

Report of the Council and Audited Financial Statements

RESOURCE THE COUNSELLING CENTRE LIMITED

人際輔導中心有限公司

(Incorporated in Hong Kong with limited liability by guarantee)

31 March 2021



RESOURCE THE COUNSELLING CENTRE LIMITED
人際輔導中心有限公司
(Incorporated in Hong Kong with limited liability by guarantee)

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RESOURCE THE COUNSELLING CENTRE LIMITED
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REPORT OF THE COUNCIL

The Council presents its report and the audited financial statements of Resource The Counselling Centre Limited ("the Centre") for the year ended 31 March 2021.

Principal activity

The Centre's principal activity has not changed during the year and consisted of provision of counselling services.

Results

The Centre's results for the year ended 31 March 2021 and its financial position at that date are set out in the financial statements on pages 4 to 12.

Limited by guarantee

The Centre is limited by guarantee and does not have any share capital.

Council members

The members of the Council during the year were:

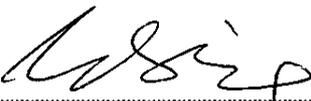
Cassumbhoy Abdul Aziz
Chan Suk Ying
Fung Shun Sun Desmond (Resigned on 31 December 2020)
Kwan Kam Fan
Por Keng Guan Catherine
Wong Hong Yuen
Chan Chan Kok
Chan Siu Lok Amos
Ho Chi Kuen Dennis
Woo Ng Wing Ngor Miranda

In accordance with Article 39 of the Centre's articles of association, all Council members will retire and be eligible for re-election at the forthcoming annual general meeting.

Auditors

A resolution to reappoint the retiring auditors, Vision A. S. Limited, will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE COUNCIL


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Chan Suk Ying
Chairman

Hong Kong
21 December 2021



INDEPENDENT HONORARY AUDITOR'S REPORT

To the members of
RESOURCE THE COUNSELLING CENTRE LIMITED
人際輔導中心有限公司
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Opinion

We have audited the financial statements of Resource The Counselling Centre Limited ("the Centre") set out on pages 4 to 12, which comprise the statement of financial position as at 31 March 2021, 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 Centre 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 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 Centre 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 Council members are responsible for the other information. The other information comprises the information included in the Council's 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 Council Members and Those Charged with Governance for the Financial Statements

The Council members 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 Council members 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 Council members are responsible for assessing the Centre'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 Council members either intend to liquidate the Centre or to cease operations, or have no realistic alternative but to do so.

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



INDEPENDENT HONORARY AUDITOR'S REPORT

To the members of
RESOURCE THE COUNSELLING CENTRE LIMITED
人際輔導中心有限公司
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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 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 Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council members.
- Conclude on the appropriateness of the Council members' 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 Centre'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 Centre 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.

Vision A. S. Limited
Certified Public Accountants
Hong Kong
21 December 2021
RTCCCL

Cheung Man Yau, Timothy
Practising Certificate No. : P01417

RESOURCE THE COUNSELLING CENTRE LIMITED

人際輔導中心有限公司

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INCOME STATEMENT

Year ended 31 March 2021

	Notes	2021 HK\$	2020 HK\$
REVENUE			
Session fees		1,894,033	1,931,375
Subvention			
- Baseline Allocations from The Community Chest		993,000	964,000
- One-off Special Allocation from The Community Chest		198,600	280,000
- Drs Richard Charles and Esther Yewpick Lee Charitable Foundation		291,965	-
- Fu Tak Iam Foundation Limited		588,982	662,616
- Lee Hysan Foundation		333,330	-
Donations		52,100	422,723
Membership fees		550	550
Dividend income		1,320	4,526
Government subsidy	4	404,028	-
Sundry income		11,733	16,480
		<u>4,769,641</u>	<u>4,282,270</u>
Less:			
EXPENDITURE			
Advertising		45,714	89,264
Bad debts written off		2,340	9,501
Bank charges		7,359	6,181
Building management fee and rates		164,236	143,198
Depreciation		22,900	21,287
Electricity		13,448	33,715
Honorarium to part-time counsellors		535,445	518,300
Impairment loss on long-term investments		-	23,623
Insurance		71,398	57,799
Legal and professional fee		10,389	4,749
Office supplies		100,543	35,935
Penalty		16,231	-
Postage, printing and stationery		4,357	5,539
Provident fund contributions		111,157	115,303
Provision for long service payments	10	-	1,440
Provision for reinstatement cost	10	153,320	-
Rent		1,178,961	1,019,424
Repairs and maintenance		40,287	35,512
Salaries		1,869,126	1,678,991
Sundry expenses		14,410	16,604
Telephone		15,298	8,995
Training fees		800	550
Tutorial fees		7,500	39,000
		<u>4,385,219</u>	<u>3,864,910</u>
SURPLUS FOR THE YEAR		<u>384,422</u>	<u>417,360</u>

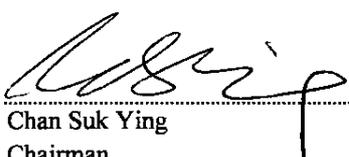
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RESOURCE THE COUNSELLING CENTRE LIMITED
人際輔導中心有限公司
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STATEMENT OF FINANCIAL POSITION

31 March 2021

	Notes	2021 HK\$	2020 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,817	26,717
Long-term investments	8	<u>50,022</u>	<u>50,022</u>
Total non-current assets		<u>53,839</u>	<u>76,739</u>
CURRENT ASSETS			
Accounts receivable		26,983	8,290
Prepayments, deposits and other receivables		1,522,251	620,223
Cash and bank balances		<u>2,862,177</u>	<u>597,400</u>
Total current assets		<u>4,411,411</u>	<u>1,225,913</u>
CURRENT LIABILITIES			
Accrued liabilities and other payables		2,704,299	211,675
Rent-free incentives received		39,040	-
Provision for reinstatement cost	10	<u>153,320</u>	<u>-</u>
Total current liabilities		<u>2,896,659</u>	<u>211,675</u>
NET CURRENT ASSETS		<u>1,514,752</u>	<u>1,014,238</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,568,591</u>	<u>1,090,977</u>
NON-CURRENT LIABILITIES			
Rent-free incentives received		93,192	-
Designated funds	9	5,568	5,568
Provision for long service payments	10	<u>186,488</u>	<u>186,488</u>
Total non-current liabilities		<u>285,248</u>	<u>192,056</u>
Net assets		<u>1,283,343</u>	<u>898,921</u>
RESERVE FUNDS			
Accumulated surplus	11	<u>1,283,343</u>	<u>898,921</u>


Chan Suk Ying
Chairman


Cassumbhoy Abdul Aziz
Honorary Treasurer

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RESOURCE THE COUNSELLING CENTRE LIMITED
人際輔導中心有限公司
(Incorporated in Hong Kong with limited liability by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

1. GENERAL INFORMATION

Resource The Counselling Centre Limited ("the Centre") is a limited liability by guarantee company incorporated in Hong Kong. The registered office of the Centre is located at 701, China Hong Kong Tower, 8-12 Hennessy Road, Wan Chai, Hong Kong.

The Centre's principal activity has not changed during the year and consisted of provision of counselling services.

2. LIMITED BY GUARANTEE

The Centre was limited by guarantee and does not have a share capital. In accordance with clause 6 of the Centre's memorandum, each member undertakes to contribute, such an amount as may be requested, not exceeding HK\$10.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Centre 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 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 Centre is a going concern. They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars which is also the Centre's functional currency.

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 property, 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 depreciation), had no impairment losses been recognised for the asset in prior years.

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NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (a) A person or a close member of that person's family is related to the Centre if that person:
- (i) has control or joint control over the Centre;
 - (ii) has significant influence over the Centre; or
 - (iii) is a member of the key management personnel of the Centre or of a parent of the Centre.
- (b) An entity is related to the Centre if any of the following conditions applies:
- (i) The entity and the Centre are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Centre or an entity related to the Centre. If the Centre is itself such a plan, the sponsoring employers are also related to the Centre.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property, plant and equipment and depreciation

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:

Leasehold improvements	Over the shorter of the lease terms and 20%
Furniture and equipment	50%

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NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Long-term investments

Long-term investments are stated at cost less accumulated impairment losses.

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.

Provision

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

Government grants

Government grants are recognised where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is credited to a deferred income account and is released to the income statement over the periods and in the proportions in which depreciation on that asset is charged.

Revenue recognition

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

- (a) session fees, when the counselling services are rendered;
- (b) donations for general purposes, when the right to receive the donations has been established; donations for other specific purposes are initially deferred as designated funds and recognised as income when there is a reasonable assurance that the Centre will comply with the conditions attaching with them. They are recognised in the income statement over the periods necessary to match them with the costs they are intended to compensate;
- (c) membership fees, on an accrual basis;
- (d) dividend income, when the shareholders' right to receive payment has been established; and
- (e) government subsidy, when there is reasonable assurance that the subsidy will be received and all attaching conditions will be complied with.

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NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

4. GOVERNMENT SUBSIDY

During the year ended 31 March 2021, the Centre was granted HK\$404,028 from the Employment Support Scheme under the Anti-epidemic Fund set up by the Government of the Hong Kong Special Administrative Region for not to make redundancies during the subsidy period and to spend all the funding on paying wages to its employees.

5. COUNCIL MEMBERS' REMUNERATION

No Council member received any fees or emoluments in respect of their services rendered during the year (2020: Nil).

6. TAXATION

No provision for Hong Kong profits tax has been made in the financial statements as the Centre is exempted from Hong Kong tax under Section 88 of the Hong Kong Inland Revenue Ordinance (2020: Nil).

7. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$	Furniture and equipment HK\$	Total HK\$
Cost:			
At 1 April 2020 and 31 March 2021	<u>452,550</u>	<u>253,499</u>	<u>706,049</u>
Accumulated depreciation:			
At 1 April 2020	452,550	226,782	679,332
Depreciation	-	<u>22,900</u>	<u>22,900</u>
At 31 March 2021	<u>452,550</u>	<u>249,682</u>	<u>702,232</u>
Net book value:			
At 31 March 2021	<u>-</u>	<u>3,817</u>	<u>3,817</u>
At 31 March 2020	<u>-</u>	<u>26,717</u>	<u>26,717</u>

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RESOURCE THE COUNSELLING CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

8. LONG-TERM INVESTMENTS

	2021 HK\$	2020 HK\$
Listed equity securities, at cost	109,724	109,724
Impairment	<u>(59,702)</u>	<u>(59,702)</u>
	<u>50,022</u>	<u>50,022</u>
Market value of listed equity securities	<u>51,552</u>	<u>50,022</u>

9. DESIGNATED FUNDS

	2021 HK\$	2020 HK\$
Designated donations		
Books, periodicals, publicity and counselling fees	3,742	3,742
Specific funds		
Dr Kenneth Abbott book fund	35	35
Library fund	<u>1,791</u>	<u>1,791</u>
	<u>5,568</u>	<u>5,568</u>

10. PROVISIONS

	Reinstatement cost HK\$	Long service payments HK\$	Total HK\$
At 1 April 2020	-	186,488	186,488
Provision made during the year	<u>153,320</u>	<u>-</u>	<u>153,320</u>
At 31 March 2021	153,320	186,488	339,808
Portion classified as current liabilities	<u>153,320</u>	<u>-</u>	<u>153,320</u>
Non-current portion	<u>-</u>	<u>186,488</u>	<u>186,488</u>

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RESOURCE THE COUNSELLING CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

10. PROVISIONS (CONTINUED)

The Centre provides for probable future long service payments expected to be made to employees under the Hong Kong Employment Ordinance. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Centre to the end of the reporting period.

The Centre provides for probable reinstatement cost expected to be made upon the termination of the tenancy of the centre premises. The amount of the provision for the reinstatement cost is based on the best estimate of the probable future cost to remove all decoration or partitions so erected or installed by the Centre and restore the said premises to its original tenable state upon being required so to do by the landlord.

11. CHANGES IN RESERVE FUNDS

	Accumulated surplus HK\$
Balance as at 1 April 2020	898,921
Surplus for the year	<u>384,422</u>
Balance as at 31 March 2021	<u><u>1,283,343</u></u>

12. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Centre had the following material transactions with related parties during the year:

	2021 HK\$	2020 HK\$
Donations from Council members	33,100	48,723
Donations from a related company	<u>-</u>	<u>2,000</u>

Por Keng Guan Catherine, a Council member of the Centre, has interests in the related company.

13. CONTINGENT LIABILITIES

At the end of the reporting period, the Centre had no significant contingent liabilities.

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RESOURCE THE COUNSELLING CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

14. OPERATING LEASE ARRANGEMENTS

At the end of the reporting period, the Centre had total future minimum lease payments payable under non-cancellable operating leases falling due as follows:

	2021 HK\$	2020 HK\$
Within one year	703,907	1,046,729
In the second to fifth years, inclusive	<u>2,229,523</u>	<u>171,830</u>
	<u>2,933,430</u>	<u>1,218,559</u>

15. COMMITMENTS

In addition to the operating lease commitments detailed in note 14 above, the Centre had the following capital commitments at the end of the reporting period:

	2021 HK\$	2020 HK\$
Contracted, but not provided for:		
Leasehold improvements	333,664	-
Furniture and equipment	<u>21,229</u>	<u>-</u>
	<u>354,893</u>	<u>-</u>

16. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Council on 21 December 2021.