

EMPATHY SERVICE CENTRE LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

EMPATHY SERVICE CENTRE LIMITED
DIRECTORS' REPORT

The directors have pleasure in presenting the report and the audited financial statements for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was provision of rehabilitation services.

RESULTS

The surplus of the company for the year ended 31 March 2019 and the state of affairs of the company at that date are set out in the financial statements on pages 5 to 9.

BOARD OF DIRECTORS

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

KWONG Tak Sing

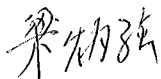
LEUNG Ping Keung

In accordance with Article 13 of the company's Articles of Association, both directors shall retire from office, and being eligible, offer themselves for re-election.

AUDITORS

The financial statements were audited by Messrs. W.M.Yuen CPA Limited, Certified Public Accountants who shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

On behalf of the Board



LEUNG Ping Keung, Chairman

Hong Kong

17 January 2020



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EMPATHY SERVICE CENTRE LIMITED
(Incorporated in Hong Kong with liability limited by guarantee)

OPINION

We have audited the financial statements of Empathy Service Centre Limited ("the Company") set out on pages 5 to 9, which comprise the statement of financial position as at 31 March 2019, and the income statement 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 Company 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 ("HKSA") 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 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 Company 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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 10 in the financial statements, which indicates that as at 31 March 2019, the Company's current liabilities exceeded its total assets by HK\$122,326. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



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.

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 Company'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 Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 HKSA's 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.



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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.
- 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 Company'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 Company'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 Company 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.

W.M.YUEN CPA LIMITED
Certified Public Accountants
Yuen Wai Man
Practising Certificate Number: P03440
Hong Kong
17 January 2020

EMPATHY SERVICE CENTRE LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 HK\$	2018 HK\$
TURNOVER	3	70,100	52,400
ADMINISTRATIVE EXPENSES		(20,038)	(51,477)
SURPLUS BEFORE TAXATION	4	50,062	923
TAXATION	6	—	—
SURPLUS FOR THE YEAR		<u>50,062</u>	<u>923</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

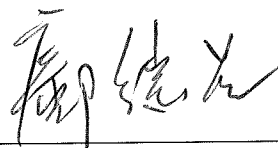
EMPATHY SERVICE CENTRE LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	2019 HK\$	2018 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	7	-	-
CURRENT ASSETS			
Bank balances		95,920	47,451
CURRENT LIABILITIES			
Accrued expenses		5,300	5,300
Due to directors	8	<u>212,946</u>	<u>214,539</u>
		<u>218,246</u>	<u>219,839</u>
NET CURRENT LIABILITIES		<u>(122,326)</u>	<u>(172,388)</u>
NET LIABILITIES		<u>(122,326)</u>	<u>(172,388)</u>
SHARE CAPITAL			
	9	-	-
ACCUMULATED FUND		<u>(122,326)</u>	<u>(172,388)</u>
TOTAL EQUITY		<u>(122,326)</u>	<u>(172,388)</u>

The financial statements on pages 5 to 9 are approved by the board of directors on 17 January 2020.



LEUNG Ping Keung, Director



KWONG Tak Sing, Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

EMPATHY SERVICE CENTRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Empathy Service Centre Limited (“the company”) is a limited liability company domiciled and incorporated in Hong Kong. The address of its registered office is Shop 3, G/F., Tai Woo Mansion, Taikoo Shing, Hong Kong. Its principal activity was provision of rehabilitation services.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The company qualifies for the reporting exemption as a small company limited by guarantee 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.

As at 31 March 2019, the company had net liabilities of HK\$122,326. The financial statements have been prepared on the presumption that the company will continue to operate as a going concern. This presumption is based on the availability of continuing financial support from the members.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

a) Revenue recognition

Donation is recognized as income when the granting of funds has been approved by the donors.

b) Depreciation on non-current assets

Property, plant and equipment are stated at cost less depreciation and impairment losses, if any.

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives on a straight line basis. The principal annual rates used for depreciation are as follows: -

Office equipment	20%
Furniture and fixtures	20%

EMPATHY SERVICE CENTRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

c) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental payable under operating leases are charged to the income statement on the straight line basis over the lease term.

3. REVENUE

An analysis of the company's revenue is as follows:

	2019 HK\$	2018 HK\$
Donation received	<u>70,100</u>	<u>52,400</u>

4. SURPLUS BEFORE TAXATION

Surplus before taxation is arrived at after charging:

	2019 HK\$	2018 HK\$
Rental of office premise under operating lease	<u>-</u>	<u>28,000</u>

5. DIRECTORS' REMUNERATION

None of the directors received any emoluments for the year (2018: Nil).

6. TAXATION

No provision for Hong Kong profits tax has been made in the financial statements as the company is exempted from tax for the year ended 31 March 2019 (2018: Nil).

7. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures HK\$	Office equipment HK\$	Total HK\$
Cost:			
At 31 March 2018			
and at 31 March 2019	<u>5,058</u>	<u>47,595</u>	<u>52,653</u>
Accumulated depreciation:			
At 31 March 2018			
and at 31 March 2019	<u>5,058</u>	<u>47,595</u>	<u>52,653</u>
Net book value:			
At 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2018	<u>-</u>	<u>-</u>	<u>-</u>

EMPATHY SERVICE CENTRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

8. DUE TO DIRECTORS

The amount due to directors is unsecured, interest free and has no fixed terms of repayment.

9. SHARE CAPITAL

The company was incorporated by guarantee, therefore, no share capital was registered in its Memorandum and Articles of Association.

10. CHANGES IN EQUITY

	Share capital HK\$	Accumulated fund HK\$	Total HK\$
At 31 March 2018	-	(172,388)	(172,388)
Surplus for the year	<u>-</u>	<u>50,062</u>	<u>50,062</u>
At 31 March 2019	<u><u>-</u></u>	<u><u>(122,326)</u></u>	<u><u>(122,326)</u></u>