

EMPLOYEES' SAFETY, TRAINING & REHABILITATION SERVICES LIMITED

職安培訓復生會有限公司
(Incorporated in Hong Kong and limited by guarantee)

Reports and Audited Financial Statements

For the year ended 31 March 2019

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Employees' Safety, Training & Rehabilitation Services Limited

職安培訓復生會有限公司

Directors' report

For the year ended 31 March 2019

The Directors submit herewith their annual report together with the restated audited financial statements for the year ended 31 March 2019.

Principal activity

The Association is a non-profit making organization and the principal activities are carrying out promotional and educational activities for arousing awareness of industrial safety among the general public such as conducting career development courses for victims of industrial accidents with a view to assisting them in returning to the society and reinforcing their self confidence and esteem; providing counseling services for the disabled; and making suggestions and recommendations to relevant government authorities for improving the assistance to the disabled and victims of industrial accidents.

Financial results

The result of the Association for the year ended 31 March 2019 and the state of affairs as at that date are set out in the financial statements on pages 4 to 14.

Directors

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

Wong Chi Ming, Jack

Cheung Wai Man

Chan Tin Chuk

Mok Chun Pui

Lam Man Shing, Alexander (Retired on 28 November 2018)

In accordance with the Association's Articles of Association, all directors shall hold office for a term of two years and retire but, being eligible, offer themselves for re-election at the expiration of such term.

Directors' interests in transactions, arrangements or contracts

No other transactions, contracts and arrangement of significance to which the Association was a party and in which a director of the Association had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Permitted indemnity provision

A permitted indemnity provision for the benefit of the directors of the Association is currently in force and was in force throughout the year.

Business review

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

Auditor

Messrs. S. K. Luk & Co., Chartered Accountants, and Certified Public Accountants, was appointed as auditor of the Company. The auditor, who retire and, being eligible, offer themselves for re-appointment.

For and on behalf of the Board,



Wong Chi Ming, Jack

Chairman

Hong Kong, 4 June 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EMPLOYEES' SAFETY, TRAINING & REHABILITATION SERVICES LIMITED

職安培訓復生會有限公司

(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Employees' Safety, Training & Rehabilitation Services Limited ("the Company") set out on pages 4 to 14, which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, the statement of changes in members' fund equity and the 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 as at the date of the financial position of the Company as at 31 March 2019, 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 auditor's responsibility 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 are responsible for the other information. The other information comprises the information included in the directors' report.

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.

Directors' responsibility 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 operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibility 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 whether the financial statements includes the performance of procedures to assess whether the corrections made by the directors are appropriate and have been properly made. 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 judgement 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.
- 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.



Luk Chi Ling Doris, CPA, PC No. P06121
S. K. Luk & Co.
Chartered Accountants
Certified Public Accountants
Hong Kong
4 June 2020

EMPLOYEES' SAFETY, TRAINING & REHABILITATION SERVICES LIMITED
職安培訓復生會有限公司

Statement of Comprehensive Income for the year ended 31 March 2019

	Note	2019 HK\$	2018 HK\$
Income			
Donations		606,845	1,017,751
Expenditure			
Program expenses		80,300	295,332
Administration		525,226	412,645
		<u>605,526</u>	<u>707,977</u>
Surplus for the year		<u>1,319</u>	<u>309,774</u>
Income tax expense		-	-
Surplus and total comprehensive income for the year		<u>1,319</u>	<u>309,774</u>

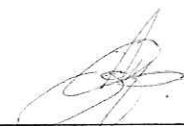
The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

EMPLOYEES' SAFETY, TRAINING & REHABILITATION SERVICES LIMITED
職安培訓復生會有限公司

Statement of financial position as at 31 March 2019

	Note	2019 HK\$	2018 HK\$
Assets			
Non- current assets			
Plant and equipment		12,000	16,000
Investment in a subsidiary		100,000	100,000
		112,000	116,000
Current assets			
Cash and cash equivalents		13,183	3,664
Rental, utility and other deposits		102,869	102,869
		116,052	106,533
Current liabilities			
Amount due to a subsidiary		22,000	22,000
Unearned income		-	7,800
Payables and accruals		24,000	12,000
		46,000	41,800
Net current asset		70,052	64,733
Net liabilities		182,052	180,733
Represented by:			
Members' fund			
Surplus on general fund		182,052	180,733

Approved and authorised for issue by the board of directors on 4 June 2020



Wong Chi Ming, Jack
Director



Mok Chun Pui
Director

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

EMPLOYEES' SAFETY, TRAINING & REHABILITATION SERVICES LIMITED
職安培訓復生會有限公司

Statement of Changes in Members' Fund for the year ended 31 March 2019

	<u>General fund</u>
	HK\$
Balance at 1 April 2017	(129,041)
Surplus for the year	309,774

Balance at 31 March 2018	180,733
Surplus for the year	1,319

Balance at 31 March 2019	<u>182,052</u>

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

EMPLOYEES' SAFETY, TRAINING & REHABILITATION SERVICES LIMITED
職安培訓復生會有限公司

Statement of Cash Flows for the year ended 31 March 2019

	2019	2018
	HK\$	HK\$
Operating activities		
Surplus for the year	1,319	309,774
Adjustment for:		
Depreciation	4,000	4,000
Operating surplus before working capital changes	5,319	313,774
Change in rental, utility and other deposits	-	(25,402)
Change in amount due to director	-	(295,746)
Change in unearned income	(7,800)	7,800
Change in payables and accruals	12,000	-
Net cash generated from operating activities	9,519	426
Investing activities		
Purchase of Equipment	-	(20,000)
Net cash used for investing activities	-	(20,000)
Net increase in cash and cash equivalents	9,519	(19,574)
Cash and cash equivalents at beginning of the year	3,664	23,238
Cash and cash equivalents at the end of the year	13,183	3,664

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

Employees' Safety, Training & Rehabilitation Services Limited
職安培訓復生會有限公司

Significant accounting policies and notes to the financial statements for the year ended
31 March 2019

1. General information

Employee's Safety, Training & Rehabilitation Services Limited (the "Association") is a company limited by guarantee and incorporated in Hong Kong. In the event of its being dissolved, the surplus of the Association's fund shall be transferred to some other Institution or Institutions having objects similar to the objects of the Association or some charitable organizations. The registered office is located at Room D2, 2/F, Summit Building, 30 Man Yue Street, Hung Hom, Kowloon, Hong Kong.

The Association is a non-profit making organization and the principal activities are carrying out promotional and educational activities for arousing awareness of industrial safety among the general public such as conducting career development courses for victims of industrial accidents with a view to assisting them in returning to the society and reinforcing their self confidence and esteem; providing counseling services for the disabled; and making suggestions and recommendations to relevant government authorities for improving the assistance to the disabled and victims of industrial accidents.

2. Statement of compliance

The Association is the holding company of a group of small private company at the end of the reporting period. In the opinion of the directors, the subsidiary is qualified for exclusion from consolidation on the grounds that its exclusion measured on an aggregate basis is not material to the group as a whole.

According to section 381(3) of the Hong Kong Companies Ordinance, the Association is exempted from for the preparation of consolidated financial statements.

The Association's financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS"), which 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 Organization is set out below.

3. Basis of preparation and significant accounting policies

These financial statements have been prepared under the historical cost convention.

Plant and equipment

Plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated to write off the cost of items of plant and equipment, less their estimated residual value, if any, on a straight-line basis over their estimated useful lives as follows:-

Office equipment - 5 years

The residual value and useful live of an asset are reviewed at least at the end of each reporting period.

Basis of preparation and significant accounting policies (continued)

The Association assesses at the end of each reporting period whether there is any indication that any items of plant and equipment may be impaired and that an impairment loss recognised in prior years for an item may have decreased. If any such indication exists, the Association estimates the recoverable amount of the item. An impairment loss, being the amount by which the carrying amount of an asset or a cash-generated unit exceeds its recoverable amount, or a reversal of impairment loss is recognised immediately in profit and loss.

Gain or loss arising from the derecognition of an item of plant and equipment is included in profit or loss when the item is derecognised and is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Operating leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. Determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Contingent rents are charged as an expense in the periods in which they are incurred.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided that it is probable that the economic benefits associated with the revenue transaction will flow to the Association and the revenue and the costs, if any, in respect of the transaction can be measured reliably, revenue is income from functions held and donations received are recognised when no significant uncertainty as to its collectability exists.

A government grant is recognised until there is a reasonable assurance that the Association will comply with the conditions attaching with to and that the grant will be received.

Payables

Payables are initially measured at fair value and, after initial recognition, at amortized cost, except for short term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortization, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortization are reviewed for impairment whenever events or change in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Basis of preparation and significant accounting policies (continued)

Employee benefits

Retirement benefit costs

The Association has joined the Mandatory Provident Fund Scheme established under the Mandatory Provident Fund Ordinance. The Association contributes 5% of the relevant income of staff members under the MPF Scheme. The assets of the Scheme are held separately from those of the Association, in funds under the control of trustee.

Payments to the MPF Scheme are charged as an expenses as they fall due.

Related parties

- (a) A person or a close member of that person's family is related to the Association if that person:
- (i) has control or joint control over the Association; (ii) has significant influence over the Association; or (iii) is a member of the key management personnel of the Association.
- (b) An entity is related to the Association if any of the following conditions applies:
- the entity is controlled or jointly controlled by a person identified in (a).
 - a person identified in a(i) has significant influence over the entity or is a member of the key member personnel of the entity.

4. Critical accounting estimates and judgement

The Association's management makes assumptions, estimates and judgements in the process of applying the Association's accounting polices that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

Key assumption and other key sources of estimation uncertainty

Certain key assumptions and risk factors in respect of the financial risk management are set out in note 17. There are no key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. Donations

Turnover represents income from charitable activities, income from functions held and donation received during the year as follows:-

	2019	2018
	HK\$	HK\$
Donation received	353,052	429,751
Grant from Social Welfare Department-		
"Financial Support Scheme for Self-Help Organisations of People with Disabilities"	240,000	210,000
"携手扶弱基金"	-	378,000
Donation income from street donation	13,793	-
	<u>606,845</u>	<u>1,017,751</u>

6. Expenses by nature

	2019	2018
	HK\$	HK\$
Program expenses	80,300	295,332
Salaries and other allowances	265,330	247,545
Rent and rates	104,500	47,500
	<u>450,130</u>	<u>590,377</u>

7. Surplus for the year

Surplus for the year is arrived at after charging the following:

	2019	2018
	HK\$	HK\$
Depreciation	4,000	4,000
Auditor's remuneration	13,750	13,500
Other staff costs	-	6,000
	<u>-</u>	<u>6,000</u>

8. Plant and equipment

	Office equipment HK\$
Cost:	
At 1 April 2018	20,000
Additions:	-
Accumulated depreciation	(4,000)
Charge for the year	(4,000)
31 March 2019	<u>12,000</u>
Net book value:	
31 March 2019	12,000
31 March 2018	16,000

9. Directors' remuneration

No director received any fees or emoluments in respect of their services rendered to the Association during the year.

10. Taxation

The Association is a charitable Organization within the meaning of Section 88 of the Hong Kong Inland Revenue Ordinance (Chapter 112) and, accordingly, is exempted from Hong Kong tax.

11. Investment in a subsidiary/ amount due to a subsidiary

	2019	2018
	HK\$	HK\$
Unlisted shares, at cost	100,000	100,000
Amount due to a subsidiary	22,000	22,000

Particulars of the subsidiary at 31 March 2019 are as follows:-

<u>Name</u>	<u>Place of incorporation</u>	<u>Issued share capital</u>	<u>Percentage of equity interest held</u>	<u>Principal activities</u>
Love and Peace Services Company Limited	Hong Kong	\$100,000	100%	Funeral Services

Consolidated financial statements have not been prepared for the Association as the directors are of the opinion that the inclusion of the company's subsidiary is immaterial to the financial position and of the financial performance to the company's financial statement.

The amount due to subsidiary is unsecured, interest free and repayable on demand.

12. Cash and cash equivalents

	2019	2018
	HK\$	HK\$
Cash at bank and on hand	13,183	3,664
Cash and cash equivalents in the statement of financial position and the statement of cash flows.	13,183	3,664

13. Commitments under operating leases

The future minimum lease payments under those non-cancelable operating leases in the aggregate and for each of the following periods are:

	2019	2018
	HK\$	HK\$
Within one year	114,000	114,000
In the second to fifth years inclusive	-	-
	114,000	114,000

14. Related party transactions

No related party transactions during the year.

15. Capital management

Capital comprises members' fund stated on the statement of financial position. The Association's objective when managing funds is to safeguard its ability to continue as a going concern, so that it can continue to provide funding for operation.

The Association manages capital by regularly monitoring its current and expected liquidity requirements.

The Association is a company limited by guarantee. The liability of the members is limited and every member of the Association undertakes to contribute to the assets of the Association in the event of its being wound up to the extent of not exceeding \$20. The Association's operation is mainly sources from the members' contributions and functional fee receipts.

16. Financial instruments

The Association has classified its financial assets in the following categories:

	2019	2018
	HK\$	HK\$
Rental, utility and other deposits	102,869	102,869
Cash and cash equivalents	13,183	3,664
	<u>116,052</u>	<u>106,533</u>

The Association has classified its financial liabilities in the following categories:

	2019	2018
	HK\$	HK\$
Amount due to a subsidiary	22,000	22,000
Payables and accruals	24,000	12,000
	<u>46,000</u>	<u>34,000</u>

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2018 and 2019.

The Association is exposed to credit risk, liquidity risk and market risk arising in the normal course of its business and financial instruments. The Association's risk management objective, poles and processes mainly focus on minimizing the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

(a) Credit risk

The Association is exposed to credit risk on financial assets, mainly attributable to rental, utility and other deposits. Based on the management's assessment, the Association's exposure to credit risk is considered not significant. In addition, the Association has no significant concentration of credit risk on its financial assets.

(b) Liquidity risk

The Association is exposed to liquidity risk on financial liabilities. It manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need.

The details of remaining contractual maturities at the reporting date of the financial liabilities, which are based on contractual undercounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the

Association can be required to pay are those shown under current liabilities.

(c) Market risk

The Association has no significant exposure on fair value interest rate risk and cash flow interest rate risk which is mainly arising from its deposits with banks.

17. Approval of financial statements

The financial statements were authorised for issue by the Board of Directors on 4 June 2020.