

HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED

(香 港 沙 維 雅 人 文 發 展 中 心 有 限 公 司)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED

REPORT OF THE DIRECTORS

The directors submit herewith their annual report together with the audited financial statements for the year ended 31 March 2022.

Principal activities

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

There were no significant changes in the nature of the Center's principal activities during the year.

Results and appropriations

The results for the year are set out in the income statement and expenditure on page 5.

Property, plant and equipment

Details of the movements in property, plant and equipment are set out in note 3 of the financial statements.

Directors

The names of persons who were the directors of the Center during the period beginning with the end of the financial year and ending on the date of this report are as follow :

Chan Lai Kwan
Chan Wah Shing
Lau Wai Shan
Wong Ka Yan Angela
Yip Ho King
Ching Yuet (appointed on 31 December 2021)
Chung Kwok Hung Kelvin (appointed on 31 December 2021)

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

Permitted indemnity provision

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more directors of the Center.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Center.

Business review

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

HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED

REPORT OF THE DIRECTORS

Auditor

Messrs. Timothy So Certified Public Accountant (Practising), being appointed as the auditor of the company, retires, and being eligible, offers himself for re-appointment.

FOR AND ON BEHALF OF THE BOARD

Wong Ka Yan Angela
Chairman

Dated : x x 2022

HONG KONG

Timothy So Certified Public Accountant (Practising)

蘇添祥執業會計師

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Hong Kong Satir Center For Human Development Limited ("the Center") out on pages 5 to 10, which comprise the statement of financial position as at 31 March 2022 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 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 ("HKSAs") 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 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 other than the financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the annual 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 director 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 director is 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED
(incorporated in Hong Kong with limited liability)

Responsibilities of Directors and Those Charged with Governance for the Financial Statements (continued)

Those charged with governance are responsible for overseeing the Center'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. 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.

As part of an audit in accordance with HKSA's, 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 director's 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.

Timothy So
Certified Public Accountant (Practising)

Practising Certificate No : P05798

Dated : x x 2022

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HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITEDSTATEMENT OF INCOME AND EXPENDITUREFOR THE YEAR ENDED 31 MARCH 2022

	<u>2022</u> HK\$	<u>2021</u> HK\$
Turnover		
Bank interest income	49	21,460
Counseling fee income	1,423,155	1,220,372
Donation received	109,395	5,347
Exchange gain	3,850	19,125
Government subsidies - ESS	-	339,000
Membership fee	42,375	58,395
Room booking	65,380	18,310
Sales of books and others	156,799	98,428
Souvenir	2,710	2,930
Supervision fee	62,512	49,550
Workshop income	1,658,066	2,175,430
	<u>3,524,291</u>	<u>4,008,347</u>
Less : Expenditure	<u>3,693,730</u>	<u>3,226,592</u>
(Deficit) / surplus for the year	<u>(169,439)</u>	<u>781,755</u>

Note:

The above financial information of income statement relating to the year ended 31 March 2022 does not constitute the Company's specified financial statements for this year as defined in section 436 of the Hong Kong Companies Ordinance but is derived therefrom.

The Company is not required to deliver its specified financial statements to the Registrar of Companies and has not done so.

An auditor's report has been prepared on the specified financial statements for the year ended 31 March 2022. The auditor's report

- was not qualified or otherwise modified;
- did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report; and
- did not contain a statement under sections 406(2) or 407(2) or 407(3) of the Hong Kong Companies Ordinance.

The accompanying Accounting Policies and Explanatory Notes form an integral part of these financial statements.

HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITEDSTATEMENT OF EXPENDITUREFOR THE YEAR ENDED 31 MARCH 2022

	<u>2022</u> HK\$	<u>2021</u> HK\$
Opening inventories	147,118	132,135
Purchases	41,970	61,951
Closing inventories	(117,704)	(147,118)
Trainers' emoluments	1,089,736	656,740
Accommodation fee	-	1,505
Advertising	1,568	33,600
Auditor's remuneration	18,000	18,000
Bank charges	4,460	2,770
Building management fee	116,928	116,928
Cleaning expenses	4,000	1,600
Computer expenses	6,634	4,868
Conference expenses	-	10,098
Custom declaration	-	52
Depreciation	31,058	23,536
Electricity, water and gas	21,858	7,863
Insurance	82,635	66,650
Legal and professional fee	3,440	1,500
Mandatory provident fund contributions	66,288	66,553
Postage and courier	3,088	901
Printing and stationery	27,046	28,255
Property, plant and equipment written off	384	1,194
Rent and rates	490,900	531,800
Repairs and maintenance	21,280	6,620
Staff salaries	1,485,228	1,497,160
Stamp duty	-	4,351
Sundry expenses	15,111	15,198
Telecommunication	16,040	7,678
Transportation	3,623	11,414
Travelling and meal expenses	36,903	19,807
Workshop expenses	76,138	42,983
	<u>3,693,730</u>	<u>3,226,592</u>

HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 HK\$	2021 HK\$
Assets and liabilities			
Non-current assets			
Property, plant and equipment	3	71,069	49,546
Current assets			
Inventories	4	117,704	147,118
Deposits paid		99,488	99,488
Bank balances		4,905,159	5,058,389
		5,122,351	5,304,995
Current liabilities			
Trade payables		-	48,962
Accruals		28,855	6,560
Temporary receipts		36,686	1,701
		65,541	57,223
Net current assets		5,056,810	5,247,772
Net assets		5,127,879	5,297,318
Reserve			
Accumulated surplus		5,127,879	5,297,318

The financial statements were approved and authorised for issue by the Board of Directors on x x 2022.

Chan Wah Shing
Director

Wong Ka Yan Angela
Director

HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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 located at 11/F., Breakthrough Center, No. 191 Woosung Street, Kowloon, Hong Kong.

The principal activities of the Center are promoting and developing the Satir Growth Model and other humanistic

1. Basis of preparation and accounting policies

The Center qualifies for the reporting exemption as a small private company 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 issued by the Hong Kong Institute of Certified Public Accountants and have been prepared under the accrual basis of accounting and on the basis that the Center is a going concern.

The measurement base adopted is the historical cost convention. The followings 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) Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first-in, first-out method. At each reporting date, inventories are assessed for impairment and the carrying amount is reduced to its selling price less costs to complete and sell with the impairment loss recognized immediately in the income statement.

c) Revenue

Revenue are recognised 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) Counseling fee, workshop and supervision fee income are recognised upon rendering of the relevant services;
- ii) 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 buyers;
- iii) Donation received is recognised on receipts basis and,
- iv) Interest income is recognised using the effective interest method.

d) 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. Rental expenses applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITEDNOTES TO THE FINANCIAL STATEMENTS**1. Basis of preparation and accounting policies (continued)****e) 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 item of property, plant and equipment. 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 periods.

f) Related party

A party is considered to be related to the company if:

- (1) directly or indirectly through one or more intermediaries, the party: (i) controls, is controlled by, or is under common control with, the company; (ii) has an interest in the group that gives it significant influence over the company; or (iii) has joint control over the company;
- (2) The party is an associate of the company;
- (3) The party is a joint venture in which the company is a venture;
- (4) The party is a member of the key management personnel of the company or its parent;
- (5) The party is a close member of the family of any individual referred to in (1) or (4); or
- (6) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to (4) or (5).

g) Employee benefits

The company operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the MPF Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the company in an independently administered fund. The company's employer contributions vest fully with the employees when contributed into the MPF Scheme.

h) 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.

i) Foreign exchange

Foreign currency transactions are translated at exchange rates ruling at the transactions date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the statement of financial position date. Gains and losses on foreign exchange are recognised in the income statement.

2. Income tax

The Center is exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance (2021 : Nil).

HONG KONG SATIR CENTER FOR HUMAN DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment

	Leasehold improvements HK\$	Furniture and equipment HK\$	Computer and software HK\$	Office equipment HK\$	Total HK\$
At cost:					
As at 1 April 2021	404,754	97,838	77,704	348,201	928,497
Additions	-	1,650	12,261	39,054	52,965
Written off	-	-	(17,922)	(31,571)	(49,493)
As at 31 March 2022	<u>404,754</u>	<u>99,488</u>	<u>72,043</u>	<u>355,684</u>	<u>931,969</u>
Accumulated depreciation and impairment losses:					
As at 1 April 2021	404,754	96,478	42,264	335,455	878,951
Charge for the year	-	670	12,665	17,723	31,058
Written back on disposals	-	-	(17,922)	(31,188)	(49,109)
As at 31 March 2022	<u>404,754</u>	<u>97,148</u>	<u>37,007</u>	<u>321,990</u>	<u>860,900</u>
Net book value:					
As at 31 March 2022	<u>-</u>	<u>2,340</u>	<u>35,036</u>	<u>33,694</u>	<u>71,069</u>
As at 31 March 2021	<u>-</u>	<u>1,360</u>	<u>35,440</u>	<u>12,746</u>	<u>49,546</u>

4. Inventories

	<u>2022</u> HK\$	<u>2021</u> HK\$
Books	<u>117,704</u>	<u>147,118</u>

5. Directors' remuneration

Details of directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows :

	<u>2022</u> HK\$	<u>2021</u> HK\$
Fees	-	-
Other emoluments	<u>-</u>	<u>-</u>

6. Commitments

As at 31 March 2022, the company had future aggregate minimum lease payments under non-cancellable operating leases shown as follows :

	<u>2022</u> HK\$	<u>2021</u> HK\$
Not later than one year	200,000	480,000
Later than one year but not later than five years	<u>-</u>	<u>200,000</u>
	<u>200,000</u>	<u>680,000</u>

7. Approval of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on x x 2022.