

Report of the Directors
Audited Financial Statements
HONGKONG HUILING, LIMITED
慧靈(香港)智障人仕服務有限公司
31 March 2018

Andrew Hung & Co.
洪宏信會計師事務所
Certified Public Accountants
Hong Kong

HONGKONG HUILING, LIMITED

CONTENTS

	Pages
REPORT OF THE DIRECTORS	1-2
INDEPENDENT AUDITOR'S REPORT	3-5
AUDITED FINANCIAL STATEMENTS	
Income statement	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9-11

HONGKONG HUILING, LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 31 March 2018.

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 and dividends

The results of the Organisation for the year ended 31 March 2018 and the state of the Organisation’s affairs as at that date are set out in the Organisation’s financial statements on pages 6 to 11.

Debentures

No debenture was issued during the year.

Directors

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

BELLATI Franco
CAGNIN Fernando
CHEUNG Lai Ping
MENG Wei Na
TSANG Chun Yu
TSE Kam Chuen Luke
TSUI Kee Cheong Michael

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

Arrangements to purchase shares or debentures

At no time during the year was the Organisation a party to any arrangements to enable the directors of the Organisation to acquire benefits by means of the acquisition of debentures of, the Organisation or any other body corporate.

HONGKONG HUILING, LIMITED
REPORT OF THE DIRECTORS

Directors' interests in contracts of significance

No transactions, arrangements and contracts of significance in relation to the Organisation activities to which the Organisation was a party and in which a director 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.

Permitted indemnity provisions

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

Management contracts

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

Business review report

The Organisation falls within the reporting exemption for the year. Accordingly, the Organisation is exempted from preparing a business review.

Auditor

Andrew Hung & Co. retire and, being eligible, offer themselves for reappointment. A resolution will be submitted to the annual general meeting to re-appoint Andrew Hung & Co. as auditor of the Organisation.

ON BEHALF OF THE BOARD



Tse Kam Chuen

Chairman

Hong Kong

19 November 2018



ANDREW HUNG & CO.

Certified Public Accountants (Practising)

洪宏信會計師事務所

Unit 1301, Chung Nam Building,
1 Lockhart Road, Wanchai,
Hong Kong

香港灣仔駱克道一號
中南大廈1301室

Tel: (852) 3113 4818
Fax: (852) 3113 5282
Email: info@aghcpa.com.hk
Website: www.aghcpa.com.hk

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
HONGKONG HUILING, LIMITED**
(incorporated in Hong Kong with limited liability)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HongKong Huiling, Limited ("the Organisation") set out on pages 6 to 11 which comprise the statement of financial position as at 31 March 2018, and the income statement, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Organisation are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard ("SME-FRS") 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 ("HKSAs") and with reference to PN 900 (Revised), Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard 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 Organisation in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
HONGKONG HUILING, LIMITED**
(incorporated in Hong Kong with limited liability)

Responsibilities of directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS 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 Organisation'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 Organisation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation'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 HKSAs 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 HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

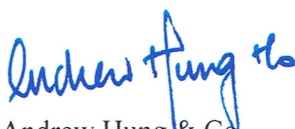
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
HONGKONG HUILING, LIMITED**
(incorporated in Hong Kong with limited liability)

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

- 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 Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Organisation'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 Organisation to cease to continue as a going concern.

We communicate with those charged with governance 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.



Andrew Hung & Co.
Certified Public Accountants
Hong Kong
19 November 2018

HONGKONG HUILING, LIMITED
INCOME STATEMENT
For the year ended 31 March 2018
(Expressed in Hong Kong Dollars)

	Notes	2018 HKD	2017 HKD
Income	3	3,228,960	2,344,691
Expenditure		<u>(3,883,420)</u>	<u>(1,985,371)</u>
(Deficit)/surplus before taxation	4	(654,460)	359,320
Income tax expense	6	<u>-</u>	<u>-</u>
(Deficit)/surplus for the year		<u><u>(654,460)</u></u>	<u><u>359,320</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 2018
(Expressed in Hong Kong Dollars)

	Notes	2018 HKD	2017 HKD
CURRENT ASSETS			
Cash in hand and at bank		<u>830,447</u>	<u>1,441,597</u>
CURRENT LIABILITIES			
Other payables		<u>43,310</u>	<u>-</u>
NET ASSETS		<u><u>787,137</u></u>	<u><u>1,441,597</u></u>
GENERAL FUNDS			
Accumulated funds		<u><u>787,137</u></u>	<u><u>1,441,597</u></u>



Tse Kam Chuen
Director



Tsui Kee Cheong
Director

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 EQUITY
For the year ended 31 March 2018
(Expressed in Hong Kong Dollars)

	Accumulated funds HKD
Balance as at 1 April 2016	1,082,277
Surplus for the year	<u>359,320</u>
Balance as at 31 March 2017	1,441,597
Deficit for the year	<u>(654,460)</u>
Balance at 31 March 2018	<u><u>787,137</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 2018
(Expressed in Hong Kong Dollars)

1. GENERAL INFORMATION

HongKong Huiling, Limited (“the Organisation”) is an Organisation incorporated in Hong Kong with limited liability by guarantee and not having a share capital. The registered office of the Organisation is Shop G, G/F., Block 3, 6 Tai Kei Street, City One Shatin, Shatin, N.T., 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 private 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 Organisation’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.

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 income statement.

HONGKONG HUILING, LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018
(Expressed in Hong Kong Dollars)

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

d. Taxation

The Organisation being a charitable institution or trust of a public character, is exempt from tax under Section 88 of the Inland Revenue Ordinance.

3. INCOME

Incomes recognised during the year are as follows:

	2018	2017
	HKD	HKD
Donation income	2,878,182	1,911,546
Sponsorship income	349,550	431,900
Membership fees	1,200	920
Interest received	28	325
	<u>3,228,960</u>	<u>2,344,691</u>

4. (DEFICIT)/ SURPLUS BEFORE TAXATION

(Deficit)/surplus before taxation is stated after charging/(crediting) the following:

	2018	2017
	HKD	HKD
Relief payments	3,914,852	1,924,543
Exchange difference, net	(56,841)	31,021
Staff cost (including directors' remuneration)	<u>-</u>	<u>-</u>

HONGKONG HUILING, LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018
(Expressed in Hong Kong Dollars)

5. DIRECTORS' REMUNERATION

	2018 HKD	2017 HKD
Fees	-	-
Other emoluments	-	-
	<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. (2017: Exempted)

7. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 19 November 2018.