

CODA HONG KONG LIMITED
香港聾人子女協會有限公司

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

KTC PRIMA CPA LIMITED
匯源和信會計師事務所有限公司
Certified Public Accountants (Practising)
HONG KONG

CODA HONG KONG LIMITED
DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited financial statements of CODA Hong Kong Limited ("the Company") for the year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are to take care the deaf family and healthily develop the children of deaf.

RESULTS

The results of the Company for the year ended 31 March 2021 are set out in the income statement on page 7.

DIRECTORS

The directors who held office during the year and up to the date of this report were:

CHAN Kai Yee, Cindy

CHAN Mei Hung, Red

LAM Tsz Chung

TSANG Kwok Hung Clarence

(appointed on 11 June 2021 and resigned on 16 September 2021)

In accordance with Article 11 of the Company's Articles of Association, at the annual general meeting, one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office. A retiring director shall be eligible for re-election.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

No transactions, arrangement 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 and the directors' connected parties had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CODA HONG KONG LIMITED
DIRECTORS' REPORT

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.

AUDITORS

The financial statements have been audited by Messrs. KTC Prima CPA Limited who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



CHAN Kai Yee, Cindy
Director

Hong Kong, 1 December 2021

KTC Prima CPA Limited
Certified Public Accountants (Practising)
匯源和信會計師事務所有限公司

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CODA HONG KONG LIMITED
(Incorporated in Hong Kong with limited by guarantee)

Opinion

We have audited the financial statements of CODA Hong Kong Limited ("the Company") set out on pages 7 to 15, which comprise the statement of financial position as at 31 March 2021, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In 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 ("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.

KTC Prima CPA Limited

Certified Public Accountants (Practising)

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INDEPENDENT AUDITOR'S REPORT (CONT'D) TO THE MEMBERS OF CODA HONG KONG LIMITED (Incorporated in Hong Kong with limited by guarantee)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the report of the directors, 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 and Those Charged with Governance for the Financial Statements

The directors 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 directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT (CONT'D) **TO THE MEMBERS OF CODA HONG KONG LIMITED** **(Incorporated in Hong Kong with limited by guarantee)**

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 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.

As part of an audit in accordance with HKSA's, 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 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.

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INDEPENDENT AUDITOR'S REPORT (CONT'D) TO THE MEMBERS OF CODA HONG KONG LIMITED (Incorporated in Hong Kong with limited by guarantee)

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

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.

KTC Prima CPA Limited

Certified Public Accountants (Practising)

Hong Kong, 1 December 2021

Kwan Chi Fai

Practising Certificate number P03416

CODA HONG KONG LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 HK\$	2020 HK\$
REVENUE AND OTHER INCOME	3	1,753,196	504,189
LESS: EXPENDITURE		-----	-----
Activities expenses		150,689	70,123
Administration and bank charges		657	509
Auditor's remuneration		3,000	3,000
Consumables		1,435	31,899
Depreciation		76,221	76,220
Freelance service fee		576,800	-
Legal and professional fee		-	3,870
Marketing		40,332	33,232
Office rental		212,772	238,421
Salaries and MPF		290,749	360,265
Sundry expenses		1	3
Utilities and office expenses		32,809	-
		-----	-----
		1,385,465	817,542
		-----	-----
SURPLUS/(DEFICIT) FOR THE YEAR	2	367,731	(313,353)
		=====	=====

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

CODA HONG KONG LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 HK\$	2020 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	5	64,340	140,561
		-----	-----
CURRENT ASSETS			
Other receivables		21,600	44,650
Deposit and prepayment		58,244	58,244
Cash and bank balances		798,909	331,332
		-----	-----
		878,753	434,226
		-----	-----
CURRENT LIABILITIES			
Accruals		(31,366)	(9,791)
Deposit received		(1,000)	(22,000)
Due to directors	6	(50,765)	(765)
Other payables		-	(50,000)
		-----	-----
		(83,131)	(82,556)
		-----	-----
NET CURRENT ASSETS		795,622	351,670
		-----	-----
NET ASSETS		859,962	492,231
		=====	=====

CODA HONG KONG LIMITED
STATEMENT OF FINANCIAL POSITION (CONT'D)
AS AT 31 MARCH 2021

	Note	2021 HK\$	2020 HK\$
ACCUMULATED FUNDS	7	859,962	492,231
		<u><u> </u></u>	<u><u> </u></u>

Approved on behalf of the Board by:



 CHAN Kai Yee, Cindy
 Director



 CHAN Mei Hung, Red
 Director

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

CODA HONG KONG LIMITED
ACCOUNTING POLICIES AND
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

REPORTING ENTITY

CODA Hong Kong Limited ("the Company") is incorporated in Hong Kong under the Hong Kong Companies Ordinance. The Company's registered office is located at Shop no. 110-111, Podium Floor, Fu On House, Tai Wo Hau Estate, Kwai Chung, New Territories, Hong Kong. The principal activities of the Company are to take care the deaf family and healthily develop the children of deaf.

The Company is limited by guarantee and does not have any share capital. Under the provisions of the Company's Articles of Association, every member shall, in the event of the Company being wound up, contribute to the assets of the Company not exceeding HK\$100.

These financial statements are presented in Hong Kong dollars unless otherwise stated.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company qualifies for the reporting exemption under section 359 of the Hong Kong Companies Ordinance 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.

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

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) subvention and income from the Government, general donations and membership fee are recognised on a receipt basis;
- (ii) activities and services income are recognised when the relevant activities and services are provided;
- (iii) donations from the Hong Kong Jockey and subvention from the ZeShan Foundation are recognised on a receipt basis; and

CODA HONG KONG LIMITED
ACCOUNTING POLICIES AND
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

(a) Revenue (cont'd)

- (iv) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest rate applicable.

(b) 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 systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Leasehold improvements	33%
Equipment	20%

(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.

CODA HONG KONG LIMITED
ACCOUNTING POLICIES AND
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

(d) Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Company, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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. SURPLUS/(DEFICIT) FOR THE YEAR

The Company's surplus/(deficit) for the year is arrived at:

	Note	2021 HK\$	2020 HK\$
After charging the following items:			
Depreciation	5	76,221	76,220
Key management personnel's remuneration		-	-
Other staff costs		290,749	360,265
		<u>290,749</u>	<u>360,265</u>

CODA HONG KONG LIMITED
ACCOUNTING POLICIES AND
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. REVENUE AND OTHER INCOME

	2021 HK\$	2020 HK\$
Donation from the Hong Kong Jockey Club Charities Trust	475,000	-
Subvention from the ZeShan Foundation	459,600	-
Subvention and income from the Government	501,734	196,000
General donations	260,660	57,730
Activities and services income	47,590	234,652
Membership fee	8,610	14,630
Bank interest income	2	1,177
	<hr/> 1,753,196	<hr/> 504,189
	<hr/> <hr/>	<hr/> <hr/>

4.1. DIRECTORS' REMUNERATION

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

	2021 HK\$	2020 HK\$
Fees	-	-
Other emoluments	-	-
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4.2. INCOME TAX EXPENSE

No provision has been made for Hong Kong profits tax as the Company is exempted under Section 88 of Inland Revenue Ordinance (2020:Nil).

CODA HONG KONG LIMITED
ACCOUNTING POLICIES AND
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$	Equipment HK\$	Total HK\$
Cost:			
At 1 April 2020	143,700	143,998	287,698
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2021	143,700	143,998	287,698
	<hr/>	<hr/>	<hr/>
Accumulated depreciation and impairment losses:			
At 1 April 2020	94,842	52,295	147,137
Depreciation for the year	47,421	28,800	76,221
	<hr/>	<hr/>	<hr/>
At 31 March 2021	142,263	81,095	223,358
	<hr/>	<hr/>	<hr/>
Net carrying amount:			
At 31 March 2021	1,437	62,903	64,340
	<hr/>	<hr/>	<hr/>
At 31 March 2020	48,858	91,703	140,561
	<hr/>	<hr/>	<hr/>

CODA HONG KONG LIMITED
ACCOUNTING POLICIES AND
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. DUE TO DIRECTORS

The amounts due to directors are unsecured, interest-free and with no fixed terms of repayment.

7. CHANGES IN ACCUMULATED FUNDS

	Accumulated funds HK\$
At 1 April 2020	492,231
Surplus for the year	367,731
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At 31 March 2021	859,962
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8. COMMITMENTS UNDER OPERATING LEASES

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

	2021 HK\$	2020 HK\$
Not later than one year	114,300	152,400
Later than one year	-	114,300
	<hr/>	<hr/>
	114,300	266,700
	<hr/> <hr/>	<hr/> <hr/>

9. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on 1 December 2021.

