

HONG KONG SEEING EYE DOG SERVICES LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2022

Alan Chan & Partners
Certified Public Accountants

HONG KONG SEEING EYE DOG SERVICES LIMITED
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

<u>CONTENTS</u>	<u>PAGE(S)</u>
INDEPENDENT AUDITORS' REPORT	1 to 3
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF CHANGES IN EQUITY	6
STATEMENT OF CASH FLOWS	7
NOTES TO THE FINANCIAL STATEMENTS	8 to 11



ALAN CHAN
& PARTNERS

Certified Public
Accountants

陳維漢會計師事務所

Alan Chan & Partners Certified Public Accountants

香港北角電氣道 148 號 25 樓 2502 室

Room 2502, 25/F., 148 Electric Road, North Point, Hong Kong. Tel: (852) 2824 3218 Fax: (852) 2802 7035

E-mail: alanchan.audit@gmail.com

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HONG KONG SEEING EYE DOG SERVICES LIMITED
FOR THE YEAR ENDED 31 MARCH 2022
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Hong Kong Seeing Eye Dog Services Limited set out on pages 4 to 11, which comprise the statement of financial position as at 31st March 2022, and the statement of receipts and payments, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st March 2022, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditors' 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 ethical 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 of the Company are responsible for the other information.

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.

../2

- 1 -

會計師：陳維漢，何祖欣，吳啟賢

顧問：余民偉，梁永恒，謝家義，鄭堅，廖秋來，黃麗娜，唐浩正

CPA: ALAN W. H. CHAN, BA (Hons), CPA. KEITH C. Y. HOR, CPA, MSc (Fin). KAI YIN NG, BA (Hons), CPA.

CONSULTANTS: M. W. YU, W. H. LEUNG, ACIS, ACCA, AHKSA, BA (Hons), CPA. GARY TSE, AHKSA, AICPA.

KWONG KIN, BA (Hons). BARRY LIU, L. N. WONG, BA (Hons). TANG SAI KWONG, BARRY H. C. TONG.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HONG KONG SEEING EYE DOG SERVICES LIMITED
FOR THE YEAR ENDED 31 MARCH 2022

(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 that give a true and fair view in accordance with HKFRSs 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 operation, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. 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, misrepresentation, or the override of internal control.

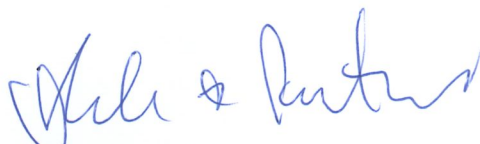
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HONG KONG SEEING EYE DOG SERVICES LIMITED
FOR THE YEAR ENDED 31 MARCH 2022

(Incorporated in Hong Kong with limited liability)

Auditors' 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 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Alan Chan & Partners
Certified Public Accountants
Room 2502, 25/F.,
148 Electric Road, North Point,
Hong Kong

22 NOV 2022

HONG KONG SEEING EYE DOG SERVICES LIMITED
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

	NOTES	2022 HK\$	2021 HK\$
Project funding allocations from			
The Community Chest of Hong Kong	3	819,150	1,958,300
HKSAR Government subsidies	3	65,400	494,335
Other donations received	3	977,486	706,816
Event income	4 and 5	1,182,954	733,005
Event expenses		(700,940)	(312,250)
Net income		2,344,050	3,580,206
Interest income		109	1,135
Other income		3,688	9,436
Total income		2,347,847	3,590,777
Less: Expenses			
Accountancy fee		48,000	96,000
Advertising and promotion		55,140	-
Audit fee		18,000	18,000
Bank charges		2,073	3,994
Computer expenses		5,595	1,023
Consultant service fee		56,250	-
Contribution to MPF		123,558	193,382
Dog care expenses		175,010	79,195
Entertainment		6,798	-
Insurance		39,530	26,600
Medical expenses for dogs		70,371	184,328
Membership fee		19,484	-
Motor vehicle expenses		68,759	52,514
Office expenses		98,653	41,362
Office rent and rates		327,919	351,159
Postage		6,547	2,752
Printing and stationery		26,737	12,397
Repairs and maintenance		11,640	350
Salaries		2,207,445	1,855,829
Staff welfare		83,285	-
Sundry expenses		56,933	12,193
Telephone		15,794	18,757
Training expenses		8,392	-
Travelling		6,044	12,277
Water and electricity		19,964	5,913
		3,557,921	2,968,025
(Deficit)/Surplus for the year		(1,210,074)	622,752

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

HONG KONG SEEING EYE DOG SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION
AT 31ST MARCH 2022

	NOTES	2022 HK\$	2021 HK\$
Non-Current assets			
Motor vehicle	6	78,300	78,300
Office equipment	6	202,947	135,162
Current assets			
Rental and utility deposits		152,269	146,742
Prepayment for school project		4,444,250	192,854
Fixed deposit		-	1,800,000
Cash and bank balances		3,696,409	3,270,651
		<u>8,292,928</u>	<u>5,410,247</u>
Current liabilities			
Accounts payable		4,113,000	-
Accrued expenses		65,540	18,000
		<u>4,178,540</u>	<u>18,000</u>
Net current assets		<u>4,114,388</u>	<u>5,392,247</u>
Net assets		<u><u>4,395,635</u></u>	<u><u>5,605,709</u></u>
Reserves			
Surplus bought forward		5,605,709	4,982,957
(Deficit)/Surplus for the year		(1,210,074)	622,752
		<u>4,395,635</u>	<u>5,605,709</u>

Approved and authorised for issue by the Board of Directors on **22 NOV 2022**



 Director



 Director

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

HONG KONG SEEING EYE DOG SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2022

	<u>Surplus</u>	<u>Total</u>
	HK\$	HK\$
At 31st December 2020	4,982,957	4,982,957
Surplus for the year	622,752	622,752
	<hr/>	<hr/>
At 31st March 2021	5,605,709	5,605,709
(Deficit) for the year	(1,210,074)	(1,210,074)
	<hr/>	<hr/>
At 31st March 2022	<u>4,395,635</u>	<u>4,395,635</u>

HONG KONG SEEING EYE DOG SERVICES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2022

	<u>2022</u> HK\$	<u>2021</u> HK\$
OPERATING ACTIVITIES		
(Deficit)/Surplus for the year	(1,210,074)	622,752
(Increase) in rental and utility deposits	(5,527)	(64,460)
(Increase)/Decrease in prepayment for school project	(4,251,396)	812,026
Increase in accounts payable	4,113,000	-
Increase/(Decrease) in accrued charges	47,540	(6,000)
Cash generated from/(used in) operations	<u>(1,306,457)</u>	<u>1,364,318</u>
INVESTING ACTIVITIES		
Purchase of office equipment	(67,785)	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(1,374,242)</u>	<u>1,364,318</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,070,651	3,706,333
CASH AND CASH EQUIVALENTS AT 31ST MARCH	<u><u>3,696,409</u></u>	<u><u>5,070,651</u></u>

HONG KONG SEEING EYE DOG SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

1. General

The Company is incorporated in Hong Kong under the Hong Kong Companies Ordinance and was limited by guarantee. The address of its registered office is Room 2502, 25/F., 148 Electric Road, North Point, Hong Kong. The address of its service centre is 300 Lin Ma Hang Road, Ta Kwu Ling, New Territories, Hong Kong.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRS”)

In the current year, the Company has applied a number of new and revised Standards, Amendments and Interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation
HKFRS 16	Leases
HK(IFRIC) - Int 23	Uncertainty over Income Tax Treatments

The adoption of the new and revised HKFRSs has had no material effect on the financial statements of the Company for the current or prior accounting periods.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the company’s financial performance and position and on the disclosures set out in these financial statements.

3. Significant Accounting Policies

Basic of Preparation

The financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the financial statements include applicable disclosures required by the Hong Kong Companies Ordinance.

The financial statements have been prepared under the historical cost basis except for certain financial instruments which are measured at fair values as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

HONG KONG SEEING EYE DOG SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022 - continued

3. Significant Accounting Policies (continued)

Basic of Preparation (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and sales related taxes.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Taxation

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

HONG KONG SEEING EYE DOG SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022 - continued

3. Donations received

Donations received represent gross donations received during the year.

4. Event income

Event income represents gross event income received during the year.

5. Fund-rising events subject to government license

The following surplus from events held during the year, which required a public subscription permit from the Social Welfare Department, have been included in the income and expenditure account:

	<u>Note</u>	<u>2022</u> HK\$	<u>2021</u> HK\$
Donations received on charity sales	(a)	883,286	456,079
Expenditure incurred		<u>34,237</u>	<u>22,727</u>
Net surplus		<u>849,049</u>	<u>433,352</u>

The funds raised by the above permits are used for operating funds of the Company.

(a) The public subscription permits issued by the Social Welfare Department were as follows:

	<u>Donations received</u>	<u>Expenditure</u>	<u>Net surplus</u>
<u>2022</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
Permit number			
2020/131/1	51,766	1,507	50,259
2021/053/1	10,096	435	9,661
2021/080/1	9,861	350	9,511
2021/088/1	68,858	2,871	65,987
2021/110/1	6,833	660	6,173
FD/R043/2021	<u>735,872</u>	<u>28,414</u>	<u>707,458</u>
	<u>883,286</u>	<u>34,237</u>	<u>849,049</u>
<u>2021</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
Permit number			
2019/237/1	15,393	620	14,773
2020/057/1	8,867	295	8,572
2020/079/1	26,626	195	26,431
FD/R071/2020	<u>405,193</u>	<u>21,617</u>	<u>383,576</u>
	<u>456,079</u>	<u>22,727</u>	<u>433,352</u>

HONG KONG SEEING EYE DOG SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022 - continued

6. Non-current assets

Non-current assets are stated in the accounts at cost.

7. Directors' emoluments

None of the directors of the Company received any fee or other remuneration for their services to the Company during the years ended 31 March 2021 and 2022.

8. Taxation

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