

**CHINA EDUCATION ASSOCIATION, HKUSU**

**香港大學學生會中國教育小組**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31ST OCTOBER 2012**

**LKKC**

**國信會計師事務所有限公司**

**LKKC C.P.A. LIMITED**

**Chartered Accountants  
Certified Public Accountants**

*In association with Baker Tilly China - Shenzhen*

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(EXPRESSED IN HONG KONG DOLLARS)



**CHINA EDUCATION ASSOCIATION, HKUSU  
REPORT OF THE EXECUTIVE COMMITTEE  
YEAR ENDED 31ST OCTOBER 2012**

The Executive Committee has pleasure in submitting their annual report together with the audited financial statements of the Association for the year ended 31st October 2012.

*PRINCIPAL ACTIVITIES*

The principal activities of the Association are advancement of education for students in Mainland China.

*RESULTS*

The results of the Association and its state of affairs at that date are set out in the financial statements on page 5 to 7.

*EXECUTIVE COMMITTEE MEMBERS*

The Executive Committee Members who held office during the year and up to the date of this report were:-

Chiu Hei Tung, Edwin (Chairperson)	(appointed on 19th February 2013)
Chan Yuen Ting, Debbie (Internal vice chairperson)	(appointed on 19th February 2013)
Ku Chui Chi, Trista (External vice chairperson)	(appointed on 19th February 2013)
Wong Shing Wai, Leo (Financial secretary)	(appointed on 19th February 2013)
Yip Cheuk Lun, Elvis (General secretary)	(appointed on 19th February 2013)
Zhang Yan Ming, Pearl	(appointed on 19th February 2013)
Ng Wing Man, Vivian	(appointed on 19th February 2013)
Sung Tin, Daniel	(appointed on 19th February 2013)
Zhang Xu, Zoe	(appointed on 19th February 2013)
Leung Ho Yan, Yanner	(appointed on 19th February 2013)
Chen Lu, Jade	(appointed on 19th February 2013)
Zhuo Wei Ming, Fred	(appointed on 19th February 2013)
Siu Wai Pan, Wilber	(appointed on 19th February 2013)
Omaru Nimaga	(appointed on 19th February 2013)
Ip Man Yuen (Ex-Chairperson)	(resigned on 19th February 2013)
Fung Hoi Yu	(resigned on 19th February 2013)
Chau Yin Hung	(resigned on 19th February 2013)
Ng Sum Yu	(resigned on 19th February 2013)
Jiang Xuyi	(resigned on 19th February 2013)
Ho Po Kuen	(resigned on 19th February 2013)
Cheng Yee Man	(resigned on 19th February 2013)
Wong Ka Wai	(resigned on 19th February 2013)
Tsoi Ting Kwong	(resigned on 19th February 2013)
Ching Laam	(resigned on 19th February 2013)
Chan Pui Yan	(resigned on 19th February 2013)
Ng Yee Yee	(resigned on 19th February 2013)
Tong Yat Tin	(resigned on 19th February 2013)
Wong Kuk Lan	(resigned on 19th February 2013)

All Executive Committee Members will retire at the forthcoming annual general meeting and being eligible offer themselves for re-election.



**CHINA EDUCATION ASSOCIATION, HKUSU**  
**REPORT OF THE EXECUTIVE COMMITTEE**  
**YEAR ENDED 31ST OCTOBER 2012**

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**AUDITORS**

The auditors, Messrs. LKKC C.P.A. LIMITED, Chartered Accountants, Certified Public Accountants, retire but, being eligible, offer themselves for re-appointment.

FOR AND ON BEHALF OF THE EXECUTIVE COMMITTEE



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Chairman

Hong Kong, 21st October 2013





國信會計師事務所有限公司

**LKKC C.P.A. LIMITED**

Chartered Accountants  
Certified Public Accountants

香港中環德輔道中141號中保集團大廈24樓2401室  
Suite 2401, 24/F., China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong.  
Tel 電話 : (852) 2521 9013 Fax 傳真 : (852) 2541 0502  
Website 網址 : www.lkkc-cpa.com

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***INDEPENDENT AUDITOR'S REPORT  
TO THE EXECUTIVE COMMITTEE MEMBERS OF  
CHINA EDUCATION ASSOCIATION, HKUSU  
(ESTABLISHED IN HONG KONG)***

*Report on the Financial Statements*

We have audited the financial statements of China Education Association Hong Kong University Student's Union set out on pages 5 to 7, which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

*Respective responsibilities of the Executive Committee Members and auditors*

The Association's constitution and by-law require the Executive Committee of China Education Association, HKUSU to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view, it is fundamental that appropriate accounting policies are selected applied consistently.

We are engaged to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with the Association's constitution and by-laws, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

*Basis of opinion*

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Executive Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

(To be cont'd)



**INDEPENDENT AUDITOR'S REPORT  
TO THE EXECUTIVE COMMITTEE MEMBERS OF  
CHINA EDUCATION ASSOCIATION, HKUSU  
(ESTABLISHED IN HONG KONG)**

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*Opinion*

In our opinion, the financial statements give a true and fair view of the state of affairs of the Association as at 31st October 2012 and of its surplus for the year then ended and have been properly prepared in accordance with the constitution and by-laws of the association.

LKCC CPA

LKCC C.P.A. LIMITED  
國信會計師事務所有限公司  
Chartered Accountants  
Certified Public Accountants  
Auditor – Wilson, Chi-Shing Kwok  
郭志成執業會計師  
Practising certificate number – P01952

Hong Kong, 21st October 2012

C606/WK/C/812



**CHINA EDUCATION ASSOCIATION, HKUSU**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31ST OCTOBER 2012**

	2012 HK\$	2011 HK\$
<b>INCOME</b>		
Donation	278,836	226,769
Interest income	6	4
Subsidy from University	9,694	3,544
Membership fee	15,202	-
Programme income	73,860	10,401
	<u>377,598</u>	<u>240,718</u>
<b>EXPENDITURE</b>		
School fee	(195,577)	(205,920)
Programme expenses	(26,485)	(21,434)
General and administration expenses	(24,526)	(11,082)
	<u>(246,588)</u>	<u>(238,436)</u>
Surplus for the year	131,010	2,282
Surplus brought forward	<u>539,717</u>	<u>537,435</u>
Surplus carried forward	<u><u>670,727</u></u>	<u><u>539,717</u></u>


The notes on page 7 form an integral part of these financial statements.

CHINA EDUCATION ASSOCIATION, HKUSU  
**BALANCE SHEET**  
**AS AT 31ST OCTOBER 2012**

	2012 HK\$	2011 HK\$
CURRENT ASSETS		
Bank balances	<u>670,727</u>	<u>539,717</u>
NET ASSETS	<u><u>670,727</u></u>	<u><u>539,717</u></u>
FINANCED BY:		
GENERAL FUNDS	<u><u>670,727</u></u>	<u><u>539,717</u></u>

APPROVED AND AUTHORISED FOR ISSUE BY THE EXECUTIVE COMMITTEE ON  
 21ST OCTOBER 2013.

  
 \_\_\_\_\_  
 Chairperson

  
 \_\_\_\_\_  
 Financial secretary

The notes on page 7 form an integral part of these financial statements.



**CHINA EDUCATION ASSOCIATION, HKUSU**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST OCTOBER 2012**

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*1. LEGAL STATUS*

China Education Association, HKUSU is established in Hong Kong and registered in accordance with the provisions of section 5A (I) of the Societies Ordinance.

The registered office of the Association is located at The University of Hong Kong, Pokfulam Road, Hong Kong.

The principle activities of the Association are advancement of education for students in Mainland China.

*2. PRINCIPAL ACCOUNTING POLICIES*

(a) Basis of preparation

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants. They are prepared under historical cost convention.

(b) Taxation

No provision for Hong Kong Profits Tax has been made as the Association is exempted from taxation under Section 88 of the Inland Revenue Ordinance.

(c) Revenue

The revenue of the Association is recognized on cash basis.



**CHINA EDUCATION ASSOCIATION, HKUSU**  
**DETAIL OF EXPENSES**  
**AS AT 31ST OCTOBER 2012**

	<u>2012</u> HK\$	<u>2011</u> HK\$
<b>PROGRAMME EXPENSES</b>		
China education festival	1,816	4,924
Expedition expenses	5,467	530
Walkathon	19,202	15,980
	<u>26,485</u>	<u>21,434</u>
<b>GENERAL AND ADMINISTRATION EXPENSES</b>		
Bank charges	1,050	2,390
Transportation and postage	350	857
Printing and stationery	17,607	4,419
Telephone	3,645	725
Sundry expenses	1,874	2,691
	<u>24,526</u>	<u>11,082</u>





國信會計師事務所有限公司

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Suite 2401, 24/F., China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong.

Tel 電話：(852) 2521 9013 Fax 傳真：(852) 2541 0502

Website 網址：www.lkkc-cpa.com

The Chairman,  
China Education Association, HKUSU  
Mailbox 133,  
China Education Association, HKUSU,  
The University of Hong Kong,  
Pokfulam Road,  
Hong Kong

Dear Sirs,

Date: 21st October 2013

### **ENGAGEMENT LETTER**

The purpose of this letter is to set out the basis on which we act as auditors of the company and the respective areas of responsibility of the company and of ourselves.

#### *Audit*

- 1.1 As directors of the above company, you are responsible for maintaining proper books of account and preparing financial statements which give a true and fair view of the profit or loss and state of affairs of the company and comply with the Companies Ordinance. You are also responsible for making available to us, as and when required, all the company's books of account and all other records and related information, including minutes of all management and shareholders' meetings.
- 1.2 We have a statutory responsibility to report to the members whether in our opinion the financial statements give a true and fair view of the state of the company's affairs and of the profit or loss for the year and whether they comply with the Companies Ordinance (or other relevant legislation). In arriving at our opinion, we are required to consider the following matters, and to report on any in respect of which we are not satisfied :
  - (a) whether proper books of account have been kept by the company ;
  - (b) whether the company's balance sheet and profit and loss account are in agreement with the books of account; and
  - (c) whether we have obtained all the information and explanations which we think necessary for the purpose of our audit.

In addition, there are certain other matters which, according to the circumstances, may need to be dealt with in our report. For example, where the financial statements do not give full details of directors' remuneration or of loans to officers, the Companies Ordinance requires us to disclose such matters in our report.

- 1.3 We have a professional responsibility to report if the financial statements do not comply in any material respect with Hong Kong Accounting Standards, unless in our opinion the non-compliance is justified in the circumstances.

AN AFFILIATED MEMBER OF



Wilson C. Kwok & Partners Professional Services Group

志成專業服務集團

Hong Kong 香港 Shenzhen 深圳 Chengdu 成都 Shanghai 上海 Beijing 北京 Wuhan 武漢 Kunming 昆明



- 1.4 Our audit will be conducted in accordance with the Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants and will have regard to relevant Auditing Guidelines. Furthermore, it will be conducted in such manner as we consider necessary to fulfill our responsibilities and will include such tests of transactions and of the existence, ownership and valuation of assets and liabilities as we consider necessary. We shall obtain an understanding of the accounting system in order to assess its adequacy as a basis for the preparation of the financial statements and to establish whether proper books of account have been maintained. We shall expect to obtain such relevant and reliable evidence as we consider sufficient to enable us to draw reasonable conclusions therefrom. The nature and extent of our tests will vary according to our assessment of the company's accounting system and, where we wish to place reliance on it, the system of internal control and may cover any aspect of the business operations. We shall report to you any significant weaknesses in, or observations on, the company's systems which come to our notice and which we think should be brought to your attention.
- 1.5 As part of our normal audit procedures, we will request you to provide written representations on matters having a material effect on the financial statements.
- 1.6 In order to assist us with the examination of your financial statements, we shall request sight of all documents or statements, including the chairman's statement and the directors' report, which are due to be issued with the financial statements. We are also entitled to attend all General Meetings of the company and to receive notice of all such meetings.
- 1.7 We appreciate that the present size of your business renders it uneconomic to create a system of internal control based on the segregation of duties for different functions within each area of the business. In the running of your company we understand that the directors are closely involved with the control of the company's transactions. In planning and performing our audit work we shall take account of this supervision. Further, we may ask additionally for confirmation in writing that all the transactions undertaken by the company have been properly reflected and recorded in the books of account, and our audit report on your company's financial statements may refer to this confirmation.
- 1.8 The responsibility for the prevention and detection of irregularities and fraud rests with yourselves. However, we shall endeavor to plan our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or books of account resulting from irregularities or fraud, but our examination should not be relied upon disclose irregularities or fraud which may exist.
- 1.9 We shall not be treated as having notice, for the purposes of our audit responsibilities, of information provided to members of our firm other than those engaged on the audit (e.g. information provided in connection with accounting, taxation and other services).

*Accounting and other services*

- 2.1 It was agreed that we should carry out the following services as your agents and on the basis that you will make full disclosure to us of all relevant information.
- 2.2 We shall:
  - (a) prepare the financial statements based on books of account maintained by yourselves;
  - (b) provide assistance to the company secretary by preparing and lodging returns with the Registrar of Companies
  - (c) investigate irregularities and fraud upon receiving specific instructions.



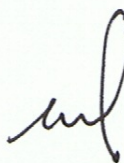
*Fees*

- 3.1 Our fees are computed on the basis of the time spent on your affairs by the partners and our staff, and on the levels of skill and responsibility involved. Unless otherwise agreed, our fees will be charged separately for each of the main classes of work described above, will be billed at appropriate intervals during the course of the year and will be due on presentation.
- 3.2 You, as chairman of the Board, should guarantee for our fees payments. Should the company become insolvent and fail to pay our fees, you will be personally responsible to pay for our fees and charges.

*Agreement of Terms*

- 4.1 Once it has been agreed, this letter will remain effective, from one audit appointment to another, until it is replaced. We shall be grateful if you could confirm in writing your agreement to the terms of this letter by signing and returning the attached copy, or let us know if they are not in accordance with your understanding of our terms of appointment. If within one month from the date of this letter we have not received the attached copy, duly signed by you, and we have not received any other communication from you concerning the contents of this letter, the provisions contained in it shall be deemed to have become effective.

Yours truly,  
For and on behalf of  
LKKC C.P.A. Limited  
Certified Public Accountants



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Authorized signature(s)  
Auditor – Wilson, Chi-Shing Kwok  
Practising certificate number - P01952

Agreed and accepted by



(signed)  
Chairman, for and on behalf of the  
Executive Committee  
China Education Association, HKUSU