

HONG KONG SATIR CENTER FOR HUMAN
DEVELOPMENT LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED
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HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED
REPORT OF THE DIRECTORS

The directors have pleasure to present their report and the audited financial statements for the year ended 31st March, 2018.

PRINCIPAL ACTIVITIES

The principal activities of the Center during the year were promoting and developing the Satir Growth Model and other humanistic approaches.

FINANCE RESULTS

The results for the year ended 31st March, 2018 and the state of affairs of the Center at that date are set out on pages 5 to 10 of the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are shown in note 4 to the financial statements.

DIRECTORS

The directors who held office during the year were:

Chan Wah Shing	
Chow Lai Fa	(Resigned on 6th December, 2017)
Hung Kwong Hung	
Liu Shing Fai	
Ng Chi Man	
Wong Kit Ping, Christine	
Yan Fung Ping	
Kwong Hoi Yan, Helena	(Appointed on 6th December, 2017)
Lau Wai Shan	(Appointed on 6th December, 2017)

In accordance with Article 43 of the Center's Articles of Association, all the directors retire and, being eligible, offers themselves for re-election.

MANAGEMENT CONTRACTS

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

BUSINESS REVIEW

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

HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED
REPORT OF THE DIRECTORS

PERMITTED INDEMNITY PROVISIONS

At no time during the financial 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 Center.

AUDITORS

Lam, Lee & So C.P.A. Company Limited was appointed as auditors for the year in place of Frederick C.Y. Wong & Co., Certified Public Accountants. Lam, Lee & So C.P.A. Company Limited retires and, being eligible, offers itself for re-appointment.

On behalf of the Board

Chan Wah Shing
Chairman

Hong Kong, 16th October, 2018

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED
(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Hong Kong Satir Center For Human Development Limited ("the Center") set out on pages 5 to 10, which comprise the statement of financial position as at 31st March, 2018, and the statement of income and expenditure 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 Center 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 SME-FRS 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 Center 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 set out on pages 1 to 2, but does not include in 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 the Directors 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 Center'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 Center or to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED
(Incorporated in Hong Kong and limited by guarantee)

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 Center'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 Center'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 Center 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.

Lam, Lee & So C.P.A. Company Limited
Certified Public Accountants
Hong Kong, 16th October, 2018
Lee Sze Ho, Certificate number P02589

HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST MARCH, 2018

	2018 HK\$	2017 HK\$
INCOME		
Counseling fee	1,212,715	1,237,205
Workshop income	2,362,521	1,237,592
Sales of books and posters	176,899	218,338
Dividend income	-	9,393
Donation received	9,041	7,430
Exchange gain	13,227	-
Functions	1,580	7,600
Gain on investment	-	100,300
Interest income	1,011	4,816
Membership fee	67,425	59,915
Room booking	43,625	74,159
Souvenir	630	1,527
Supervision fee	100,365	36,910
Sundry income	62,427	33,226
	<u>4,051,466</u>	<u>3,028,411</u>
LESS: EXPENDITURE		
Opening inventories	111,664	89,112
Purchases	119,878	117,624
Closing inventories	(111,721)	(111,664)
Workshop expenses	236,265	117,070
Accommodation fee	76,373	123,059
Accounting fee	25,000	22,100
Advertising	25,200	-
Audit fee	18,000	15,470
Bank charges	3,658	9,523
Building management fee	109,620	109,620
Cleaning	3,300	1,204
Computer expenses	3,263	165
Depreciation	60,437	42,656
Electricity, water and gas	19,315	20,137
Exchange loss	-	24,540
Insurance	60,414	69,427
Internet expenses	4,180	5,716
Legal and profession fee	-	39,207
Mandatory provident fund	56,344	118,608
Postage and courier	15,330	25,835
Printing and stationery	62,839	64,022
Property, plant and equipment written off	830	-
Refund	-	39,013
Rent and rates	685,676	667,476
Repair and maintenance	16,882	3,670
Souvenir	1,000	1,400
Sponsorship	-	12,716
Staff salaries	1,243,113	1,209,945
Sundry expenses	29,838	30,381
Telecommunication	4,397	4,470
Trainers' emoluments	1,002,138	1,081,600
Transportation	4,859	5,624
Travelling and meal	142,893	211,166
	<u>4,030,985</u>	<u>4,170,892</u>
SURPLUS / (DEFICIT) FOR THE YEAR	<u>20,481</u>	<u>(1,142,481)</u>

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

HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED
 STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH, 2018

	Note	2018 HK\$	2017 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	4	<u>60,476</u>	<u>98,792</u>
CURRENT ASSETS			
Inventories - merchandise goods		111,721	111,664
Deposit paid		127,890	157,236
Prepayment		-	55,512
Cash at bank		<u>5,778,351</u>	<u>5,787,632</u>
		<u>6,017,962</u>	<u>6,112,044</u>
CURRENT LIABILITIES			
Accruals		71,631	249,160
Temporary receipts		<u>24,650</u>	<u>-</u>
		<u>96,281</u>	<u>249,160</u>
NET CURRENT ASSETS		<u>5,921,681</u>	<u>5,862,884</u>
NET ASSETS		<u>5,982,157</u>	<u>5,961,676</u>
RESERVE			
Accumulated surplus	5	<u>5,982,157</u>	<u>5,961,676</u>

Approved on behalf of the Board by:

 Chan Wah Shing
 Director

 Hung Kwong Hung
 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 SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2018

REPORTING ENTITY

Hong Kong Satir Center For Human Development Limited is a company incorporated in Hong Kong with liabilities of the members limited by guarantee. The address of its registered office is situated at 11/F., Breakthrough Center, No.191 Woosung Street, Kowloon, Hong Kong.

The principal activities of the Center during the year were promoting and developing the Satir Growth Model and other humanistic approaches.

Upon winding up of the Center, each member undertakes to contribute to the assets of the Center an amount not exceeding HK\$10.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Center qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622). The Center 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 Center is a going concern.

The Center's financial statements for the year ended 31st March, 2018 are its first annual financial statements prepared under accounting policies that comply with the SME-FRS.

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) Property, plant and equipment

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

The depreciable amount of an item of property, 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:

Office equipment	30%
Other assets	20%

(b) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2018

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Cont'd)

(c) Foreign exchange

The reporting currency of the Center is Hong Kong Dollars, which is the currency of the primary economic environment in which the Center operates.

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 statement of income and expenditure.

(d) Inventories

Inventories are stated at the lower of cost (using a first-in-first-out basis) and net realisable value. In arriving at net realisable value an allowance has been made for deterioration and obsolescence.

(e) 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.

(f) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Center and when the revenue can be measured reliably, on the following base:

Counseling fee, workshop and supervision fee income are recognised upon rendering of the relevant service.

Revenue from sale of books and posters is recognised when goods are delivered and the significant risk and rewards of ownership of the goods have been transferred to the buyer.

Dividend income is recognised when the shareholder's right to receive payment is established.

Donation received is recognised on receipts basis.

Interest income is recognised using the effective interest method.

2. TAXATION

The Center is exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance. (2017: Nil)

HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2018

3. DIRECTORS' EMOLUMENTS

None of the directors received any emoluments during the year. (2017: Nil)

4. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement HK\$	Furniture and equipment HK\$	Computer and software HK\$	Office equipment HK\$	Total HK\$
Cost					
As at 1.4.2017	404,754	96,138	33,591	352,403	886,886
Additions	-	-	19,437	3,514	22,951
Written off	-	-	(978)	(9,867)	(10,845)
As at 31.3.2018	<u>404,754</u>	<u>96,138</u>	<u>52,050</u>	<u>346,050</u>	<u>898,992</u>
Aggregate depreciation					
As at 1.4.2017	394,554	91,442	12,411	289,687	788,094
Charge for the year	10,200	1,534	15,155	33,548	60,437
Written back	-	-	(148)	(9,867)	(10,015)
As at 31.3.2018	<u>404,754</u>	<u>92,976</u>	<u>27,418</u>	<u>313,368</u>	<u>838,516</u>
Net carrying amount					
As at 31.3.2018	<u>-</u>	<u>3,162</u>	<u>24,632</u>	<u>32,682</u>	<u>60,476</u>
As at 31.3.2017	<u>10,200</u>	<u>4,696</u>	<u>21,180</u>	<u>62,716</u>	<u>98,792</u>

5. CHANGES IN ACCUMULATED SURPLUS

	HK\$
Balance as at 31.3.2017	5,961,676
Surplus for the year	<u>20,481</u>
Balance as at 31.3.2018	<u>5,982,157</u>

6. OPERATING LEASES COMMITMENTS

At 31st March, 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2018 HK\$	2017 HK\$
Not later than one year	274,050	657,720
Later than one year	<u>-</u>	<u>274,050</u>
	<u>274,050</u>	<u>931,770</u>

HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2018

7. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on a going concern basis because the directors have agreed to provide adequate funds to enable the Center to meet in full its financial obligations as they fall due for the foreseeable future.

8. COMPARATIVE FIGURES

Where necessary, certain comparative figures have been reclassified to conform with changes in presentation in the current year.

9. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Center's Board of Directors on 16th October, 2018.