

**CENTRE OF MARRIAGE AND CHILD GUIDANCE
COMPANY LIMITED
(LIMITED BY GUARANTEE)**

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021



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CENTRE OF MARRIAGE AND CHILD GUIDANCE COMPANY LIMITED
(Limited By Guarantee)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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CENTRE OF MARRIAGE AND CHILD GUIDANCE COMPANY LIMITED
(Limited By Guarantee)

DIRECTORS' REPORT

The directors presented their annual report and the audited financial statements of the Centre for the year ended March 31, 2021.

PRINCIPAL ACTIVITIES

During the year, the Centre continued to provide rehabilitation services, family life education and psychological assessment, treatment and counselling services to both family and children.

BUSINESS REVIEW

The Centre falls within reporting exemption for the financial period. Accordingly, the Centre is exempted from preparing a business review.

RESULTS

The result of the Centre for the year ended March 31, 2021 and the state of the Centre's affairs at that date are set out in the financial statements on pages 6 to 15.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are set out in note 4 to the financial statements.

DIRECTORS

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

Lai Tze Kin Samuel
Mak Ki Yan
Ng Lai Kuen
Wong Ip Chung Ping
Yeung Wai Ching
Yu Tak Shun
Chung Wai Sau Dicky
Chan Man Cheung
Fok Yuk Lin, Anita

(Date of cessation: August 20, 2021)

(Date of cessation: August 20, 2021)

In accordance with Article 40 of the Centre's Articles of Association, all directors shall hold office for a term of two years and retire, but being eligible, offer themselves for re-election.

CENTRE OF MARRIAGE AND CHILD GUIDANCE COMPANY LIMITED
(Limited By Guarantee)

DIRECTORS' REPORT - CONTINUED

DIRECTORS' INTERESTS IN CONTRACTS

Save as the transactions disclosed in note 5 to the financial statements for which the directors have beneficial interests, no other contracts of significance in relation to the Centre's business to which the Centre was a party and in which any directors of the Centre had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Centre a party to any arrangement to enable the directors of the Centre to acquire benefits by means of the acquisition of shares in or debentures of the Centre or its associated corporations.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into during the year.

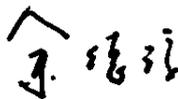
INDEMNITY OF DIRECTORS

No permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Centre has in force in the Centre.

AUDITORS

A resolution will be submitted to the annual general meeting of the Centre to re-appoint Ng, Suen, Lau C.P.A. Limited.

On behalf of the Board



Yu Tak Shun

Hong Kong, 12 NOV 2021

INDEPENDENT AUDITOR'S REPORT

To the members of
CENTRE OF MARRIAGE AND CHILD GUIDANCE COMPANY LIMITED
(Incorporated in Hong Kong with liability limited by guarantee)

Opinion

We have audited the financial statements of Centre of Marriage and Child Guidance Company Limited (the "Centre") set out on pages 6 to 15, which comprise the statement of financial position as at March 31, 2021, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Centre as at March 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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") 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.

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 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.

INDEPENDENT AUDITOR'S REPORT - CONTINUED

To the members of
CENTRE OF MARRIAGE AND CHILD GUIDANCE COMPANY LIMITED
(Incorporated in Hong Kong with liability limited by guarantee)

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

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRS for Private Entities 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 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 directors 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.

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 the report.

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.
- 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.

INDEPENDENT AUDITOR'S REPORT - CONTINUED

To the members of
CENTRE OF MARRIAGE AND CHILD GUIDANCE COMPANY LIMITED
(Incorporated in Hong Kong with liability limited by guarantee)

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

- 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 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.
- 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.



Ng, Suen, Lau C.P.A. Limited
Certified Public Accountants (Practising)

Hong Kong, **12 NOV 2021**

Ng Sau Wa, Sylvia
Practising Certificate Number: P01895

CENTRE OF MARRIAGE AND CHILD GUIDANCE COMPANY LIMITED
(Limited By Guarantee)

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

(Expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Non-current asset			
Property, plant and equipment	4	<u>103,044</u>	<u>135,009</u>
Current assets			
Deposits and prepayments		95,500	102,500
Bank balances and cash		<u>598,856</u>	<u>271,335</u>
		<u>694,356</u>	<u>373,835</u>
Total assets		<u><u>797,400</u></u>	<u><u>508,844</u></u>

CENTRE OF MARRIAGE AND CHILD GUIDANCE COMPANY LIMITED
(Limited By Guarantee)

STATEMENT OF FINANCIAL POSITION - CONTINUED

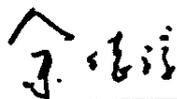
AS AT MARCH 31, 2021

(Expressed in Hong Kong Dollars)

	<u>2021</u>	<u>2020</u>
LIABILITY AND RESERVES		
Current liability		
Other payable and accruals	<u>181,259</u>	<u>138,281</u>
Reserves		
General fund	473,663	205,663
CMCG subsidy fund	107,878	129,500
Supervision fund	29,600	30,400
Oasis fund	<u>5,000</u>	<u>5,000</u>
	<u>616,141</u>	<u>370,563</u>
Total liability and reserves	<u><u>797,400</u></u>	<u><u>508,844</u></u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

Approved on behalf of the Board by:



Yu Tak Shun



Lai Tze Kin Samuel

CENTRE OF MARRIAGE AND CHILD GUIDANCE COMPANY LIMITED
(Limited By Guarantee)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2021

(Expressed in Hong Kong Dollars)

	<u>2021</u>	<u>2020</u>
Revenue		
Consultation fee income	2,146,234	1,841,503
Donation and subsidy received	266,650	260,800
	<u>2,412,884</u>	<u>2,102,303</u>
Other revenue		
Activity income	39,470	30,505
Interest income	2	150
Royalty income	157	1,146
Subsidy under Employment Support Scheme	111,498	-
Sundry income	9,018	1,260
Supervision fee income	2,400	-
	<u>2,575,429</u>	<u>2,135,364</u>
Expenditure		
Advertising	-	1,000
Auditors' remuneration	8,200	8,000
Bank charges	3,675	2,790
Cleaning	29,000	25,800
Consultation fee	1,518,302	1,272,060
Depreciation	34,242	40,426
Insurance	1,785	1,964
Legal and professional fee	30,635	4,900
Loss on disposal of property, plant and equipment	6,132	-
Mandatory provident fund contributions	13,619	25,608
Office supply	23,104	-
Postage	-	313
Printing and stationery	-	16,788
Rent, rates and management fees	338,972	351,394
Repairs and maintenance	3,820	3,935
Salary	290,138	445,069
Subsidies paid	3,200	61,182
Sundry expenses	2,533	8,847
Telephone and internet	10,076	11,023
Trainer fee	8,900	-
Water and electricity	3,518	8,933
	<u>2,329,851</u>	<u>2,290,032</u>
Surplus/(deficit) and total comprehensive income for the year	<u>245,578</u>	<u>(154,668)</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

CENTRE OF MARRIAGE AND CHILD GUIDANCE COMPANY LIMITED
(Limited By Guarantee)

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

FOR THE YEAR ENDED MARCH 31, 2021

(Expressed in Hong Kong Dollars)

	<u>General fund</u>	<u>CMCG subsidy fund</u>	<u>Supervision fund</u>	<u>Oasis fund</u>	<u>Total</u>
<u>Year 2020</u>					
As at 01.04.2019	304,749	166,682	48,800	5,000	525,231
Total comprehensive income for the year	(154,668)	-	-	-	(154,668)
Transfer surplus/(deficit) to respective fund	55,582	(37,182)	(18,400)	-	-
As at 31.03.2020	<u>205,663</u>	<u>129,500</u>	<u>30,400</u>	<u>5,000</u>	<u>370,563</u>
<u>Year 2021</u>					
As at 01.04.2020	205,663	129,500	30,400	5,000	370,563
Total comprehensive income for the year	245,578	-	-	-	245,578
Transfer surplus/(deficit) to respective fund	(4,200)	5,000	(800)	-	-
Transfer of fund	26,622	(26,622)	-	-	-
As at 31.03.2021	<u>473,663</u>	<u>107,878</u>	<u>29,600</u>	<u>5,000</u>	<u>616,141</u>

CENTRE OF MARRIAGE AND CHILD GUIDANCE COMPANY LIMITED
(Limited By Guarantee)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

(Expressed in Hong Kong Dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Cash receipts from clients, patients and donors	2,575,427	2,135,214
Cash paid to employees and suppliers	<u>(2,239,499)</u>	<u>(2,120,535)</u>
Net cash generated from operating activities	<u>335,928</u>	<u>14,679</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,409)	(159,904)
Interest income received	<u>2</u>	<u>150</u>
Net cash used in investing activities	<u>(8,407)</u>	<u>(159,754)</u>
Net increase/(decrease) in cash and cash equivalents	327,521	(145,075)
Cash and cash equivalents at beginning of the year	<u>271,335</u>	<u>416,410</u>
Cash and cash equivalents at end of the year	<u>598,856</u>	<u>271,335</u>
Analysis of the balance of cash and cash equivalents		
Bank balances and cash	<u>598,856</u>	<u>271,335</u>

CENTRE OF MARRIAGE AND CHILD GUIDANCE COMPANY LIMITED
(Limited By Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(Expressed in Hong Kong Dollars)

1. GENERAL

The Centre was incorporated under the Hong Kong Companies Ordinance on July 1, 1988 as a company limited by guarantee and not having a share capital. The liability of each member is limited to the extent of HK\$25.

The registered address of the Centre is Room 706, Alliance Building, 133 Connaught Road Central, Hong Kong.

The principal activities of the Centre are to provide rehabilitation services, family life education and psychological assessment, treatment and counselling services to both family and children.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance. They have been prepared using the historical cost convention.

a. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

Leasehold improvement	20%
Furniture and fixtures	20%
Testing tools and materials	20%
Office equipment	20%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

CENTRE OF MARRIAGE AND CHILD GUIDANCE COMPANY LIMITED
(Limited By Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(Expressed in Hong Kong Dollars)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES - Continued

b. Impairment of assets

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

c. Trade and other receivables

Trade and other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using effective interest method, less provision for impairment. A provision for impairment of other receivables is established when there is objective evidence that the Centre will not be able to collect all amounts due according to the original terms of the receivables.

d. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

e. Revenue recognition

Consultation fee and supervision fee income is recognised when services are provided.

Donation and subsidy and royalty income are recognised upon cash received.

Activity income is recognised when the event takes place.

Interest income is recognised using the effective interest method.

Government grants are recognised as income over the periods to match with the related costs which the grants are intended to compensate. Grant related to assets is deducted in arriving the carrying amount of the asset and the grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge. Grant related to income is recognised as income in the profit or loss.

CENTRE OF MARRIAGE AND CHILD GUIDANCE COMPANY LIMITED
(Limited By Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(Expressed in Hong Kong Dollars)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES - Continued

f. Other payable

Other payable are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

g. Leases

Rental payable under operating leases are charged to profit or loss on a straight-line basis over the term of relevant lease.

h. Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material these amounts are stated at their present values.

The Centre operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' relevant income and are charged to profit or loss as the Centre become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Centre in an independently administrated trust fund. The Centre's employer contributions vest fully with the employees when contributed into the MPF Scheme.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Centre makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful lives of property, plant and equipment

The Centre's management determines the estimated useful lives and related depreciation for its property, plant and equipment. The estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions.

CENTRE OF MARRIAGE AND CHILD GUIDANCE COMPANY LIMITED
(Limited By Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(Expressed in Hong Kong Dollars)

4. PROPERTY, PLANT AND EQUIPMENT

	<u>Leasehold improvement</u>	<u>Furniture and fixtures</u>	<u>Testing tools and materials</u>	<u>Office equipment</u>	<u>Total</u>
<u>Cost</u>					
As at 01.04.2020	136,900	104,977	167,481	87,833	497,191
Additions	-	-	-	8,409	8,409
Disposals	-	(75,088)	(21,401)	(80,237)	(176,726)
As at 31.03.2021	<u>136,900</u>	<u>29,889</u>	<u>146,080</u>	<u>16,005</u>	<u>328,874</u>
<u>Accumulated depreciation</u>					
As at 01.04.2020	27,380	92,285	163,925	78,592	362,182
Charge for the year	27,380	3,527	554	2,781	34,242
Eliminated on disposals	-	(74,569)	(18,953)	(77,072)	(170,594)
As at 31.03.2021	<u>54,760</u>	<u>21,243</u>	<u>145,526</u>	<u>4,301</u>	<u>225,830</u>
<u>Carrying amount</u>					
As at 31.03.2021	<u>82,140</u>	<u>8,646</u>	<u>554</u>	<u>11,704</u>	<u>103,044</u>

5. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance is as follows:

	<u>2021</u>	<u>2020</u>
Directors' fee	-	-
Other emoluments	-	1,470
Contributions to defined contribution plan	-	-
	<u>-</u>	<u>1,470</u>

CENTRE OF MARRIAGE AND CHILD GUIDANCE COMPANY LIMITED
(Limited By Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(Expressed in Hong Kong Dollars)

6. TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements as the Centre is a charitable institution under Section 88 of the Inland Revenue Ordinance (Chapter 112) and is therefore exempted from taxes levied under this Ordinance.

7. LEASE COMMITMENTS

As at the year end date, the Centre had outstanding commitments under non-cancellable operating leases in respect of rental premises. The total commitments to be payable are as follows:

	<u>2021</u>	<u>2020</u>
Within one year	93,000	365,800
In the second to fifth years inclusive	-	93,000
	<u>93,000</u>	<u>458,800</u>

8. EVENTS AFTER THE END OF THE REPORTING PERIOD

After the outbreak of Coronavirus Disease 2019 (“COVID-19 outbreak”) in early 2020, a series of precautionary and control measures have been implemented by countries worldwide and have affected global businesses and economic activities to some extent. Accordingly, the assessment of the recoverability of the Centre’s assets carrying amounts are based on conditions existing as at March 31, 2021 and does not include the effects from the COVID-19 outbreak after March 31, 2021.

Given the macro-economic uncertainties experienced after the reporting period, developments in the COVID-19 outbreak could affect the Centre’s earnings, cash flows and financial conditions in the next financial period. The extent of the impact cannot be determined at this juncture.

9. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved and authorised to issue by the Board of Directors on **12 NOV 2021**.