

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

(LIMITED BY GUARANTEE)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020



CONTENTS

	<u>PAGE</u>
Report of the Directors	1 - 2
Independent Auditor's Report	3 - 6
Income Statement	7
Statement of Financial Position	8
Statement of Changes in Members' Equity	9
Notes to the Financial Statements	10 - 15

(EXPRESSED IN THE NEAREST HONG KONG DOLLARS)

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED

香港專業人才服務機構有限公司

(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED MARCH 31, 2020

The directors submit their annual report together with the audited financial statements for the year ended March 31, 2020.

PRINCIPAL ACTIVITIES

Hong Kong Professional & Educational Services Limited (“the company”) is a non-profit making organisation established to mobilise, empower and support committed professionals and business executives to become a positive influence in society and to contribute to the holistic development of Greater China and other Asian countries.

DIRECTORS

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

Chin Ping Ngai, Kenneth
Tang Yau Shun
Szeto Wing Fu
Ng Cheuk Man, Derek
Ng Chak Wai
Tang Lok Man
Chiang Wai Yu

In accordance with the Articles of Association, all directors retire and, being eligible, offer themselves for re-election.

BUSINESS REVIEW

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

...../To be continued

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED

香港專業人才服務機構有限公司

(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS

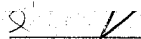
FOR THE YEAR ENDED MARCH 31, 2020

...../Continued

AUDITORS

Philip Poon & Partners CPA Limited are the company's retiring auditors who, being eligible, offer themselves for re-appointment.

FOR AND ON BEHALF OF THE BOARD



SZETO WING FU
CHAIRMAN

Hong Kong
December 7, 2020



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED

香港專業人才服務機構有限公司

(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Hong Kong Professional & Educational Services Limited ("the Company") set out on pages 7 to 15, which comprise the statement of financial position as at March 31, 2020, and the income statement and statement of changes in members' 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 Company are prepared, in all material respects, in accordance with the 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 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 and financial statements, 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.

...../To be continued



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED

香港專業人才服務機構有限公司

(Incorporated in Hong Kong and limited by guarantee)

...../Continued

Other Information (continued)

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.

...../To be continued



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED

香港專業人才服務機構有限公司

(Incorporated in Hong Kong and limited by guarantee)

...../Continued

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.
- 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.

...../To be continued



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED

香港專業人才服務機構有限公司

(Incorporated in Hong Kong and limited by guarantee)

...../Continued

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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.

Certified Public Accountants
Hong Kong
December 7, 2020

Philip Poon & Partners CPA Limited
Mr. Poon Chin Chung, Philip
Practising Certificate No.: P01748

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED**香港專業人才服務機構有限公司****(LIMITED BY GUARANTEE)****INCOME STATEMENT****FOR THE YEAR ENDED MARCH 31, 2020**

	<u>NOTE</u>	<u>2020</u> \$	<u>2019</u> \$
INCOME			
Bank interest received		3,119	1,973
Contribution received			
Donations received		1,570,224	1,822,359
Marketplace excellence program		300,549	205,832
Subsidies received		121,140	72,000
Sundry income		117,799	158,806
		<u>2,112,831</u>	<u>2,260,970</u>
LESS: OPERATING EXPENSES			
Auditors' remuneration		6,000	6,000
Bank charges		4,731	5,706
Building management fee		10,965	--
Clinical claims		4,216	7,088
Depreciation	6	52,330	11,587
Insurance		4,549	4,316
Internship allowance		--	3,000
IT Project		127,620	116,472
Mandatory provident fund contribution		50,984	40,019
Ministry consultant and associates partner expenses		273,849	261,573
Postage and stamps		446	205
Printing and stationery		1,767	731
Publicity		617	2,992
Rent		246,420	300,552
Repair and maintenance		188	4,321
Salaries		1,049,622	800,372
Sundry expenses		17,059	4,933
Telephone and fax expenses		7,899	3,512
Utilities		10,673	12,924
Website expenses		22,585	35,310
		<u>1,892,520</u>	<u>1,621,613</u>
LESS: PROMOTION EXPENSES			
Newsletter design and printing		21,930	23,770
Postage and label expenses		15,813	20,253
Transportation		2,099	1,350
		<u>39,842</u>	<u>45,373</u>
LESS: PROGRAM EXPENSES			
Marketplace excellence program		141,625	116,186
		<u>141,625</u>	<u>116,186</u>
SURPLUS FOR THE YEAR		<u>38,844</u>	<u>477,798</u>


The notes on pages 10 to 15 form part of these financial statements.

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED**香港專業人才服務機構有限公司****(LIMITED BY GUARANTEE)****STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020**

	<u>NOTE</u>	<u>2020</u> \$	<u>2019</u> \$
NON-CURRENT ASSETS			
Plant and equipment	6	180,070	22,670
		-----	-----
CURRENT ASSETS			
Prepayments and deposits		45,515	168,493
Amount due from a related company	4(b)	15,233	--
Bank balances and cash		2,132,883	2,162,222
		-----	-----
		2,193,631	2,330,715
		-----	-----
CURRENT LIABILITIES			
Accruals		27,503	30,593
Amount due to a related company		--	15,438
		-----	-----
		27,503	46,031
		-----	-----
NET CURRENT ASSETS		2,166,128	2,284,684
		-----	-----
NET ASSETS		2,346,198	2,307,354
		=====	=====
MEMBERS' EQUITY			
General fund		2,346,198	2,307,354
		=====	=====

Approved and authorised for issue by the board of directors on December 7, 2020



SZETO WING FU
DIRECTOR


TANG YAU SHUN
DIRECTOR

The notes on pages 10 to 15 form part of these financial statements.

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED

香港專業人才服務機構有限公司

(LIMITED BY GUARANTEE)

STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

	<u>General fund</u>
	<u>\$</u>
Balance at beginning of year	2,307,354
Surplus for the year	38,844
	<hr/>
Balance at end of year	<u><u>2,346,198</u></u>

The notes on pages 10 to 15 form part of these financial statements.

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED

香港專業人才服務機構有限公司

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

1. CORPORATE INFORMATION

Hong Kong Professional & Educational Services Limited (“the company”) is a company incorporated in Hong Kong and limited by guarantee. The address of its registered office is Flat D1, 19/F., TG Place, 10 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.

The company is a non-profit making organisation established to mobilise, empower and support committed professionals and business executives to become a positive influence in society and to contribute to the holistic development of Greater China and other Asian countries.

2. BASIS OF PREPARATION

(a) Statement of compliance

The company qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance and is therefore entitled to prepare and present its annual 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 have been prepared in accordance with SME-FRS.

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

(b) Basis of measurement

The measurement base used in preparing these financial statements is historical cost convention.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Revenue recognition

Revenue is recognised as income when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably on the following bases:

- (i) Contribution and subsidies income are recognised on actual cash receipt basis.
- (ii) Interest income is recognised on a time proportion basis by reference to the principal amounts outstanding and the interest rates applicable.

(b) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Furniture and fixtures	20%
Office equipment	20%
Office renovation	20%
Computer software	20%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

(d) Foreign exchange

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.

(e) Operating leases

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

4. DIRECTORS' REMUNERATION

- (a) Remuneration of the directors of the company disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

The directors received no remuneration for their services to the company during the year (2019: Nil).

- (b) Loans, quasi-loans and other dealings in favour of the directors of the company disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

Amount due from a related company

Name of borrower	: Professional & Educational Services International, USA
Relevant director	: Chin Ping Ngai, Kenneth
Terms of loan	
- Duration and repayment	: No fixed term of repayment
- Interest rate	: Nil
- Security	: Nil
Balance of the loan at	
beginning of year	: Credit balance
end of year	: \$15,233
Maximum amount outstanding	
during the year	: \$15,233
Overdue amount	: Nil
Provision	: Nil

5. TAXATION

No provision for Hong Kong Profits Tax has been provided in the financial statements as the company is exempted for taxation under section 88 of the Hong Kong Inland Revenue Ordinance by reason of being a charitable institution or trust of a public character.

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

6. PLANT AND EQUIPMENT

	<u>Furniture and fixtures</u> \$	<u>Office equipment</u> \$	<u>Office renovation</u> \$	<u>Computer software</u> \$	<u>Total</u> \$
<u>Cost:</u>					
At April 1, 2019	29,315	216,408	137,538	44,069	427,330
Additions	2,775	27,371	178,388	1,196	209,730
Disposals	--	--	(137,538)	--	(137,538)
At March 31, 2020	<u>32,090</u>	<u>243,779</u>	<u>178,388</u>	<u>45,265</u>	<u>499,522</u>
	-----	-----	-----	-----	-----
<u>Accumulated depreciation and impairment losses:</u>					
At April 1, 2019	24,861	203,051	137,538	39,210	404,660
Depreciation charge for the year	2,693	11,362	35,677	2,598	52,330
Elimination of disposals	--	--	(137,538)	--	(137,538)
At March 31, 2020	<u>27,554</u>	<u>214,413</u>	<u>35,677</u>	<u>41,808</u>	<u>319,452</u>
	-----	-----	-----	-----	-----
<u>Carrying amount:</u>					
At April 1, 2019	<u>4,454</u>	<u>13,357</u>	<u>--</u>	<u>4,859</u>	<u>22,670</u>
At March 31, 2020	<u>4,536</u>	<u>29,366</u>	<u>142,711</u>	<u>3,457</u>	<u>180,070</u>
	=====	=====	=====	=====	=====

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED**香港專業人才服務機構有限公司****(LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2020****7. OPERATING LEASE COMMITMENTS**

The company had the following total future minimum lease payments payable under non-cancellable operating leases:

	<u>2020</u>	<u>2019</u>
	<u>\$</u>	<u>\$</u>
Not later than one year	220,104	246,420
Later than one year	745,908	966,012
	<u>966,012</u>	<u>1,121,432</u>

8. RELATED PARTY TRANSACTIONS

Significant related party transactions during the year not otherwise disclosed in these financial statements are as follows:

	<u>2020</u>	<u>2019</u>
	<u>\$</u>	<u>\$</u>
Subsidies income received from a related company	121,140	72,000
Donations received from directors	322,180	66,000
Marketplace excellence program contribution received from a director	<u>3,600</u>	<u>--</u>

The above transactions were carried out in the normal course of the company's operation.

