

**THE HONG KONG PROFESSIONAL
COUNSELLING ASSOCIATION LIMITED**

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

THE HONG KONG PROFESSIONAL COUNSELLING ASSOCIATION LIMITED

REPORT OF THE GOVERNING COUNCILS

The governing councils have pleasure in presenting their annual report together with the audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Association is principally engaged in provision of counselling services.

RESULT AND STATE OF AFFAIRS

The surplus of the Association for the year ended 31 December 2020 and the state of the Association's affairs at that date is set out in the audited financial statements.

Property, plant and equipment

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

GOVERNING COUNCILS

The governing councils serving during the year and up to the date of this report are:-

Chui Yat Hung	
Fung Lai Chu Annis	(Resigned on 16 April 2020)
Tse Shu Ki	(Resigned on 16 April 2020)
Fung Suk Chun	(Resigned on 16 April 2020)
Ip Man Him Jeffrey	(Resigned on 16 April 2020)
Man Yuk Ching	(Appoint on 16 April 2020 and resigned on 17 July 2020)
Chan Kai Nin Joseph	(Appoint on 16 April 2020)
Yeung Wai Ching Susanna	(Appoint on 16 April 2020)
Yim Yan Mun Bonny	(Appoint on 16 April 2020)
Ng Yat Nam Petrus	
Yim Shui Wa	

In accordance with article 54 of the Association's articles of association, all governing councils shall retire from office at the forthcoming annual general meeting, but being eligible, offer themselves for re-election.

THE HONG KONG PROFESSIONAL COUNSELLING ASSOCIATION LIMITED

REPORT OF THE GOVERNING COUNCILS

GOVERNING COUNCILS' INTERESTS

No contracts of significance to which the Association was a party and in which a governing council had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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

AUDITORS

Subsequent to the reporting period, A Golden Champion CPA Limited retired and A RTC Champion CPA Limited was appointed as auditor of the Company. A resolution will be submitted to the annual general meeting to re-appoint A RTC Champion CPA Limited.

On behalf of the board

Governing council,

Hong Kong,

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF

THE HONG KONG PROFESSIONAL COUNSELLING ASSOCIATION LIMITED
(Incorporated in Hong Kong with limited liability by guarantee)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Hong Kong Professional Counselling Association Limited set out on pages 6 to 13 which comprise the statement of financial position as at 31 December 2020, and the statement of income and expenditure account and other comprehensive income 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 Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the applicable Hong Kong Financial Reporting Standards ("HKFRSs") relevant to these financial statements issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance (Cap. 622).

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 governing council is responsible for the other information. The other information comprises the information included in the governing councils' report set out on pages 1 to 2, 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
TO THE MEMBERS OF

THE HONG KONG PROFESSIONAL COUNSELLING ASSOCIATION LIMITED
(Incorporated in Hong Kong with limited liability by guarantee)

Responsibilities of governing councils and those charged with governance for the financial statements

The governing councils are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the governing councils 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 governing councils 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 governing councils 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

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 (Cap. 622), 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 HKSAAs 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

THE HONG KONG PROFESSIONAL COUNSELLING ASSOCIATION LIMITED
(Incorporated in Hong Kong with limited liability by guarantee)

Auditor's responsibilities for the audit of the financial statements (Cont'd)

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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governing councils.
- Conclude on the appropriateness of the governing councils' 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.

A RTC CHAMPION CPA LIMITED

Hong Kong,

YEUNG MAN SUN, Certified Public Accountant
Practising Certificate Number: P07606

THE HONG KONG PROFESSIONAL COUNSELLING ASSOCIATION LIMITED

STATEMENT OF INCOME AND EXPENDITURE ACCOUNT
AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Income		
Membership fee	666,780	534,335
Seminars income	27,900	250,191
Other income	<u>99,716</u>	<u>62,038</u>
	794,396	846,564
Expenditure		
Audit fee	(2,600)	(2,600)
Accountancy fee	(1,200)	(1,200)
Business registration fee	---	(250)
Bank charges	(690)	(660)
Design fee	(6,300)	(9,900)
Helper fee	(13,130)	(6,220)
Legal & professional fee	(4,900)	(2,176)
Mandatory provident fund	(12,679)	(10,210)
Printing and stationery	(21,789)	(11,766)
Salary	(237,007)	(225,015)
Seminar expenses	(2,400)	(38,654)
Service charge	(128,659)	(91,880)
Sundry expenses	(36,050)	(31,987)
Trainer fee	---	(54,000)
Video production	<u>---</u>	<u>(11,500)</u>
	(467,404)	
Surplus for the year	326,992	348,546
Othe comprehensive income	<u>---</u>	<u>---</u>
Total comprehensive income	326,992	348,546
	=====	=====

THE HONG KONG PROFESSIONAL COUNSELLING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	<u>NOTE</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	7	---	---
		----	----
CURRENT ASSETS			
Prepayment		12,358	12,358
Other receivable		---	7,192
Fixed deposit		1,025,068	1,000,000
Cash and bank balance		<u>1,688,327</u>	<u>842,931</u>
		2,725,753	1,862,481
		-----	-----
CURRENT LIABILITIES			
Accrued expenses		3,800	3,800
Receipts in advance		<u>536,280</u>	---
		540,080	3,800
		-----	-----
NET CURRENT ASSETS		<u>2,185,673</u>	<u>1,858,681</u>
		-----	-----
NET ASSETS		<u>2,185,673</u>	<u>1,858,681</u>
		=====	=====
REPRESENTING :			
INCOME AND EXPENDITURE ACCOUNT AND OTHER COMPREHENSIVE INCOME			
Surplus brought forward		1,858,681	1,510,135
Surplus during the year		<u>326,992</u>	<u>348,546</u>
Surplus carried forward		<u>2,185,673</u>	<u>1,858,681</u>
		=====	=====

The annexed notes form an integral part of these financial statements

Approved on behalf of the Council on

President

Treasurer

THE HONG KONG PROFESSIONAL COUNSELLING ASSOCIATION LIMITED

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>2020</u> HK\$	<u>2019</u> HK\$
Operating activities		
Surplus from operation & operating cash flows before movements in working capital	326,992	348,546
Decreases/(increase) in other receivable	7,192	(7,192)
Decrease in accrued expenses	---	(3,700)
Increase in receipts in advance	<u>536,280</u>	---
Net cash generated from operating activities	870,464	337,654
Cash and cash equivalents at the beginning of year	<u>1,842,931</u>	<u>1,505,277</u>
Cash and cash equivalents at the end of year	2,713,395 =====	1,842,931 =====
Analysis of the balances of cash and cash equivalents		
Cash and bank balance	1,688,327	842,931
Fixed deposit	<u>1,025,068</u>	<u>1,000,000</u>
	2,713,395 =====	1,842,931 =====

THE HONG KONG PROFESSIONAL COUNSELLING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1) GENERAL INFORMATION

The Hong Kong Professional Counselling Association Limited (“The Association”) is a limited liability association domiciled and incorporated in Hong Kong. Its registered office and principal place of operation is situated at Room 18, Flat S-V, 6/F, Valiant Industrial Centre, No. 2-12 Au Pui Wan Street, Fotan, N.T., Hong Kong. Its principal activity is providing counselling services.

2) STATEMENT OF COMPLIANCE

The Association’s financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”), which collective term included all applicable individual Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

3) NEW AND REVISED HKFRSs

In the current year, the Company has applied the following amendments and interpretations (collectively referred to as “new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which have become effective.

- Amendments to HKAS 1 - Presentation of financial statements
- Amendments to HKAS 8 - Definition of Material
- Amendments to HKFRS 3 - Definition of a Business
- Amendments to HKFRS 9, HKAS 39 and HKFRS 7 - Interest Rate Benchmark Reform
- Revised Conceptual Framework for Financial Reporting

The Company has not applied any new standards or interpretation that is not yet effective for the current accounting period.

THE HONG KONG PROFESSIONAL COUNSELLING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Income tax

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

b) Retirement benefits scheme

The Association operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees. The assets of the scheme are held separately from those of the Association in funds under the control of trustees.

The retirement benefit costs charged to the statement of income and expenditure account and other comprehensive income represent the contributions payable in respect of the current year to the Association's MPF Scheme.

c) Recognition of revenue

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

- (a) membership fee and donation are recognised in the financial year of receipt; and
- (b) income from seminars and functions are recognised upon completion of services provided.

d) Property, plant and equipment

Property, plant and equipment are valued at cost less accumulated depreciation. Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives on straight line basis at 20% per annum.

THE HONG KONG PROFESSIONAL COUNSELLING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

e) Cash and cash equivalents

For the purpose of the statement of cash flow, cash and cash equivalents comprise cash on hand and demand deposits which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Association's cash management. For the purpose of the statement of financial position, cash equivalents represents cash on hand and at banks, and assets similar in nature to cash which are not restricted as to use.

5) GOVERNORS' EMOLUMENTS

No emolument of whatever nature has been paid or is payable to the governors of the Association during the year. (2019: Nil)

6) TAXATION

No Hong Kong profits tax has been provided for in the financial statements as the Association derived no assessable profit during the year. (2019: Nil)

Reconciliation between tax credit and accounting surplus multiplied by the applicable tax rate is as follows:-

	<u>2020</u> HK\$	<u>2019</u> HK\$
Net surplus for the year	326,992	348,546
	=====	=====
Notional tax at the applicable Hong Kong tax rate of 16.5% (2019: 16.5%)	53,954	57,510
Tax effect of:		
- Income not subject to tax	(131,075)	(139,683)
- Expenses not deductible for tax	<u>77,121</u>	<u>82,173</u>
Tax expense for the year	---	---
	==	==

Pursuant to Section 24 of the Inland Revenue Ordinance, as more than half of the gross receipt of the Association were from members, hence the whole of the Association's surplus for the year should be exempted from Hong Kong profits tax for the year.

THE HONG KONG PROFESSIONAL COUNSELLING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

7) PROPERTY, PLANT AND EQUIPMENT

	<u>Office equipment</u> HK\$
Cost	
As at 1/1/2019, 31/12/2019 & 2020	21,476 -----
Accumulated depreciation	
As at 1/1/2019, 31/12/2019 & 2020	21,476 -----
Net book value	
As at 31/12/2020	--- ==
As at 31/12/2019	--- ==

8) DEFERRED TAXATION

Deferred tax assets and liabilities not recognised

There were no other deferred tax assets and liabilities unrecognized for the year. (2019: Nil)

9) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Association does not have written risk management policies and guidelines. However, the Committee meets periodically to analyse and formulate strategies to manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The Association's major financial instruments include cash and bank balances. Therefore, the Association has no exposure to a variety of financial risk.

THE HONG KONG PROFESSIONAL COUNSELLING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

10) POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING YEAR ENDED 31 DECEMBER 2020

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the annual accounting year ended 31 December 2020 and which have not been early adopted in these financial statements.

The Association is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the year of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Association's results of operations and financial position.

THE HONG KONG PROFESSIONAL COUNSELLING ASSOCIATION LIMITED

TAX COMPUTATION

2020/2021

File no. : 22/19183873

Basis period : For the year ended 31 December 2020

	HK\$
Surplus for the year ended 31 December 2020 as per income and expenditure account	326,992 =====
Assessable profit for tax purpose	NIL * =====

- * Pursuant to Section 24 of Inland Revenue Ordinance, more than half of the gross receipt were from members of the Association, hence it is deemed not to carry on business and the whole amount of income for the year are exempted from Hong Kong profits tax.

DEPRECIATION ALLOWANCE SCHEDULE

	<u>20% pool</u>
	HK\$
W.D.V. b/f	7
<u>Less</u> : Notional allowance	<u>(1)</u>
W.D.V. c/f	6 ==

We understand and confirm that the above computation of the assessable profit of our Association for the year of assessment **2020/21** and all the particulars contained in this computation together with attached supporting schedules are true, correct and completed. We hereby approve and instruct A RTC Champion CPA Limited to submit the same to the Inland Revenue Department on behalf of our Association.

For and on behalf of
***The Hong Kong Professional Counselling
Association Limited***

Governing council

THE HONG KONG PROFESSIONAL COUNSELLING ASSOCIATION LIMITED

Y.E. 31/12/2020

Analysis of gross receipt

	HK\$	HK\$
<u>Membership fee</u>		
- Receipt received from voting members	643,080	
- Receipt received from non-voting members	<u>23,700</u>	666,780
<u>Workshops/Seminars</u>		
- Receipt received from voting members	14,550	
- Receipt received from non- voting members	<u>13,350</u>	27,900
<u>Other income</u>		
- Interest income	17,876	
- Application fee	78,850	
- Accreditation income	<u>2,990</u>	99,716
		<u>794,396</u>
		===== *

*: Pursuant to Section 24(1) of IRO, more than half of the gross receipt from members of the association, hence it is deemed not to carry on a business and the whole amount of income for the year are exempted from Hong Kong profits tax.