

**HKU ECONOMICS AND FINANCE POSTGRADUATES
ASSOCIATION LIMITED**

香港大學經濟及金融學研究生暨校友會有限公司
(Incorporated in Hong Kong with limited by guarantee)

Reports and Financial Statements
For the year ended 30 June 2018

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED
香港大學經濟及金融學研究生暨校友會有限公司
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED
 香港大學經濟及金融學研究生暨校友會有限公司
DIRECTORS' REPORT

The directors submit their report together with the audited financial statements of HKU Economics and Finance Postgraduates Association Limited (the "Association") for the year ended 30 June 2018.

1. PRINCIPAL ACTIVITIES

The principal activities of the Association are, *inter alia*, to foster and promote close relationships and better understanding amount the past and present Economics and Finance postgraduate students of the University of Hong Kong as well as to maintain, promote and cultivate friendship amount the Members of the Association and in its connection, provide all kinds of sports or pastimes and promote, give or support dinners, balls, concerts and other entertainment.

2. LIABILITY OF MEMBERS

The Association is a non-profit making incorporated under the Hong Kong Companies Ordinance with limited by guarantee and, accordingly, has no issued share capital. The liability of each of the individual member is limited to HK\$100.

3. RESULTS

The deficit of the Association for the year ended 30 June 2018 are set out in the income and expenditure account on page 8.

4. DIRECTORS

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

Mr. Liu Junming	
Mr. Shi Tianpeng	- resigned on 27 July 2017
Ms. Hu Jielin	- resigned on 23 December 2017
Ms. Peng Bo	- resigned on 27 May 2019
Ms. Zhang Jiayang	- resigned on 13 September 2018
Ms. Li Yufei	- resigned on 27 May 2019
Mr. Liu Jingrui	- resigned on 27 May 2019
Ms. Wu Wangruiyue	- resigned on 27 May 2019
Mr. Yu Jianpeng	- resigned on 27 May 2019
Ms. Zhang Yanni	- resigned on 27 May 2019
Ms. Liang Mengyao	- appointed on 27 May 2019
Mr. Mu Haoxin	- appointed on 27 May 2019

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DIRECTORS' REPORT

4. DIRECTORS (CONT'D)

Ms. Wei Xueyang	- appointed on 27 May 2019
Mr. Zeng Siyang	- appointed on 27 May 2019
Mr. Zhang Shaozhi	- appointed on 27 May 2019
Ms. Zhang Xinyi	- appointed on 27 May 2019
Ms. Zhang Xujia	- appointed on 27 May 2019

On 12 March 2017, Mr. Liu Junming was elected as the Chairman; Ms. Wu Wangrue was elected as the Vice Chairman; Ms. Peng Bo was elected as the Honorary Secretary; Ms. Zhang Jiayang was elected as the Honorary Treasurer. Except that Ms. Zhang Jiayang resigned as the abovementioned position on 13 September 2018, Mr. Liu Junming, Ms. Wu Wangrue, and Ms. Peng Bo resigned as the abovementioned position on 27 May 2019.

On 27 May 2019, Mr. Zeng Siyang was appointed as the Chairman; Mr. Zhang Xujia was appointed as the Vice Chairman; Mr. Mu Haoxin was appointed as the Honorary Secretary; Ms. Wei Xueyang was appointed as the Honorary Treasurer. Mr. Liu Junming, as the Immediate Past Chairman, became an Ex-Officio member of the Board.

In accordance with the Association's Articles of Association, all exiting directors shall retire from the Board and be eligible for re-election.

5. MANAGEMENT CONTRACTS

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

6. BUSINESS REVIEW

The Association falls within the requirements of reporting exemption, accordingly the Association is exempted from preparing a business review.

7. PERMITTED INDEMNITY PROVISIONS

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

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DIRECTORS' REPORT

8. AUDITOR

ShineWing (HK) CPA Limited resigned as the auditor of the Association during the year and Joyce S.Y. Fok CPA (Practising) was appointed as auditor of the Association to fill the causal vacancy.

A resolution to re-appoint the retiring auditor, Joyce S.Y. Fok CPA (Practising), will be put at the forthcoming annual general meeting.

On behalf of the Board



Mr. Zeng Siyang
Chairman

Hong Kong, 23 December 2019



Joyce S.Y. Fok CPA (Practising)
霍丞欣執業會計師

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED
香港大學經濟及金融學研究生暨校友會有限公司
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Opinion

We have audited the financial statements of HKU Economics and Finance Postgraduates Association Limited (the "Association") set out on pages 8 to 15, which comprise the statement of financial position as at 30 June 2018, and the income and expenditure account and statement of changes in fund 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 for the period from are prepared, in all material respects, in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants (the "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 Association 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.



Joyce S.Y. Fok CPA (Practising)
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**INDEPENDENT AUDITOR'S REPORT
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Other Information

The directors of the Association are responsible for the Other Information. The Other Information comprises all of the information included in the annual report other than 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 of the Association 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 determines 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 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 directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.



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**INDEPENDENT AUDITOR'S REPORT
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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 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 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.



Joyce S.Y. Fok CPA (Practising)
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
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Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- 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 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 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.

Joyce S.Y. Fok
Certified Public Accountants (Practising)
Practising Certificate Number: P06662
Hong Kong, 23 December 2019

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED
香港大學經濟及金融學研究生暨校友會有限公司
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2018

	Note	<u>2018</u> HK\$	<u>2017</u> HK\$
Income			
Income from various functions and activities	2	84,457	122,101
Other income			
Bank interest income		-	41
Net foreign exchange gains		2,150	-
		<u>2,150</u>	<u>41</u>
		<u>86,607</u>	<u>122,142</u>
Expenditure			
Auditor's remuneration		2,000	1,000
Business registration and filing fees		2,250	355
Expenses for various functions and activities	2	102,447	116,226
Net exchange losses		-	440
Sundry expenses		63	220
		<u>106,760</u>	<u>118,241</u>
(Deficit)/Surplus before tax		(20,153)	3,910
Income tax expense	3	-	-
(Deficit)/Surplus for the year		<u>(20,153)</u>	<u>3,910</u>

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED
香港大學經濟及金融學研究生暨校友會有限公司
STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2018

	Note	<u>2018</u> HK\$	<u>2017</u> HK\$
Current assets			
Accounts receivables		36,457	-
Inventories	5	13,783	12,206
Cash balances		174,219	231,406
		<u>224,459</u>	<u>243,612</u>
Current liabilities			
Accruals		2,000	1,000
Net current assets		<u>222,459</u>	<u>242,612</u>
NET ASSETS		<u>222,459</u>	<u>242,612</u>
Representing:			
Accumulated funds		<u>222,459</u>	<u>242,612</u>

Approved by the Board of Directors on 23 December 2019 and are signed on its behalf by:



Mr. Zeng Siyang
Chairman



Mr. Liu Junming
Director

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED
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STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2018

	Accumulated Funds
	HK\$
At 1 July 2017	242,612
Deficit for the year	<u>(20,153)</u>
At 30 June 2018	<u>222,459</u>

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED
香港大學經濟及金融學研究生暨校友會有限公司
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. GENERAL INFORMATION

HKU Economics and Finance Postgraduates Association Limited (the “Association”) is a non-profit making association incorporated in Hong Kong with limited liability by guarantee. The liability of each of the individual member is limited to HK\$100, and not having a share capital. The address of its registered office is Room 304, 3/F., Block B, Cyberport 4, 100 Cyberport Road, Hong Kong.

The Association is engaged in fostering and promoting close relationships and better understanding amount the past and present Economics and Finance postgraduate students of the University of Hong Kong, cultivating friendship amount the Members of the Association as well as promoting the studies, research and education of Economics and Finance.

Every member of the Association undertakes to contribute to the assets of the Association in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the Association contracted before he ceases to be a member, and the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories among themselves, such amount as may be required, save, not exceeding HK\$100.

2. BASIS OF PREPARATION

The Association qualifies for the reporting exemption as a small private 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 (the “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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. BASIS OF PREPARATION (CONT'D)

(a) 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 bases:

- (i) Interest income is recognized on a time proportion basis taking into account the principal outstanding and its interest rates applicable; and .
- (ii) Income from functions and activities are recognised on a time-apportioned basis over the year to which they related.

(b) Reporting currency

The reporting currency of the Association is Hong Kong, which is the currency of the primary economic environment in which the Association operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

(c) Taxation

Income tax represents current tax. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

(d) Impairment of assets

An assessment is made at the end of the reporting period to determine whether there is any indication of impairment or reversal of previous impairment. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. BASIS OF PREPARATION (CONT'D)

(d) Impairment of assets (cont'd)

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 depreciation), had no impairment losses been recognised for the asset in prior years.

(e) Receivables

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.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Inventories

Inventories are stated at the lower of cost (using first-in-first-out) and net realisable value. In arriving a net realisable value an allowance has been made for deterioration and obsolescence.

(h) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Association has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. (DEFICIT)/SURPLUS FROM VARIOUS FUNCTIONS AND ACTIVITIES

	2018		
	Income	Expenditure	Surplus/ (Deficit)
	HK\$	HK\$	HK\$
High table dinner	71,257	(89,587)	(18,330)
Orientation day	13,200	(12,860)	340
	<u>84,457</u>	<u>(102,447)</u>	<u>(17,990)</u>
	2017		
	Income	Expenditure	Surplus/ (Deficit)
	HK\$	HK\$	HK\$
High table dinner	91,251	(86,604)	4,647
Orientation day	19,000	(17,132)	1,868
Boat cruise	11,850	(12,490)	(640)
	<u>122,101</u>	<u>(116,226)</u>	<u>5,875</u>

3. INCOME TAX EXPENSE

The Association is exempt from Hong Kong profits tax by virtue of Section 24(1) of the Inland Revenue Ordinance.

4. DIRECTORS' REMUNERATION

The directors did not receive any fees or emoluments in respect of their services rendered to the Association during the year (2017: Nil).

5. INVENTORIES

Inventories comprise entirely of finished goods of polo shirts and umbrellas at cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

6. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Association's Board of Directors on 23 December 2019.