

CEO GLOBAL EDUCATION FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020



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(EXPRESSED IN THE NEAREST HONG KONG DOLLARS)

CEO GLOBAL EDUCATION FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

REPORT OF THE EXECUTIVE COMMITTEE MEMBERS

FOR THE YEAR ENDED DECEMBER 31, 2020

The executive committee members submit their annual report together with the audited financial statements for the year ended December 31, 2020.

PRINCIPAL ACTIVITIES

CEO Global Education Foundation Limited (“the Association”) is a non-profit making organisation offering programs and courses to help instil proper leadership, integrity and servant-hood values, improving communication skills and other career skills in university students and young people, so as to achieve a healthy holistic growth among the younger generation. Programs offered include university credit courses, campus talks, mentorship workshops, summer camps, service learning projects and leadership training. In addition, the Association offers summer camp for underprivileged youth to build up positive values, self-esteem and confidence. The principal activities and other particulars of its subsidiary are set out in note 8 to the financial statements.

EXECUTIVE COMMITTEE MEMBERS

Executive committee members of the Association during the year and up to the date of this report were:

Mr. Yeung Kwok On
Ms. Lee Siu Fun, Frances (resigned on June 11, 2020 and re-appointed on April 9, 2021)
Mr. Yap Kah On
Mr. Mak Chi Wai

In accordance with the Articles of Association, all executive committee members shall hold office for a term of three years and shall be eligible for re-election.

BUSINESS REVIEW

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

...../To be continued

CEO GLOBAL EDUCATION FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

REPORT OF THE EXECUTIVE COMMITTEE MEMBERS

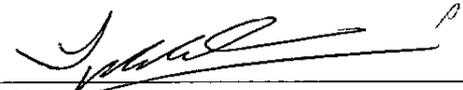
FOR THE YEAR ENDED DECEMBER 31, 2020

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AUDITORS

Philip Poon & Partners CPA Limited are the Association's retiring auditors who, being eligible, offer themselves for re-appointment.

FOR AND ON BEHALF OF THE BOARD



YAP KAH ON
CHAIRMAN

Hong Kong
September 1, 2021



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

CEO GLOBAL EDUCATION FOUNDATION LIMITED

(Incorporated in Hong Kong and limited by guarantee)

Qualified Opinion

We have audited the financial statements of CEO Global Education Foundation Limited (“the Association”) set out on pages 7 to 16, which comprise the statement of financial position as at December 31, 2020, and the income statement and statement of changes in members’ equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements of the Association 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 (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

The Association’s investment in a subsidiary is incorporated in the People’s Republic of China (“PRC”) and adequate and reliable financial information of the subsidiary is not available. Although we have obtained financial statements audited by Certified Public Accountants (“CPA”) in the PRC, we have not reviewed the work performed by the CPA and therefore we consider it is not appropriate to rely on the financial statements of the subsidiary. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the carrying amount of the Association’s investment in a subsidiary, appearing in the statement of financial position at \$115,674 was free from material misstatement.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) 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 qualified opinion.

...../To be continued



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

CEO GLOBAL EDUCATION FOUNDATION LIMITED

(Incorporated in Hong Kong and limited by guarantee)

...../Continued

Other Information

The executive committee members are responsible for the other information. The other information comprises the information included in the executive committee members' report and financial statements, 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. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the carrying amount of the Association's investment in a subsidiary as at December 31, 2020. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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

The executive committee 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 executive committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

...../To be continued



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

CEO GLOBAL EDUCATION FOUNDATION LIMITED

(Incorporated in Hong Kong and limited by guarantee)

...../Continued

Responsibilities of Executive Committee Members and Those Charged with Governance for the Financial Statements (continued)

In preparing the financial statements, the executive committee 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 committee 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 purposes. 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 judgement 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.

...../To be continued



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CEO GLOBAL EDUCATION FOUNDATION LIMITED
(Incorporated in Hong Kong and limited by guarantee)

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

- 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 executive committee members.
- Conclude on the appropriateness of the executive committee 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.

Report on Other Matters under section 407(3) of the Hong Kong Companies Ordinance

In respect alone of the inability to obtain sufficient appropriate audit evidence regarding the investment in a subsidiary as described in the Basis for Qualified Opinion section of our report above, we have not obtained all the information or explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit.

Philip Poon & Partners CPA Limited
Mr. Poon Chin Chung, Philip
Practising Certificate No.: P01748

Certified Public Accountants
Hong Kong
September 1, 2021

CEO GLOBAL EDUCATION FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>NOTE</u>	<u>2020</u>	<u>2019</u>
		<u>\$</u>	<u>\$</u>
INCOME			
Donation income		4,973,339	2,071,122
Foreign exchange gain		291	150
Government subsidy under Employment Support Scheme		162,000	--
Project fee income		272,000	261,060
		<u>5,407,630</u>	<u>2,332,332</u>
		-----	-----
LESS: EXPENDITURE			
Accommodation expenses		--	24,029
Auditors' remuneration		12,600	12,000
Bank charges		1,740	1,770
China project expenses		282,681	816,452
Communication expenses		8,654	3,316
Computer equipment expenses		1,066	6,169
Depreciation	7	11,504	22,658
Meal		1,965	28,962
MPF contribution		48,000	50,737
Office supplies		3,094	5,707
Professional fee		103,202	102,946
Project expenses		--	1,848,017
Repair and maintenance		--	5,654
Salary and allowance		1,300,000	1,360,730
Staff allowance and welfare		1,110	4,660
Travelling		6,824	72,529
		<u>1,782,440</u>	<u>4,366,336</u>
		-----	-----
SURPLUS/(DEFICIT) FOR THE YEAR		<u><u>3,625,190</u></u>	<u><u>(2,034,004)</u></u>

The notes on pages 10 to 16 form part of these financial statements.

CEO GLOBAL EDUCATION FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	<u>NOTE</u>	<u>2020</u> \$	<u>2019</u> \$
NON-CURRENT ASSETS			
Plant and equipment	7	--	11,504
Investment in a subsidiary	8	115,674	115,674
		<u>115,674</u>	<u>127,178</u>
CURRENT ASSETS			
Other accounts receivable		56,200	39,560
Amounts due from related companies	6(b)	52,600	23,600
Bank balances and cash		4,180,623	2,095,514
		<u>4,289,423</u>	<u>2,158,674</u>
CURRENT LIABILITIES			
Accruals		12,600	36,660
Amount due to an executive committee member		--	1,481,885
		<u>12,600</u>	<u>1,518,545</u>
NET CURRENT ASSETS		<u>4,276,823</u>	<u>640,129</u>
NET ASSETS		<u>4,392,497</u>	<u>767,307</u>
MEMBERS' EQUITY			
General fund		2,968,771	(656,419)
Shine project reserve	9	1,423,726	1,423,726
		<u>4,392,497</u>	<u>767,307</u>

Approved and authorised for issue by the board of executive committee members on September 1, 2021


YAP KAH ON
EXECUTIVE COMMITTEE MEMBER


MAK CHI WAI
EXECUTIVE COMMITTEE MEMBER

The notes on pages 10 to 16 form part of these financial statements.

CEO GLOBAL EDUCATION FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General fund</u>	<u>Shine project</u>	<u>Total</u>
	<u>\$</u>	<u>reserve</u>	<u>\$</u>
		<u>\$</u>	
Balance at beginning of year	(656,419)	1,423,726	767,307
Surplus for the year	3,625,190	--	3,625,190
	<u> </u>	<u> </u>	<u> </u>
Balance at end of year	<u>2,968,771</u>	<u>1,423,726</u>	<u>4,392,497</u>

The notes on pages 10 to 16 form part of these financial statements.

CEO GLOBAL EDUCATION FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

1. CORPORATE INFORMATION

CEO Global Education Foundation Limited (“the Association”) is incorporated in Hong Kong and limited by guarantee. The address of its registered office is Room 1307-8, Dominion Centre, 43-59 Queen’s Road East, Wanchai, Hong Kong.

The Association is a non-profit making organisation offering programs and courses to help instil proper leadership, integrity and servant-hood values, improving communication skills and other career skills in university students and young people, so as to achieve a healthy holistic growth among the younger generation. Programs offered include university credit courses, campus talks, mentorship workshops, summer camps, service learning projects and leadership training. In addition, the Association offers summer camp for underprivileged youth to build up positive values, self-esteem and confidence. The principal activities and other particulars of its subsidiary are set out in note 8 to the financial statements.

2. BASIS OF PREPARATION

(a) Statement of compliance

The Association is the holding company of a mixed group of small private company at the end of the reporting period. The Association falls within for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance, and the group as a whole qualifies for the reporting exemption as a mixed group. The Association is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Reporting Standard (“SME-FRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). These financial statements have been prepared in accordance with SME-FRS.

In the opinion of the executive committee members, the Association’s subsidiary is qualified for exclusion from consolidation on the grounds that its inclusion would involve expense and delay out of proportion of the value to members of the Association. According to section 19.1(c) of the SME-FRS, the Association is exempted from the preparation of consolidated financial statements.

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

(b) Basis of measurement

The measurement base used in preparing these financial statements is historical cost convention.

CEO GLOBAL EDUCATION FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

3. TRANSITION TO THE SME-FRS

The Association's financial statements for the year ended December 31, 2020 are its first annual financial statements prepared under accounting policies that comply with the SME-FRS issued by the HKICPA. The Association applied Hong Kong Financial Reporting Standard for Private Entities issued by the HKICPA to prepare its financial statements prior to the application of the SME-FRS.

The Association's date of transition is January 1, 2020 and the Association prepared its opening statement of financial position in compliance with the SME-FRS at that date.

The Association has applied all the mandatory exceptions and certain of the optional exemptions from full retrospective application of the SME-FRS when preparing these financial statements in accordance with the SME-FRS. There is no material impact on the financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Revenue recognition

Revenue is recognised as income 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 income and camp income are recognised on actual cash receipt basis;
- (ii) Project fee income is recognised on cash receipts basis;
- (iii) Dividend income from investment is recognised when the shareholders' rights to receive payment have been established; and
- (iv) Interest income is recognised on a time proportion basis by reference to the principal amounts outstanding and the interest rates applicable.

CEO GLOBAL EDUCATION FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign exchange

The reporting currency of the Association is Hong Kong dollars, 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 dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

(c) Subsidiary

Subsidiary is an entity controlled by the Association. Control existed when the Association has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

The investment in a subsidiary is stated at cost less any impairment losses. The results of subsidiaries are accounted for by the Association on the basis of dividends received and receivable.

(d) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciation amount of an item of plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Computer	100%
Office equipment	20%

CEO GLOBAL EDUCATION FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) 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 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.

(f) Other receivables

Other 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.

5. TAXATION

No provision for Hong Kong Profits Tax has been provided in the financial statements as the Association is exempted for tax under section 88 of the Inland Revenue Ordinance by reason of being a charitable institution or trust of a public character.

6. EXECUTIVE COMMITTEE MEMBERS' REMUNERATION AND LOANS

- (a) Remuneration of the executive committee members of the Association disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

The executive committee members received no remuneration for their services to the Association during the year (2019: Nil).

CEO GLOBAL EDUCATION FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

**6. EXECUTIVE COMMITTEE MEMBERS' REMUNERATION AND LOANS
(CONTINUED)**

- (b) Loans, quasi-loans and other dealings in favour of the executive committee members of the Association disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

<u>Name of borrower</u>	<u>Relevant director</u>	<u>Principal terms</u>	<u>Outstanding principal and interest</u>			<u>Overdue amount</u>	<u>Provision</u>
			<u>At beginning of year</u>	<u>At end of year</u>	<u>Maximum amount outstanding</u>		
			<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>Amounts due from related companies</u>							
CEO Global Consulting Limited	1	2	23,600	35,700	35,700	Nil	Nil
Light Foundation Limited	1	2	--	16,900	16,900	Nil	Nil

1. Relevant director
Mr. Yap Kah On

2. Principal terms
The amounts are unsecured, interest free and have no fixed repayment term.

7. PLANT AND EQUIPMENT

	<u>Computer</u>	<u>Office equipment</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>Cost:</u>			
At January 1, 2020 and December 31, 2020	119,428	62,743	182,171
	-----	-----	-----
<u>Accumulated depreciation and impairment losses:</u>			
At January 1, 2020	119,428	51,239	170,667
Depreciation charge for the year	--	11,504	11,504
At December 31, 2020	119,428	62,743	182,171
	-----	-----	-----
<u>Carrying amount:</u>			
At January 1, 2020	--	11,504	11,504
	-----	-----	-----
At December 31, 2020	--	--	--
	-----	-----	-----

CEO GLOBAL EDUCATION FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

8. INVESTMENT IN A SUBSIDIARY

Details of the Association's subsidiary as at December 31, 2020 are as follows:

	<u>2020</u>	<u>2019</u>
	<u>\$</u>	<u>\$</u>
Unlisted investments, at cost	<u>115,674</u>	<u>115,674</u>

<u>Name of subsidiary</u>	<u>Place of incorporation and operation</u>	<u>Class of shareholding</u>	<u>Particulars of registered capital</u>	<u>Effective interest held by the Association</u>		<u>Principal activities</u>
				<u>2020</u>	<u>2019</u>	
北京思爾豪國際文化諮詢有限公司 *	People's Republic of China	Equity	RMB100,000	100%	100%	Provision of cultural information advisory and business information advisory

* Company not audited by Philip Poon & Partners CPA Limited

The financial statements of the subsidiary have not been consolidated as in the opinion of the executive committee members the preparation of the consolidated financial statements of the Association would involve expense and delay out of proportion to the value of the members.

CEO GLOBAL EDUCATION FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

9. SHINE PROJECT RESERVE

The Shine Project aims to implement positive education in the participating schools. The funding of this reserve is set aside from the accumulated surplus and to be used according to the conditions attached and decisions made by executive committee members. Reserve movements during the year are as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
At beginning of year	1,423,726	2,910,500
	-----	-----
Project expenses incurred	--	(1,486,774)
	-----	-----
Deficit for the year	--	(1,486,774)
	-----	-----
At end of year	<u>1,423,726</u>	<u>1,423,726</u>

10. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Association had the following significant transactions with related parties:

	<u>2020</u>	<u>2019</u>
	\$	\$
Donation income received from an executive committee member	1,481,885	100,000
Donation income received from a related party	3,226,953	898,367
China project expenses paid to a subsidiary	279,801	764,449
	-----	-----

The above transactions were carried out in the normal course of the Association's operation.

11. COMPARATIVE FIGURES

Certain comparative figures have been adjusted or reclassified as a result of initial application of the SME-FRS. Further details are disclosed on note 3 to the financial statements.