



國信會計師事務所有限公司

LKKC CPA LIMITED

Chartered Accountants

Certified Public Accountants

香港中環德輔道中 141 號中保集團大廈 24 字樓 2401 室

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The Chairperson,
Cultifuture Education Student Association of The University of Hong Kong
(Formerly known as: China Education Association, HKUSU)
The University of Hong Kong,
Pokfulam Road,
Hong Kong

Dear Sirs,

Date: 20th December 2022

ENGAGEMENT LETTER

The objective and scope of the review

- 1.1 You have requested that we review the general purpose financial statements of Cultifuture Education Student Association of The University of Hong Kong (Formerly known as: China Education Association, HKUSU) (the "Association"), which comprise the statement of financial position as at 31st October 2019, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. We are pleased to confirm our acceptance and our understanding of this review engagement by means of this letter.

Our review will be conducted with the objective of expressing our conclusion on the financial statements. Our conclusion, if unmodified, will be in the form "Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, (or do not give a true and fair view of) the financial position of the company as at 31st October 2019 and its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities (HKFRS for PE)."

The practitioner's responsibilities

- 2.1 We will conduct our review in accordance with Hong Kong Standard on Review Engagements (HKSRE) 2400 (Revised), Engagements to Review Historical Financial Statements. HKSRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. HKSRE 2400 (Revised) also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with HKSRE 2400 (Revised) is a limited assurance engagement. We will perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. We will also perform additional procedures if we become aware of matters that cause us to believe the financial statements as a whole may be materially misstated. These procedures are performed to enable us to express our conclusion on the financial statements in accordance with HKSRE 2400 (Revised). The procedures selected will depend on what we consider necessary applying our professional judgment, based on our understanding of the Association and its environment, and our understanding of HKFRSs and its application in the industry context.

The practitioner's responsibilities (continued)

A review is not an audit of the financial statements, therefore:

- (a) There is a commensurate higher risk than there would be in an audit, that any material misstatements that exist in the financial statements reviewed may not be revealed by the review, even though the review is properly performed in accordance with HKSRE 2400 (Revised).
- (b) In expressing our conclusion from the review of the financial statements, our report on the financial statements will expressly disclaim any audit opinion on the financial statements.

Responsibilities of Chairperson

2.1 Our review will be conducted on the basis that you acknowledge and understand that you have responsibility:

- (a) For preparation and fair presentation of the financial statements in accordance with HKFRS for PE
- (b) For such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- (c) To provide us with
 - (i) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters;
 - (ii) Additional information that we may request from management for the purpose of the review; and
 - (iii) Unrestricted access to persons within ABC Company from whom we determine it necessary to obtain evidence.

As part of our review, we will request from management, written confirmation concerning representations made to us in connection with the review.

We look forward to full cooperation from your staff during our review.

3.1 Reference to the expected form and content of the practitioner's review report:-

***INDEPENDENT PRACTITIONER'S REVIEW REPORT
TO THE OFFICER BEARERS OF
CULTIFUTURE EDUCATION STUDENT ASSOCIATION OF THE UNIVERSITY OF
HONG KONG (Formerly known as: CHINA EDUCATION ASSOCIATION, HKUSU)***

Report on the Financial Statements

We have reviewed the accompanying financial statements of Cultifuture Education Student Association of The University of Hong Kong (Formerly known as: China Education Association, HKUSU) (the "Association"), which comprise the statement of financial position as at 31st October 2019, and the statement of income and accumulated fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Officer Bearers' Responsibility for the Financial Statements

Officer Bearers are responsible for the preparation of these financial statements in accordance with Hong Kong Financial Reporting Standard for Private Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with Hong Kong Standard on Review Engagements (HKSRE) 2400 (Revised), Engagements to Review Historical Financial Statements. HKSRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with HKSRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Hong Kong Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of the Association as at 31st October 2019, and its financial performance and cash flows for the year then ended, in accordance with the Hong Kong Financial Reporting Standard for Private Entities.

3.2 The form and content of our report may need to be amended in the light of our findings obtained from the review.

Fees

4 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 plus out-of-pocket expenses. Unless otherwise agreed, our fees will be billed at appropriate intervals during the course of the audit and will be due on presentation.

Agreement of Terms

5 Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our review of the financial statements including our respective responsibilities.

Yours truly,
For and on behalf of
LKKC CPA Limited
Certified Public Accountants



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

Agreed and accepted by



(signed)

Chairperson
Cultifuture Education Student Association of
The University of Hong Kong

CULTIFUTURE EDUCATION STUDENT ASSOCIATION OF THE UNIVERSITY OF

HONG KONG

香港大學學生會青藜教育小組

(Formerly known as: CHINA EDUCATION ASSOCIATION, HKUSU)

(前稱:香港大學學生會中國教育小組)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2019

LKKC

國信會計師事務所有限公司

LKKC CPA LIMITED

Chartered Accountants
Certified Public Accountants

**CULTIFUTURE EDUCATION STUDENT ASSOCIATION OF THE UNIVERSITY OF HONG KONG (Formerly known as: CHINA EDUCATION ASSOCIATION, HKUSU)
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2019**

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(EXPRESSED IN HONG KONG DOLLARS)

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**CHINESE FUTURE EDUCATION STUDENT ASSOCIATION OF THE UNIVERSITY OF HONG
KONG (Formerly known as: CHINA EDUCATION ASSOCIATION, HKUSU)**
LIST OF OFFICER BEARERS
FOR THE YEAR ENDED 31ST OCTOBER 2019

OFFICER BEARERS

Cheng Lok Him (Chairperson)
Chow Chi Chung (Internal vice chairperson)
Gan Tong (External vice chairperson)

**INDEPENDENT PRACTITIONER'S REVIEW REPORT
TO THE OFFICER BEARERS OF
CULTIFUTURE EDUCATION STUDENT ASSOCIATION OF THE UNIVERSITY OF HONG
KONG (Formerly known as: CHINA EDUCATION ASSOCIATION, HKUSU)
(A Society registered in accordance with Section 5A(1) of the Societies Ordinance in Hong Kong)**

Report on the Financial Statements

We have reviewed the accompanying financial statements of Cultifuture Education Student Association of The University of Hong Kong (Formerly known as: China Education Association, HKUSU) (the "Association"), which comprise the statement of financial position as at 31st October 2019, and the statement of income and accumulated fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Officer Bearers' Responsibility for the Financial Statements

Officer Bearers are responsible for the preparation of these financial statements in accordance with Hong Kong Financial Reporting Standard for Private Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with Hong Kong Standard on Review Engagements (HKSRE) 2400 (Revised), Engagements to Review Historical Financial Statements. HKSRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with HKSRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Hong Kong Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

(To be cont'd)

INDEPENDENT PRACTITIONER'S REVIEW REPORT
TO THE OFFICER BEARERS OF
CULTIFUTURE EDUCATION STUDENT ASSOCIATION OF THE UNIVERSITY OF HONG
KONG (Formerly known as: CHINA EDUCATION ASSOCIATION, HKUSU)
(A Society registered in accordance with Section 5A(1) of the Societies Ordinance in Hong Kong)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of the Association as at 31st October 2019, and its financial performance and cash flows for the year then ended, in accordance with the Hong Kong Financial Reporting Standard for Private Entities.



LKKC CPA 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, 5th June 2023

C606/WK/C/797

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**CHIFUTURE EDUCATION STUDENT ASSOCIATION OF THE UNIVERSITY OF HONG
KONG (Formerly known as: CHINA EDUCATION ASSOCIATION, HKUSU),
STATEMENT OF INCOME AND ACCUMULATED FUND
FOR THE YEAR ENDED 31ST OCTOBER 2019**

	<u>NOTE</u>	<u>2019</u> HK\$	<u>2018</u> HK\$
REVENUE	5	552,809	462,774
OTHER INCOME			
Bank interest income		1,731	890
Exchange gain/ (loss)		<u>(26,093)</u>	<u>4,715</u>
		<u>(24,362)</u>	<u>5,605</u>
SUBSIDY TO BENEFICIARIES		(181,362)	(331,397)
PROGRAMME EXPENSES		(157,195)	(124,770)
GENERAL AND ADMINISTRATIVE EXPENSES		<u>(8,938)</u>	<u>(18,050)</u>
SURPLUS/(DEFICIT) BEFORE TAX		180,952	(5,837)
INCOME TAX EXPENSE	6	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		180,952	(5,837)
SURPLUS BROUGHT FORWARD		<u>1,006,153</u>	<u>1,011,990</u>
SURPLUS CARRIED FORWARD		<u>1,187,105</u>	<u>1,006,153</u>

The notes on page 9 to 12 form an integral part of these financial statements.

CHINESE FUTURE EDUCATION STUDENT ASSOCIATION OF THE UNIVERSITY OF HONG KONG (Formerly known as: CHINA EDUCATION ASSOCIATION, HKUSU)
STATEMENT OF FINANCIAL POSITION
AS AT 31ST OCTOBER 2019

	<u>NOTE</u>	<u>2019</u> HK\$	<u>2018</u> HK\$
CURRENT ASSET			
Cash and Cash equivalents	7	<u>1,187,105</u>	<u>1,006,152</u>
NET ASSETS		<u>1,187,105</u>	<u>1,006,152</u>
FINANCED BY:			
Accumulated surplus		<u>1,187,105</u>	<u>1,006,152</u>
GENERAL FUNDS		<u>1,187,105</u>	<u>1,006,152</u>

APPROVED BY:



Cheng Lok Him
Chairperson

**LTIFUTURE EDUCATION STUDENT ASSOCIATION OF THE UNIVERSITY OF HONG
KONG (Formerly known as: CHINA EDUCATION ASSOCIATION, HKUSU)**
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST OCTOBER 2019

	<u>Note</u>	<u>2019</u> HK\$	<u>2018</u> HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
SURPLUS/(DEFICIT) BEFORE TAX		180,953	(5,838)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		<u>1,006,152</u>	<u>1,011,990</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		<u>1,187,105</u>	<u>1,006,152</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	7	<u>1,187,105</u>	<u>1,006,152</u>

The notes on page 9 to 12 form an integral part of these financial statements.

CULTIFUTURE EDUCATION STUDENT ASSOCIATION OF THE UNIVERSITY OF HONG KONG (Formerly known as: CHINA EDUCATION ASSOCIATION, HKUSU)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2019

1. *LEGAL STATUS*

Cultifuture Education Student Association of The University of Hong Kong (Formerly known as: China Education Association, HKUSU) (the “Association”) is established in Hong Kong and registered in accordance with the provisions of section 5A (1) of the Societies Ordinance of Hong Kong.

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

The name of the Association was changed from China Education Association, HKUSU to Cultifuture Education Student Association of The University of Hong Kong since 16th February 2023.

The principal activity of the Association is advancement of education for students in Mainland China.

2. *STATEMENT OF COMPLIANCE WITH HONG KONG FINANCIAL REPORTING STANDARDS AND BASIS OF PREPARATION*

The financial statements have been prepared under the historical cost convention and in accordance with the Hong Kong Financial Reporting Standard for Private Entities (“HKFRS for Private Entities”) issued by the Hong Kong Institute of Certified Public Accountants. The measurement base adopted is the historical cost convention.

The preparation of financial statements in conformity with HKFRS for Private Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3. *PRINCIPAL ACCOUNTING POLICIES*

(a) Current and deferred income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax base (known as temporary differences). Deferred tax liabilities are generally recognised for all temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled (taxable temporary differences). Deferred tax assets are generally recognised for all temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled (deductible temporary differences) – but only to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in the profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

**MULTIFUTURE EDUCATION STUDENT ASSOCIATION OF THE UNIVERSITY OF
HONG KONG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2019**

3. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(b) Revenue recognition

Revenue is recognised in the statement of comprehensive income provided it is probable that the economic benefits will flow to the Association and the revenue and costs, if applicable, can be measured reliably, as follow:

- (i) Donations and fund-raising events are recognised as income when received;
- (ii) Membership fee income are recognised as income when received;
- (iii) Interest income from bank deposits is accrued on a time- apportioned basis by reference to the principal outstanding and the rate applicable;
- (iv) Programme income is recognised as income when received; and
- (v) Subsidy received is recognised as income when received.

(c) Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash in hand and deposits held at call with banks.

(d) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Association are measured using the currency of the primary economic environment in which the Association operates (the functional currency). These financial statements are presented in Hong Kong Dollars ("HK\$"), which is the Association's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income and accumulated fund within "finance costs". All other foreign exchange gains and losses are presented in the profit or loss within "other income" or "administrative expenses".

(e) Provisions

Provisions are recognised when the Association has a present legal or constructive obligation as a result of past events; it is probable that outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**MULTIFUTURE EDUCATION STUDENT ASSOCIATION OF THE UNIVERSITY OF
HONG KONG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2019**

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Income taxes

Various judgements are required in determining the provision for income tax. During the year, there are transactions for which calculation of the ultimate tax determination is uncertain. Where the final tax outcome is different from the initially recorded amount, the difference will impact the income tax and deferred tax provisions in the year of determination.

5. REVENUE

Revenue, which is also the Association's turnover, represents the net income received during the year.

	<u>Note</u>	<u>2019</u> HK\$	<u>2018</u> HK\$
Donation and fund raising events			
General Charitable Fund-raising activities			
with the Public Subscription Permit	8	21,510	14,631
Other donation and fund raising events		296,973	330,349
Membership fee income		7,380	2,520
Subsidy from University		619	12,109
Subsidy from Centaline Charity Fund		108,418	-
Programme income		117,909	103,165
		<u>552,809</u>	<u>462,774</u>

6. TAXATION

- (a) The Association is exempted from Hong Kong profits tax by virtue of Section 88 of the Inland Revenue Ordinance (2018: Nil).
- (b) No provision for deferred taxation has been made as there is no significant timing difference in tax provision on tax loss which is expected to be crystallised in the foreseeable future.

**FUTURE EDUCATION STUDENT ASSOCIATION OF THE UNIVERSITY OF
HONG KONG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2019**

7. CASH AND CASH EQUIVALENTS

	<u>2019</u> HK\$	<u>2018</u> HK\$
Cash and cash equivalents	<u>1,187,105</u>	<u>1,006,152</u>

8. DISCLOSURE REGARDING TO THE PUBLIC SUBSCRIPTION PERMIT

The association had applied for the public subscription permit for its general charitable fund-raising activities in compliance with Section 4(17)(i) of Summary Offences Ordinance, Cap. 228, Laws of Hong Kong.

(a) Fund-raising activities with Public Subscription Permit for the year ended 31st October 2019 are as follow:

<u>Public subscription no.</u>	<u>Nature of activity</u>	<u>Date (DD/MM/YY)</u>	<u>Gross Income (HK\$)</u>	<u>Gross Expenditure (HK\$)</u>	<u>Net Proceeds (HK\$)</u>
2018/275/1	General Charitable Fund-raising	15/12/18- 20/01/19	15,788	-	15,788
2019/096/1	General Charitable Fund-raising	22/06-07/07/19	5,722	-	5,722
			<u>21,510</u>	<u>-</u>	<u>21,510</u>

(b) Fund-raising activities with Public Subscription Permit for the year ended 31st October 2018 are as follow:

<u>Public subscription no.</u>	<u>Nature of activity</u>	<u>Date (DD/MM/YY)</u>	<u>Gross Income (HK\$)</u>	<u>Gross Expenditure (HK\$)</u>	<u>Net Proceeds (HK\$)</u>
2018/006/01	General Charitable Fund-raising	06-14/01/18	9,529	516	9,013
2018/147/1	General Charitable Fund-raising	23-24/06/18	2,003	-	2,003
2018/177/1	General Charitable Fund-raising	18-26/08/18	3,099	-	3,099
			<u>14,631</u>	<u>516</u>	<u>14,115</u>

9. APPROVAL OF FINANCIAL STATEMENT

These financial statements were authorised for issue by the Association's Officer Bearers on 5th June 2023.