

AWARENESS SPIRITUAL GROWTH CENTRE LIMITED
覺醒心靈成長中心有限公司

(Incorporated in Hong Kong and limited by guarantee)

FOR THE YEAR ENDED 31 MARCH 2021

REPORTS AND FINANCIAL STATEMENTS

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倫藻章
 香港執業會計師

LUN CHO CHEUNG

Certified Public Accountant (Practising), Hong Kong



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AWARENESS SPIRITUAL GROWTH CENTRE LIMITED
覺醒心靈成長中心有限公司
(Incorporated in Hong Kong and limited by guarantee)
DIRECTORS' REPORT

The Directors submit their report and the annual financial statements of Awareness Spiritual Growth Centre Limited (the "Company") for the financial year ended 31 March 2021.

Directors

The directors during the year and up to the date of this report are:

SIK Hin Hung;
SIK Yen Tsun;
SHI Yan Xin (appointed on 5 July 2021); and
CHAN Chak Yin Alan (appointed on 5 July 2021).

Principal activities

The Company is a charitable institution. Its principal activities are to hold activities that will promote the well being of the spiritual and physical health of people.

Permitted indemnity provision

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

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 Company.

Management contracts

None of the Directors has had a management contract with the Company.

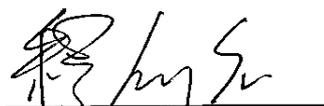
Debenture issued

During the year, the Company did not issue any debenture.

Equity-linked arrangements

During the year, the Company did not enter into any equity-linked agreements.

On behalf of the Board



Director: SIK Hin Hung

Hong Kong, 24 JAN 2022

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AWARENESS SPIRITUAL GROWTH CENTRE LIMITED**

覺醒心靈成長中心有限公司

(incorporated in Hong Kong with liability limited by guarantee and not having a share capital)

Opinion

I have audited the financial statements of Awareness Spiritual Growth Centre Limited (the "Company") set out on pages 5 to 10, 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 my opinion, the financial statements of the Company 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

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' report (but does not include the financial statements and my auditor's report thereon).

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AWARENESS SPIRITUAL GROWTH CENTRE LIMITED

覺醒心靈成長中心有限公司

(incorporated in Hong Kong with liability limited by guarantee and not having a share capital)

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

The directors are responsible for the preparation of 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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.

.../cont'd

LUN CHO CHEUNG *Certified Public Accountant (Practising)*

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AWARENESS SPIRITUAL GROWTH CENTRE LIMITED

覺醒心靈成長中心有限公司

(incorporated in Hong Kong with liability limited by guarantee and not having a share capital)

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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

I 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 I identify during my audit.



LUN CHO CHEUNG

Certified Public Accountant (Practising)

Hong Kong 24 JAN 2022

Honorary Auditor

Practising Certificate No. P04123

倫藻章執業會計師

香港灣仔天樂里 2-4 號金豐商業大廈 19 樓

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AWARENESS SPIRITUAL GROWTH CENTRE LIMITED
覺醒心靈成長中心有限公司
(Incorporated in Hong Kong and limited by guarantee)
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	2021 HK\$	2020 HK\$
REVENUE		
Donation income	2,190,800	1,066,648
Activities income	-	35,700
Bank interest income	56	2,611
Dividend income	24,292	24,654
Other income	1,311	-
Subsidy received under Employment Support Scheme	191,400	-
	<u>2,407,859</u>	<u>1,129,613</u>
LESS: ADMINISTRATIVE AND OPERATING EXPENSES		
Accounting fee	(5,000)	(5,000)
Activities cost	-	(25,744)
Bank charges	(1,840)	(1,941)
Building management fee	(75,038)	(73,948)
Cleaning	(10,469)	(9,481)
Courier and transportation	(248)	(3,999)
Depreciation of property, plant and equipment	(9,849)	(12,568)
Donation and sponsorship	(1,461,903)	(370,031)
Flower and fruit	(1,091)	(1,526)
HKSAR – short term use of land permission fee	(3,090)	(7,725)
Insurance	(43,716)	(43,858)
Mandatory provident fund contributions	(38,563)	(44,575)
Messing	(330)	(512)
Printing and stationery	(732)	(2,915)
Rates	-	(7,875)
Rent	(12)	(12)
Repairs and maintenance	(6,600)	(31,700)
Salaries	(771,250)	(891,500)
Sundry expenses	(9,711)	(22,173)
Telephone and network fees	(18,390)	(18,971)
Travelling	(312)	(1,006)
Water, electricity and town gas	(1,567)	(4,503)
	<u>(2,459,711)</u>	<u>(1,581,563)</u>
NET LOSS FOR THE YEAR	<u><u>(51,852)</u></u>	<u><u>(451,950)</u></u>

The accompanying Accounting Policies and Explanatory notes on pages 7 to 10 form an integral part of, and should be read in conjunction with, these financial statements.

AWARENESS SPIRITUAL GROWTH CENTRE LIMITED
覺醒心靈成長中心有限公司
(Incorporated in Hong Kong and limited by guarantee)
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 HK\$	2020 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	5	100,169	110,018
Long-term investments	6	341,517	341,517
Utility deposits		11,536	11,536
		<u>453,222</u>	<u>463,071</u>
CURRENT ASSETS			
Other receivable		13,571	15,150
Prepayments		20,524	32,252
Deposit paid		4,940	4,940
Cash and bank balances		3,016,415	3,045,611
		<u>3,055,450</u>	<u>3,097,953</u>
CURRENT LIABILITIES			
Accruals		(11,080)	(11,580)
Deposits received		(4,000)	(4,000)
Amount due to a director	8	(50,800)	(50,800)
		<u>(65,880)</u>	<u>(66,380)</u>
NET CURRENT ASSETS		<u>2,989,570</u>	<u>3,031,573</u>
NET ASSETS		<u>3,442,792</u>	<u>3,494,644</u>
EQUITY			
Retained earnings	7	<u>3,442,792</u>	<u>3,494,644</u>

The financial statements on pages 5 to 10 were approved and authorized for issue by the board of directors on 24 JAN 2022 and are signed by:


 Director: SIK Him Hung


 Director: SIK Yen Tsun

The accompanying Accounting Policies and Explanatory notes on pages 7 to 10 form an integral part of, and should be read in conjunction with, these financial statements.

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AWARENESS SPIRITUAL GROWTH CENTRE LIMITED

覺醒心靈成長中心有限公司

(Incorporated in Hong Kong and limited by guarantee)

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. Reporting entity

Awareness Spiritual Growth Centre Limited 覺醒心靈成長中心有限公司 is a company incorporated in Hong Kong with liabilities limited by guarantee and does not have a share capital. The Company's registered office is located at 4/F., Xing Hua Centre, 433 Shanghai Street, Kowloon. The principal activities of the Company are to hold activities that will promote the well being of the spiritual and physical health of people.

2. Basis of preparation and accounting policies

A) Basis of preparation

The Company qualifies for the reporting exemption as a small guarantee company under sections 359(1)(a) and 363 of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its annual financial statements in accordance with the Revised Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants applicable to the financial statements for the Company. These financial statements have been prepared in accordance with SME-FRS.

These financial statements are presented in Hong Kong Dollars and 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 going concern.

The measurement base adopted is the historical cost convention.

B) Accounting policies

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

a) Revenue

Revenue is 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) Donation income is recognized on a receipt basis;
- ii) Income from sales of cassette tape, book, honey, handicraft, VCD and textbook are recognised when the significant risks and rewards of ownership have been transferred to the buyer, and cash received.;
- iii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable;
- iv) Activities income are recognized in the accounting period in which the events are rendered; and
- v) Sundry income is recognised as earned.

AWARENESS SPIRITUAL GROWTH CENTRE LIMITED
覺醒心靈成長中心有限公司
(Incorporated in Hong Kong and limited by guarantee)
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Basis of preparation and accounting policies (continued)

B) Accounting policies (continued)

b) Operating leases

Leases that retain substantially all the risk and rewards incidental to ownership of the leased assets by the lessor are accounted for as operating leases. Lease payments under an operating lease are recognised as expenses on a straight-line basis over the lease term. All incentives for agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased assets. The aggregate benefit of incentives is recognised as a reduction of rental expenses over the lease term.

c) 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 :-

Leasehold land	over the lease terms
Leasehold improvement	20% per annum
Office equipment	20% per annum
Furniture and fixtures	20% per annum

d) Investments

An investment that qualifies for recognition as an asset is initially measured at its cost (including brokerages, fees, duties and taxes). After initial recognition, long-term investments are carried at cost less accumulated impairment losses. Current investments are carried at the lower of cost and net realisable value. Changes in carrying amount of an investment are recognised as income or expenses as appropriate. Held-to-maturity debt securities are carried at amortised cost. Discount or premium on acquisition is amortised on a systematic basis over the holding period using the straight-line method.

Interest and dividend receivables in connection with an investment are generally recognised as income except when such inflows represent a recovery of cost and do not form part of income. In this circumstance, the cash inflow representing a recovery of cost is deducted from cost.

e) 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.

AWARENESS SPIRITUAL GROWTH CENTRE LIMITED

覺醒心靈成長中心有限公司

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**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Basis of preparation and accounting policies (continued)

B) Accounting policies (continued)

f) Impairment of assets

An assessment is made at each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, 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 amortization or depreciation), had no impairment losses been recognised for the asset in prior years.

3. Income tax

The Company is an approved charitable institution and is exempted from profits tax under provision of section 88 of the Inland Revenue Ordinance.

4. Directors' emoluments

No emolument whatsoever has been paid or is payable to any director of the Company for the current year (2020: Nil).

5. Property, plant and equipment

	Leasehold land in Hong Kong HK\$	Leasehold improvement HK\$	Office equipment HK\$	Furniture & fixtures HK\$	Total HK\$
Cost					
At 1 April 2020 & at 31 March 2021	147,710	447,300	110,341	52,171	757,522
Accumulated depreciation					
At 1 April 2020	(50,428)	(447,000)	(97,905)	(52,171)	(647,504)
Annual depreciation	(3,602)	(300)	(5,947)	-	(9,849)
At 31 March 2021	(54,030)	(447,300)	(103,852)	(52,171)	(657,353)
Carrying amount:					
At 31 March 2021	<u>93,680</u>	<u>-</u>	<u>6,489</u>	<u>-</u>	<u>100,169</u>
At 31 March 2020	<u>97,282</u>	<u>300</u>	<u>12,436</u>	<u>-</u>	<u>110,018</u>

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AWARENESS SPIRITUAL GROWTH CENTRE LIMITED

覺醒心靈成長中心有限公司

(Incorporated in Hong Kong and limited by guarantee)

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. Long-term investments

	2021	2020
	HK\$	HK\$
Listed securities in Hong Kong, at cost	341,517	341,517
Less: Accumulated write-down to net carrying value	-	-
	<u>341,517</u>	<u>341,517</u>
Total	341,517	341,517
	<u>654,528</u>	<u>620,160</u>
Market value of listed investments	654,528	620,160

7. Changes in equity

	Retained earnings
	HK\$
Balance as at 1 April 2020	3,494,644
Loss for the year	(51,852)
	<u>3,442,792</u>
Balance as at 31 March 2021	<u>3,442,792</u>

8. Related party transactions

	2021	2020
	HK\$	HK\$
Related parties transactions		
<i>Directors and other key management personnel</i>		
Donation paid to the Company from director		
- SIK Hin Hung	12,830	47,520
Received rent from Company for leasing Company's registered office		
- SIK Hin Hung	12	12
	<u>12,830</u>	<u>47,520</u>
	2021	2020
	HK\$	HK\$
Amounts due to related parties as at 31 March		
<i>Director</i>		
- SIK Hin Hung	50,800	50,800
	<u>50,800</u>	<u>50,800</u>

Amount due to a director is unsecured, interest free and has no fixed term of repayment.