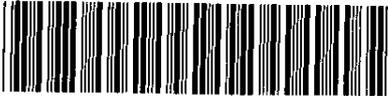


MIND MENTAL HEALTH HONG KONG LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Certified true and correct by:



CitiAc Corporate Services Limited
Company Secretary



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AC 2816471
01/11/2021

MIND MENTAL HEALTH HONG KONG LIMITED

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements of Mind Mental Health Hong Kong Limited (the "Company") for the year ended 31 December 2020.

Principal activities

The principal activities of the Company are to lead, promote and support the destigmatisation and transformation of community mental health care.

Results

The results of the Company for the year are set out in the income statement on page 6.

Directors

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

PEARCE Ann	(Appointed on 30 October 2020)
HONOURABLE OLIVIA PARKER Olivia Clare	(Appointed on 30 October 2020)
CHEN Yu Hai Eric	
CONVERY Marc Kin	(Appointed on 30 October 2020)
JHIN Jaclyn Hee Kyung	(Appointed on 30 October 2020)
KONG Yvette Man-yi	(Appointed on 30 October 2020)
LIANG Shi Ya Sheena	(Appointed on 30 October 2020)
LORD Lucy Alison Jane	
NG Daryl Win Kong	(Appointed on 30 October 2020)
WONG Ho Yuen Andrew	(Appointed on 30 October 2020)
WOODS Edward James	(Appointed on 30 October 2020)
ZAYTS Olga	(Appointed on 30 October 2020)

In accordance with Article 12 of the Company's Articles of Association, all directors hold office for a term of 3 years and may be renewed for an unlimited number of terms.

Directors' material interests in transactions, arrangements and contracts that are significant in relation to the Company's business

No transactions, arrangements and contracts 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.

Management contracts

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

Permitted indemnity provisions

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

MIND MENTAL HEALTH HONG KONG LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Auditor

The financial statements have been audited by Messrs. Linkers CPA Limited, Certified Public Accountants, who retired and, being eligible, offer themselves for re-appointment.

On behalf of the Board



PEARCE Ann
Director

Hong Kong, 28 September 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MIND MENTAL HEALTH HONG KONG LIMITED**
(Incorporated in Hong Kong and limited by guarantee)

Opinion

What we have audited

The financial statements of Mind Mental Health Hong Kong Limited (the "Company") set out on pages 6 to 15, which comprise:

- the statement of financial position as at 31 December 2020;
- the income statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our 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

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MIND MENTAL HEALTH HONG KONG LIMITED**
(Incorporated in Hong Kong and limited by guarantee)
(Continued)

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 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 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.

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. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purposes. 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MIND MENTAL HEALTH HONG KONG LIMITED**
(Incorporated in Hong Kong and limited by guarantee)
(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism 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 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.

We communicate with the directors 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.



LINKERS CPA LIMITED
Certified Public Accountants

Engagement Director: LO KIT YEE
Practising Certificate Number: P05689

Hong Kong, 28 September 2021.

MIND MENTAL HEALTH HONG KONG LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Year ended 31 December 2020 HK\$	Period from 16 April 2019 (date of incorporation) to 31 December 2019 HK\$
Revenue	3	10,152,806	5,564,329
Cost of services		(8,836,861)	(2,433,660)
		<hr/>	<hr/>
Other income	3	1,315,945	3,130,669
General and administrative expenses		535,930	1
		(583,815)	(814,210)
		<hr/>	<hr/>
Surplus for the year/period	4	1,268,060	2,316,460
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The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

MIND MENTAL HEALTH HONG KONG LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	2020 HK\$	2019 HK\$
ASSETS			
Non-current assets			
Intangible assets	7	66,923	93,003
Property, plant and equipment	8	24,249	11,845
Total non-current assets		<u>91,172</u>	<u>104,848</u>
Current assets			
Trade and other receivables		960,538	406,425
Amount due from a related company	10	-	3,398,568
Bank balances		12,951,888	1,041,663
Total current assets		<u>13,912,426</u>	<u>4,846,656</u>
LIABILITIES			
Current liabilities			
Trade and other payables		515,525	369,868
Deferred income		9,403,553	2,265,176
Receipt in advance		500,000	-
Total current liabilities		<u>10,419,078</u>	<u>2,635,044</u>
Net current assets		<u>3,493,348</u>	<u>2,211,612</u>
Net assets		<u>3,584,520</u>	<u>2,316,460</u>
EQUITY			
Accumulated surplus		<u>3,584,520</u>	<u>2,316,460</u>

Approved and authorised for issue by the Board of Directors on 28 September 2021.



 PEARCE Ann
 Director



 HONOURABLE OLIVIA PARKER Olivia Clare
 Director

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

MIND MENTAL HEALTH HONG KONG LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Accumulated surplus HK\$
Balance at 16 April 2019	-
Surplus for the period	2,316,460
Balances at 31 December 2019 and 1 January 2020	<u>2,316,460</u>
Surplus for the year	1,268,060
Balance at 31 December 2020	<u><u>3,584,520</u></u>

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The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

MIND MENTAL HEALTH HONG KONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Reporting entity

Mind Mental Health Hong Kong Limited (the "Company") is engaged to lead, promote and support the destigmatisation and transformation of community mental health care.

The Company is incorporated in Hong Kong and limited by guarantee. Under the Articles of Association of the Company, every member shall, in the event of the Company being wound up, contribute to the assets of the Company to the extent of HK\$100. The address of its registered office is Unit B, 18/ F, One Capital Place, 18 Luard Road, Wanchai, Hong Kong.

2 Basis of preparation and accounting policies

The Company qualifies for the reporting exemption as a small guarantee 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 ("HKICPA").

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) Revenue recognition

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 recognised when the right to receive payment is established;
- (ii) Training and ticket income are recognised when the services are rendered;
- (iii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable; and
- (iv) Sundry income is recognised on an accrual basis.

(b) Government subsidy

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. For the wage subsidies from the Employment Support Scheme ("ESS") under the Anti-epidemic Fund of the Government of the Hong Kong Special Administrative Region ("HKSAR"), it is recognised as part of other income.

MIND MENTAL HEALTH HONG KONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(c) Foreign exchange

The reporting currency of the Company is Hong Kong Dollars, which is the currency of the primary economic environment in which the Company 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 income statement.

(d) Taxation

The Company is exempt from taxation under Section 88 of the Hong Kong Inland Revenue Ordinance from Hong Kong profits tax by reason of being a charitable institution of a public character.

(e) 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 lives using the straight-line method. The principal annual rates used for depreciation are as follows:

Computer equipment	20%
Furniture and fixtures	20%
Office equipment	20%

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the income statement.

(f) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses and are amortised on a systematic basis over their estimated useful lives using the straight-line method.

(g) 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.

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MIND MENTAL HEALTH HONG KONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(h) Operating leases (as the lessee)

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.

(i) 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.

(j) Related parties

A related party is a person or entity that is related to the Company.

(i) A person, or a close member of that person's family is related to the Company if that person:

- (a) has control or joint control over the Company;
- (b) has significant influence over the Company; or
- (c) is a member of the key management personnel of the Company or of a parent of the Company.

(ii) An entity is related to the Company if any of the following conditions applies:

- (a) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (b) 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).
- (c) Both entities are joint ventures of the same third party.
- (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (e) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (f) The entity is controlled or jointly controlled by a person identified in 2(j)(i).
- (g) A person identified in 2(j)(i)(a) 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).
- (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

MIND MENTAL HEALTH HONG KONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3 Revenue and other income

	Year ended 31 December 2020 HK\$	Period from 16 April 2019 (date of incorporation) to 31 December 2019 HK\$
Revenue		
Donation income	9,391,888	5,329,300
Ticket income	230,413	-
Training income	530,505	235,029
	<u>10,152,806</u>	<u>5,564,329</u>
Other Income		
Bank interest income	38	1
Government subsidy under ESS	534,900	-
Sundry income	992	-
	<u>535,930</u>	<u>1</u>
	<u><u>10,688,736</u></u>	<u><u>5,564,330</u></u>

4 Surplus for the year/period

Surplus for the year/period is stated after charging the following:

	Year ended 31 December 2020 HK\$	Period from 16 April 2019 (date of incorporation) to 31 December 2019 HK\$
Auditor's remuneration	17,000	14,000
Operating lease rental in respect of office premises	168,524	80,416
Depreciation of property, plant and equipment	3,896	2,771
Amortisation of intangible assets	26,080	37,397
Staff costs		
- Salaries and allowances	3,686,386	2,023,185
- Mandatory provident fund	156,371	101,484
	<u><u>3,954,257</u></u>	<u><u>2,249,183</u></u>

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MIND MENTAL HEALTH HONG KONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5 Benefits and interests of directors (regarded as key management compensation)

The following disclosures are made pursuant to section 383(1)(a) to (f) of the Hong Kong Companies Ordinance (Cap. 622) and Parts 2 to 4 of the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G):

- (a) During the year, no emoluments, retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2019: Nil). No consideration was provided to or receivable by third parties for making available directors' services (2019: Nil). There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2019: Nil).
- (b) No director of the Company had a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Company's business to which the Company was or is a party that subsisted at the end of the year or at any time during the year (2019: Nil).

6 Income tax expense

No provision for Hong Kong profits tax has been made in the financial statements as the Company is exempt from Hong Kong profits tax under Section 88 of the Hong Kong Inland Revenue Ordinance (2019: Nil).

7 Intangible assets

	Computer software HK\$	Website HK\$	Total HK\$
Cost			
At 1 January 2020 and 31 December 2020	9,400	121,000	130,400
Accumulated amortisation			
At 1 January 2020	1,097	36,300	37,397
Amortisation	1,880	24,200	26,080
At 31 December 2020	2,977	60,500	63,477
Net book amount			
At 31 December 2020	6,423	60,500	66,923
At 31 December 2019	8,303	84,700	93,003

MIND MENTAL HEALTH HONG KONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8 Property, plant and equipment

	Computer equipment HK\$	Furniture and fixtures HK\$	Office equipment HK\$	Total HK\$
Cost				
At 1 January 2020	2,800	1,800	10,016	14,616
Additions	-	7,520	8,780	16,300
At 31 December 2020	2,800	9,320	18,796	30,916
Accumulated depreciation				
At 1 January 2020	747	540	1,484	2,771
Depreciation	560	861	2,475	3,896
At 31 December 2020	1,307	1,401	3,959	6,667
Net book amount				
At 31 December 2020	1,493	7,919	14,837	24,249
At 31 December 2019	2,053	1,260	8,532	11,845

9 Commitment under operating leases

The future aggregate minimum lease payments under non-cancellable operating lease in respect of office premises are as follows:

	2020 HK\$	2019 HK\$
No later than 1 year	189,192	120,377
Later than 1 year and no later than 5 years	140,317	-
	329,509	120,377

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MIND MENTAL HEALTH HONG KONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10 Related party transactions

Other than those transactions and balances disclosed elsewhere in the financial statements, during the year, the Company entered into the following transaction with a related party in its normal course of business.

- The amount due from a related company is unsecured, non-interest bearing and repayable on demand. Details of the amount due from a related company are as follows:

<u>Name of related company</u>	Balance at beginning of the year HK\$	Balance at end of the year HK\$	Maximum amount outstanding during the year HK\$
Patient Care Foundation Limited	<u>3,398,568</u>	<u>-</u>	3,398,568

11 Approval of financial statements

The financial statements were authorised for issue by the Board of Directors on 28 September 2021.