

DANCE WITH DEPRESSION ASSOCIATION LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

<u>Contents</u>	<u>Pages</u>
Report of the Executive Board Members	1 - 2
Independent auditor's report	3 - 5
Income Statement	6
Statement of Financial Position	7
Notes to Financial Statements	8 - 11

DANCE WITH DEPRESSION ASSOCIATION LIMITED

REPORT OF THE EXECUTIVE BOARD MEMBERS

The Executive Board Members present their annual report together with the audited financial statements for the year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Association are the promotion of learning of the belief, skill and means of handling depression through the activities in supporting groups, education, exercises, sharing, interaction, training and research.

RESULT AND STATE OF AFFAIRS

The Association's results for the year ended 31 March 2020 and state of affairs at 31 March 2020 are set out in the accounts on page 6 to 11 of the financial statements.

RESERVES

The Association was incorporated under the Companies Ordinance as a company limited by guarantee.

Details of movement in reserves during the year are set out in note 7 to the financial statements.

MEMBERS OF THE EXECUTIVE BOARD

The members of the Executive Board during the financial year and up to the date of this report were:-

Chan Wan Tung Therese
Wong Yuen Yung
Lee Suk Yee
Au Wai Tak Victor
Li Irene Suk Kay
Kwok Ka Yiu
Lee Chung Man
Ng Yee Chau (Appointed on 5/9/2020)
Chan Kin Hung (Appointed on 5/9/2020)

In accordance with article 36 of the Association's Articles of Association, the executive board shall be triennially elected.

MANAGEMENT CONTRACT

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

PERMITTED INDEMNITY PROVISION

During the financial year, there were no permitted indemnity provisions in force for the benefit of one or more Executive Board Members of the Association.

DANCE WITH DEPRESSION ASSOCIATION LIMITED

REPORT OF THE EXECUTIVE BOARD MEMBERS

DEBENTURES ISSUED

During the financial year, there were no debentures issued by the Association.

EQUITY-LINKED ARRANGEMENTS

During the financial year, the Association entered into no equity-linked agreement.

BUSINESS REVIEW

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

AUDITORS

The financial statements have been audited by Chan Chor Hung & Co., Certified Public Accountants, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Executive Board



Chairman: Chan Wan Tung Therese

HONG KONG, 5 DEC 2020

INDEPENDENT AUDITOR'S REPORT

TO THE ELECTIVE MEMBERS OF DANCE WITH DEPRESSION ASSOCIATION LIMITED

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Dance With Depression Association Limited ("the Association") set out on pages 6 to 11, which comprise the statement of financial position as at 31 March 2020, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Association 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 ("HKSAs") 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 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The executive board members are responsible for the other information. The other information obtained at the date of this auditor's report comprises information included in the executive board members' 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

TO THE ELECTIVE MEMBERS OF DANCE WITH DEPRESSION ASSOCIATION LIMITED

(incorporated in Hong Kong with limited liability)

Responsibilities of Executive Board Members and Those Charged with Governance for the Financial Statements

The executive board members are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the executive board members are responsible for assessing the Association'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 executive board members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

CHAN CHOR HUNG & CO. Certified Public Accountants

陳楚雄會計師事務所

INDEPENDENT AUDITOR'S REPORT
TO THE ELECTIVE MEMBERS OF DANCE WITH DEPRESSION ASSOCIATION LIMITED
(incorporated in Hong Kong with limited liability)

- Conclude on the appropriateness of the executive board members' 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 Association'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 Association to cease to continue as a going concern.

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.



Chan Chor Hung & Co.
Certified Public Accountants (Practising)

Room 1801A
Sunbeam Commercial Building
469-471 Nathan Road
Kowloon, Hong Kong

Date: 5 DEC 2020

Chan Chor Hung
Practising Certificate Number P02435

DANCE WITH DEPRESSION ASSOCIATION LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

	<u>Note</u>	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
Revenue	4	1,772,002	2,268,708
Other revenues		9,200	6,100
Total revenues		----- 1,781,202	----- 2,274,808
Depreciation	6	(14,363)	(21,154)
Staff cost		(927,444)	(771,194)
Other operating expenses		(867,320)	(846,222)
(Deficit)/Surplus for the year	2	----- (27,925) =====	----- 636,238 =====

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

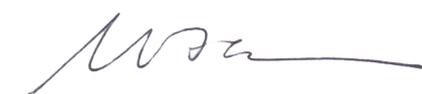
DANCE WITH DEPRESSION ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

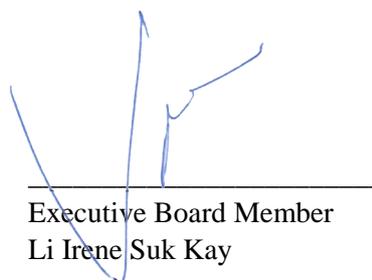
AS AT 31 MARCH 2020

	<u>NOTE</u>	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	23,768	22,813
CURRENT ASSETS			
Deposits paid		21,933	21,933
Bank balances		10,054,610	10,110,728
		10,076,543	10,132,661
CURRENT LIABILITIES			
Deposit received		(5,500)	(5,000)
Accruals		-	(27,738)
NET CURRENT ASSETS		10,071,043	10,099,923
NET ASSETS		10,094,811	10,122,736
RESERVE			
General fund	7	10,094,811	10,122,736

Approved on behalf of the Executive Board by:



Executive Board Member
Chan Wan Tung Therese



Executive Board Member
Li Irene Suk Kay

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

DANCE WITH DEPRESSION ASSOCIATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

Reporting entity

Dance With Depression Association Limited is incorporated under Hong Kong Companies Ordinance as a company limited by guarantee and not having a share capital. The liability of each elective member is limited to the extent of HK\$1. The Association's registered office and principal place of business is located at Room 402, David House, 8-20 Nanking Street, Yaumatei, Kowloon, Hong Kong. The principal activities of the Association are engaged in the promotion of learning of the belief, skill and means of handling depression through the activities in supporting groups, education, exercises, sharing, interaction, training and research.

1. Basis of preparation and accounting policies

The Association qualifies for the reporting exemption as a small guarantee association under section 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 Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Association is a going concern.

The measurement base adopted is the historical cost convention.

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

a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful lives using the straight-line method at the following rates per annum:-

Furniture & fixtures	25%
Office equipment	25%
Leasehold improvement	20%

b) Revenue recognition

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 bases:

- i) donation received is recognised when it is received;
- ii) membership fee is recognised when it is received or transferred from deposit received;
- iii) program income is recognised when it is received;
- iv) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable; and
- v) grant received is recognised when it is received.

DANCE WITH DEPRESSION ASSOCIATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

c) 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.

d) Foreign currency transactions

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.

e) Retirement benefit costs

Obligation for contributions to defined contribution retirement plans, including contributions payable under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as expenses in the income statement as incurred.

f) Operating lease

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.

2. (Deficit)/Surplus for the year

(Deficit)/Surplus is stated after charging the following:-

	<u>2020</u>	<u>2019</u>
	<u>HK\$</u>	<u>HK\$</u>
Depreciation	14,363	21,154
Operating lease	83,849	90,034
Staff cost	927,444	771,194
	=====	=====

3. Executive Board Members' emoluments

No Executive Board Member emoluments or fee were paid or are payable to any Executive Board Member of the Association during the year (2019: Nil).

DANCE WITH DEPRESSION ASSOCIATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

4. Revenue

An analysis of the Association's revenue is as follows:

	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
Donations received	1,501,250	1,927,314
Programs income	106,739	41,703
Membership fee	7,000	8,800
Grant received	45,321	254,000
Interest income	111,692	36,891
	----- 1,772,002	----- 2,268,708
	=====	=====

5. Income tax expenses

No provision for Hong Kong Profits Tax has been made in the financial statements as the Association is a charitable institution under Section 88 of Inland Revenue Ordinance and is exempted from Hong Kong Profits Tax. Deferred tax is not provided.

6. Fixed assets - property, plant and equipment

	<u>Leasehold</u> <u>Improvement</u> <u>HK\$</u>	<u>Furniture &</u> <u>Fixtures</u> <u>HK\$</u>	<u>Office</u> <u>Equipment</u> <u>HK\$</u>	<u>Total</u> <u>HK\$</u>
Cost				
At 1/4/2019	24,800	23,434	103,275	151,509
Additions	-	-	15,318	15,318
	-----	-----	-----	-----
At 31/3/2020	24,800	23,434	118,593	166,827
	-----	-----	-----	-----
Accumulated depreciation				
At 1/4/2019	24,800	18,470	85,426	128,696
Charge for the year	-	1,906	12,457	14,363
	-----	-----	-----	-----
At 31/3/2020	24,800	20,376	97,883	143,059
	=====	=====	=====	=====
Carrying amount				
At 31/3/2020	-	3,058	20,710	23,768
	-----	-----	-----	-----
At 31/3/2019	-	4,964	17,849	22,813
	=====	=====	=====	=====

DANCE WITH DEPRESSION ASSOCIATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

7. Changes in general fund

	<u>General Fund</u> <u>HK\$</u>
Balance as at 31 March 2019	10,122,736
Deficit for the year	(27,925)

Balance as at 31 March 2020	10,094,811
	=====

The general fund of the Association is the fund accumulated for charitable purpose comprising surplus for the year and accumulated surplus.

The Association manages its fund to ensure the entity will be able to continue as a going concern.

8. Commitments under operating leases

The Association had the following total future minimum lease payments under non-cancellable operating leases:

	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
Not later than one year	40,542	81,084
Later than one year	-	40,542
	-----	-----
	40,542	121,626
	=====	=====

9. Approval of financial statements

These financial statements were authorised for issue by the Association's Executive Board on 7 December 2020.

DANCE WITH DEPRESSION ASSOCIATION LIMITED
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020
(For Management Purposes Only)

	<u>2020</u>	<u>2019</u>
	<u>HK\$</u>	<u>HK\$</u>
REVENUE		
Donations received	1,501,250	1,927,314
Programs income	106,739	41,703
Membership fee	7,000	8,800
Grant received	45,321	254,000
Interest income	111,692	36,891
OTHER REVENUES		
Sundry income	9,200	6,100
	-----	-----
	1,781,202	2,274,808
	-----	-----
EXPENDITURES		
Annual dinner expenses	-	78,067
Computer expenses	6,388	6,388
Depreciation	14,363	21,154
Insurance	24,038	23,775
Mandatory provident funds	39,799	34,544
Printing & stationery	6,917	5,978
Program expenses	721,354	612,669
Rent	83,849	90,034
Repair & maintenance	3,125	2,360
Salaries	887,645	736,650
Scholarship & training	7,532	5,900
Sundry expenses	6,382	6,424
Trade mark registration	-	8,000
Telephone	5,178	4,444
Utility expenses	2,557	2,183
	-----	-----
	1,809,127	1,638,570
	-----	-----
	-----	-----
(DEFICIT)/SURPLUS FOR THE YEAR	(27,925)	636,238
	=====	=====

The financial information for Dance With Depression Association Limited relating to the year ended 31 March 2020 included in the detailed income statement are not the Association's statutory annual financial statements for that year. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Association has delivered its financial statement for the year ended 31 March 2020 to the Registrar of Companies as it is required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.