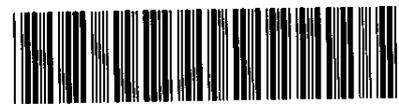


ASIAN ACADEMY OF FAMILY THERAPY LIMITED
(Incorporated in Hong Kong with limited by guarantee)

Directors' Report and Financial Statements
For the year ended 30 June 2020



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ASIAN ACADEMY OF FAMILY THERAPY LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDE 30 JUNE 2020

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ASIAN ACADEMY OF FAMILY THERAPY LIMITED
REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the company for the year ended 30th June 2020.

Principal activity

The principal activity of the company is the provision of education and training programs, clinical services in the area of family therapy.

Financial results

The results of the company for the year ended 30th June 2020 and the state of the company's affairs at that date are set out in the financial statements on pages 5 to 13.

Property, plant and equipment

The movements in property, plant and equipment during the year are set out in note 7 to the financial statements.

Directors

The directors who held office during the year and at the date of this report were:

Fan Tak Wing	(Resigned on 7 July 2020)
Yeung Pak Yu Patricia	(Resigned on 7 July 2020)
Chan Shook Yim Sally	
Tsang Man Ching Anita	
Poon Kwong Keung	(Resigned on 7 July 2020)
Wan Sing Hin	(Resigned on 7 July 2020)
Cheng Man Yung	
Yuen Siu Ki Andrew	
Chow Chan Suk Yin	
Ng Kai Sum Houston	(Appointed on 7 July 2020)
Lai Ming Hon Justin	(Appointed on 7 July 2020)
Ng Lai Tuen Monica	(Appointed on 7 July 2020)
Char Shik Ngor Stephen	(Appointed on 7 July 2020)
Ng Pui Ling Rebecca	(Appointed on 7 July 2020)
Wong Mei Ching Mooly	(Appointed on 7 July 2020)
Lau Ka Fai Tony	(Appointed on 7 July 2020)
Cheung Jason	(Appointed on 7 July 2020)

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

ASIAN ACADEMY OF FAMILY THERAPY LIMITED
REPORT OF THE DIRECTORS

Director's interests in contract of significance

No contract of significance in relation to the company's business to which the company was a party and in which a director of the company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Director's rights to acquire shares or debentures

At no time during the year was the company a party to any arrangement to enable the director of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

Permitted indemnity provisions

At no time during the financial year and up to the date of this Director's Report, was there a permitted indemnity provision in force for the benefit of any of the directors of the Company (whether made by the Company or otherwise) or any associated company (if made by the Company).

Auditors

Messrs. Sky Honour & Co., CPAs were appointed as auditors of the Company during the year. A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Sky Honour & Co., CPAs.

On behalf of the Board



Cheng Man Yung
Chairman

Hong Kong, 27 APR 2021

SKY HONOUR & CO., CPAs

CERTIFIED PUBLIC ACCOUNTANTS

Room 1104, 11/F, Celebrity Commercial Centre,
64 Castle Peak Road, Shamshuipo, Kowloon.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
ASIAN ACADEMY OF FAMILY THERAPY LIMITED
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements set out on pages 5 to 13, which comprise the statement of financial position as at 30th June 2020, and the income statement, statement of changes in 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 are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standards ("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 Standard on Auditing ("HKSA") and with reference to PN900 (Revised) Audit of the 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 all the information included in the director's report other than 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 on the other information, 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.

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SKY HONOUR & CO., CPAs

CERTIFIED PUBLIC ACCOUNTANTS

Room 1104, 11/F, Celebrity Commercial Centre,
64 Castle Peak Road, Shamshuipo, Kowloon.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
ASIAN ACADEMY OF FAMILY THERAPY LIMITED (Continued)
(incorporated in Hong Kong with limited liability)

Responsibilities of 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements

It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion 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. 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 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.

SKY HONOUR & CO., CPAs

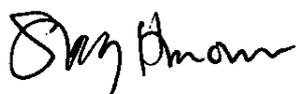
CERTIFIED PUBLIC ACCOUNTANTS

Room 1104, 11/F, Celebrity Commercial Centre,
64 Castle Peak Road, Shamshuipo, Kowloon.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ASIAN ACADEMY OF FAMILY THERAPY LIMITED (Continued)
(incorporated in Hong Kong with limited liability)

- 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.



Sky Honour & Co., CPAs
Certified Public Accountants
Hong Kong, 27 APR 2021

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ASIAN ACADEMY OF FAMILY THERAPY LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2020

	Note	2020 HK\$	2019 HK\$
Revenue	2	2,771,501	4,598,541
Other revenue	2	189,490	43,451
Administrative expenses		(3,007,467)	(2,316,047)
Finance costs	3	-	(32)
(Deficit)/Surplus before tax	4	(46,476)	2,325,913
Income tax expense	6	-	-
(Deficit)/Surplus for the year		(46,476)	2,325,913

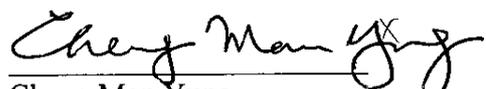
The accompanying notes form an integral part of these financial statements.

ASIAN ACADEMY OF FAMILY THERAPY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2020

	Note	2020 HK\$	2019 HK\$
Non-current assets			
Property, plant and equipment	7	310,360	332,877
Current assets			
Account receivables		-	10,456
Deposit paid		634,718	7,034
Cash and bank balances		6,338,541	8,017,924
		<u>6,973,259</u>	<u>8,035,414</u>
Current liabilities			
Other payables and accruals		612,757	1,615,203
Receipts in advance		-	35,750
		<u>612,757</u>	<u>1,650,953</u>
Net current assets		<u>6,360,502</u>	<u>6,384,461</u>
Total assets less current liabilities		<u>6,670,862</u>	<u>6,717,338</u>
Financed by:			
Accumulated surplus		6,670,862	6,717,338
		<u>6,670,862</u>	<u>6,717,338</u>

The accompanying notes form an integral part of these financial statements.

Approved by the board of directors on 27 APR 2021


 Cheng Man Yung
 Director


 Chan Shook Yim Sally
 Director

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ASIAN ACADEMY OF FAMILY THERAPY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2020

	Accumulated Surplus HK\$
At 30/06/2018 and 01/07/2018	4,391,425
Surplus for the year	2,325,913
At 30/06/2019 and 01/07/2019	6,717,338
Deficit for the year	(46,476)
At 30/06/2020	<u>6,670,862</u>

ASIAN ACADEMY OF FAMILY THERAPY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

Reporting entity

Asian Academy of Family Therapy Limited is a limited liability company domiciled and incorporated in Hong Kong. The company registered address is No.4 Pottinger Street, Central, Hong Kong. The principal activity of the company is the provision of education and training programs, clinical services in the area of family therapy.

1. Basis of preparation and accounting policies

The company 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 and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

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:	20%
Furniture and fixtures:	20%
Leasehold improvement	20%

(b) Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, on the following basis:

- i. Training program income, sponsorship income and membership income are recognised upon received;
- ii. Consultancy fee income is recognised upon provision of services rendered to the customers;
- iii. Interest income from bank deposits is accrued on a time proportion basis on the principal outstanding and at the applicable rates.

ASIAN ACADEMY OF FAMILY THERAPY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

1. Basis of preparation and accounting policies (Continued)

(c) Taxation

No provision for Hong Kong Profits tax has been provided in the financial statements as the Company being a charitable institution is exempted from tax under Section 88 of the Inland Revenue Ordinance.

(d) Trade and other receivables

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

(e) Leasing

Leases are classified as finance leases whenever the term of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.

(f) 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 amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

2. Revenue

	2020	2019
	HK\$	HK\$
Training program income	1,679,980	1,961,150
Consultation fee	115,780	70,000
Membership fee	247,141	313,583
Sponsorship income	728,600	2,253,808
Total	2,771,501	4,598,541

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ASIAN ACADEMY OF FAMILY THERAPY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

3. Finance costs

	2020	2019
	HK\$	HK\$
Bank interest	-	32

4. (Deficit)/Surplus before tax

(Deficit)/Surplus before tax is arrived at after charging:

	2020	2019
	HK\$	HK\$
Audit fee	8,000	6,500
Key management personnel's remuneration	-	-
Depreciation	157,366	163,875

5. Director's remuneration and loans

No remuneration of the Company's director pursuant to section 383(1) of the Companies Ordinance had been paid or payable for the year (2019: Same).

6. Income tax expense

No provision for Hong Kong Profits tax has been provided in the financial statements as the Company, being a charitable institution is exempted from tax under Section 88 of the Inland Revenue Ordinance.

7. Property, plant and equipment

	Leasehold improvement HK\$	Office equipment HK\$	Furniture and fixtures HK\$	Total HK\$
Cost				
At 01/07/2019	-	888,066	5,256	893,322
Additions	120,000	14,849	-	134,849
At 30/06/2020	120,000	902,915	5,256	1,028,171
Accumulated depreciation and impairment losses				
At 01/07/2019	-	558,618	1,827	560,445
Charge for the year	10,000	146,315	1,051	157,366
At 30/06/2020	10,000	704,933	2,878	717,811
Net carrying value				
At 30/06/2020	110,000	197,982	2,378	310,360
At 30/06/2019	-	329,448	3,429	332,877

ASIAN ACADEMY OF FAMILY THERAPY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

8. Lease commitments

The Company had the following total future minimum lease payment under non-cancellable operating leases which fall due as follows:

	2020 HK\$	2019 HK\$
Not later than one year	840,000	19,278
Later than one year	3,010,000	-
	<u>3,850,000</u>	<u>19,278</u>

9. Limited by guarantee

Under Clause 6 of Part of the Company's Memorandum of Association, every member shall, in the event of the company being wound up, contribute such amount as may be required to meet the liabilities of the company but not exceeding HK\$100.

10. Approval of financial statements

The financial statements were approved by the board of directors on **27 APR 2021**

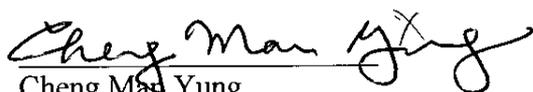
ASIAN ACADEMY OF FAMILY THERAPY LIMITED
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2020
(For management purpose only)

	2020	2019
	HK\$	HK\$
Revenue		
Training program income	1,679,980	1,961,150
Consultancy fee	115,780	70,000
Membership fee	247,141	313,583
Sponsorship income	728,600	2,253,808
	2,771,501	4,598,541
Other revenue		
Contribution from CIFA	9,000	9,000
Bank interest income	56,277	33,451
Government ESS fund subsidy	122,430	-
Sundry income	1,783	-
	189,490	43,451
Administrative expenses		
Accounting fee	12,000	7,000
Advertising	3,992	1,948
Audit fee	8,000	6,500
Bank charge	23,421	22,624
Building management fee	36,207	-
Cleaning expense	179	-
Computer expense	9,532	4,640
Depreciation	157,366	163,875
Entertainment	715	3,981
Insurance	4,729	4,728
Local travelling	987	102
Medical expenses	1,899	8,544
MPF contribution	123,617	65,085
Office rental	70,000	-
Postage and courier	1,796	1,244
Printing and stationery	19,263	20,696
Professional fee	1,037,130	561,228
Rent and license	39,366	38,556
Repair and maintenances	13,425	24,896
Salaries and allowances	1,414,616	1,347,044
Stamp duty	3,957	-
Sundry expenses	2,498	9,738
Telephone and internet	22,772	22,457
Transportation	-	1,161
	3,007,467	2,316,047
Finance costs		
Bank interest	-	32
	-	32
(Deficit)/Surplus for the year	(46,476)	2,325,913

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ASIAN ACADEMY OF FAMILY THERAPY LIMITED
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2020
(For management purpose only)

Approved by:



Cheng Man Yung
Director



Chan Shook Yim Sally
Director