnie  
The member of the Council

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



**HONGKONG HUILING, LIMITED**  
**STATEMENT OF CHANGES IN GENERAL FUNDS**  
**For the year ended 31 March 2016**  
(Expressed in Hong Kong Dollars)

	Accumulated funds HKD
Balance as at 1 April 2014	2,449,697
Deficit for the year	<u>(822,043)</u>
Balance as at 31 March 2015	1,627,654
Deficit for the year	<u>(545,377)</u>
Balance as at 31 March 2016	<u><u>1,082,277</u></u>

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

**HONGKONG HUILING, LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2016**  
(Expressed in Hong Kong Dollars)

1. GENERAL INFORMATION

HongKong Huiling, Limited (“the Organisation”) is a company incorporated in Hong Kong with limited liability by guarantee and not having a share capital. The address of its registered office and principal place of business is at Unit A&C, 4/F, Gee Hing Chang Industrial Building, 16 Cheung Yue Street, Cheung Sha Wan, 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

The Organisation qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Organisation is a going concern.

The measurement base adopted is the historical cost convention and they are presented in Hong Kong Dollars (“HKD”), which is the Company’s functional currency.

b) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Organisation and when the revenue can be measured reliably, on the following base:

Income from donations and registration income are recognised when cash is received and includes all sums received up to the end of the reporting period.

**HONGKONG HUILING, LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2016**  
(Expressed in Hong Kong Dollars)

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

c) Foreign currencies

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the statement of income and expenditure.

d) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

e) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

3. REVENUE

Revenue recognised during the year is as follows:

	2016 HKD	2015 HKD
Donation income	5,048,180	3,636,193
Sponsorship income	350,370	417,150
Membership fees	1,380	1,020
Interest received	1,474	2,694
	<u>5,401,404</u>	<u>4,057,057</u>

**HONGKONG HUILING, LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2016**  
(Expressed in Hong Kong Dollars)

4. DEFICIT BEFORE TAXATION

Deficit before taxation is stated after charging the following:

	2016 HKD	2015 HKD
Relief payments	5,913,791	4,808,841
Exchange difference, net	<u>11,081</u>	<u>47,575</u>

5. COUNCIL MEMBERS' REMUNERATION

	2016 HKD	2015 HKD
Fees	-	-
Other emoluments	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

6. INCOME TAX EXPENSE

The Organisation is exempted from the payment of Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance. (2015: NIL)

7. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Council on 31 October 2016.