

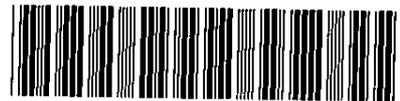
Asia Pacific Institute for Strategy Limited
亞太策略研究所有限公司

Reports and Financial Statements
for the year ended August 31, 2020

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Flexkin Corporate Services Limited
Company Secretary



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Report of the Councillors

The Councillors present their report and the audited financial statements of the Company for the year ended August 31, 2020.

Introduction

With effect from February 10, 2014, the Company was conferred the status of a charitable institution and obtained the exemption from tax under Section 88 of the Inland Revenue Ordinance.

Principal activities

The principal activities of the Company were to provide for or assist in the relief of poverty on a non-profit making basis. There were no significant changes in the nature of the Company's principal activities during the year.

State of affairs

The state of Company's affairs at August 31, 2020 are set out in the financial statements on pages 6 to 11.

Reserves

Details of movements in the Company's reserves during the year are set out in the statement of changes in equity on page 8.

Councillors

The Councillors of the Company during the year were:

Mr. Lee Kim
Ms. Cheng Suk Ming

In accordance with articles 36 of the Company's articles of association, all Councillors shall hold office until next following Annual General Meeting of the Company and shall then be eligible for re-election.

Councillors' material interests in transactions, arrangements and contracts that are significant in relation to the company's business

No transactions, arrangements and contracts of significance in relation to the Company's business to which the Company, or any of its subsidiaries or fellow subsidiaries was a party and in which Councillors of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Report of the Councillors (Cont'd)

Management contracts

No contracts concerning to which the Company was a party and in which a member of the executive committee had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

Permitted indemnity provision

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more Councillors of the Company.

Business review

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

Auditors

Messrs. Flexkin & Co. retire and a resolution for their reappointment as auditors of The Company will be proposed at the forthcoming annual general meeting.

On behalf of the Councillors



Lee Kim
Chairman

Hong Kong
May 24, 2021

Independent Auditor's Report

To the Members of
Asia Pacific Institute for Strategy Limited
亞太策略研究所有限公司
(Incorporated in Hong Kong with limited by guarantee)

Report on the Financial Statements

Opinion

We have audited the financial statements of Asia Pacific Institute for Strategy Limited set out on pages 6 to 11, which comprise the statement of financial position as at August 31, 2020, 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 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 ("HKSA") and with reference to Practice Note 900 (Revises), *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.

Independent Auditor's Report (Cont'd)

To the Members of
Asia Pacific Institute for Strategy Limited
亞太策略研究有限公司
(Incorporated in Hong Kong with limited by guarantee)

Other Information

The councillors are responsible for the other information. The other information comprises the information included in the Councilor's report, 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 Councillors and Those Charged with Governance for the Financial Statements

The councillors are responsible for the preparation of these financial statements in accordance with HKFRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the councillors 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 councillors 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 councillors 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.

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. 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.

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Independent Auditor's Report (Cont'd)

To the Members of
Asia Pacific Institute for Strategy Limited
亞太策略研究所有限公司
(Incorporated in Hong Kong with limited by guarantee)

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

As part of an audit in accordance with HKASs, 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 councillors.
- Conclude on the appropriateness of the councillors' 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.

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.



Flexkin & Co.
Certified Public Accountants (Practising)
Chong Kin Ho
Practising number: P04993

May 24, 2021

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Asia Pacific Institute for Strategy Limited
for the year ended August 31, 2020
Income Statement

Income Statement

	<i>Note</i>	2020 HK\$	2019 HK\$
Income	3	21,000	23,955
Expenditure		<u>(13,795)</u>	<u>(22,184)</u>
Surplus before tax	4	7,205	1,771
Income tax expense	6	<u>-</u>	<u>-</u>
Surplus for the year		<u>7,205</u>	<u>1,771</u>

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

Asia Pacific Institute for Strategy Limited
as at August 31, 2020
Statement of Financial Position

Statement of Financial Position

	2020	2019
	HK\$	HK\$
Current Assets		
Prepayment	2,250	2,250
Cash and bank balances	<u>22,741</u>	<u>15,536</u>
	<u>24,991</u>	<u>17,786</u>
Current Liabilities		
Accrual	<u>8,180</u>	<u>8,180</u>
Net Current Assets	<u>16,811</u>	<u>9,606</u>
Net Asset	<u><u>16,811</u></u>	<u><u>9,606</u></u>
Reserves and Funds		
Reserves	<u>16,811</u>	<u>9,606</u>
Total Reserves & Funds	<u><u>16,811</u></u>	<u><u>9,606</u></u>

Approved and authorised for issue by the Board of Councillors on May 24, 2021.



Mr. Lee Kim



Ms. Cheng Suk Ming

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

Asia Pacific Institute for Strategy Limited
For the period ended August 31, 2020
Statement of Changes in Equity

Statement of Changes in Equity

	Reserves HK\$	Total HK\$
At September 1, 2018	7,835	7,835
Total surplus for the year	<u>1,771</u>	<u>1,771</u>
At August 31, 2019	9,606	9,606
Total surplus for the year	<u>7,205</u>	<u>7,205</u>
At August 31, 2020	<u>16,811</u>	<u>16,811</u>

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

Accounting Policies and Explanatory Notes to Financial Statements

1. Reporting Entity

The Company was a private company limited by guarantee and not having share capital. The address of its registered office and principal place of business of the Company is Unit 14A, Tower 1, Hillsborough Court, 18 Old Peak Road, Mid-Levels, Hong Kong. During the year, the principal activities of the Company were to provide for or assist in the relief of poverty on a non-profit making basis.

2. Basis of Preparation and Accounting Policies

Basis of preparation

The Company 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 (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.

These financial statements have also been prepared on a going concern basis notwithstanding the existence of the net current liabilities and shareholder's deficits position at the end of reporting period as the shareholder of the Company have undertaken to provide continuing financial support to the Company to meet its liabilities when they fall due.

Should the Company be unable to continue in business as a going concern, adjustments would have to be made to reclassify non-current assets as current assets, to reduce the value of assets to their recoverable amounts and to provide for any further liabilities which might arise.

The principal accounting policies adopted are set out below.

Revenue recognition

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:

- (a) donations received, on an accrual basis.

Taxation

Income tax expense represents current tax expense. 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.

2. Basis of Preparation and Accounting Policies (Cont'd)

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.

Other payables

Other payables are on the basis of normal credit terms and do not bear interest.

Related parties

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Company where those parties are individuals.

3. Income

An analysis of the Company's income is as follows:

	2020	2019
	HK\$	HK\$
Income		
Donation received	21,000	23,955

4. Surplus before Tax

The Company's surplus before tax is arrived at after charging:

	2020	2019
	HK\$	HK\$
Auditors' remuneration	8,000	8,000

5. Councillors' Remuneration

No councillors received any fees or emoluments in respect of their services rendered to the Company during the year (2019: Nil).

6. Income Tax Expense

No provision for Hong Kong profits tax has been made as the Company is a charitable institution that is exempted from tax under section 88 of the Inland Revenue Ordinance.

7. Related Party Transactions

In addition to the transactions detailed elsewhere in these financial statements, the Company had the following transactions with related parties during the year:

	Note	2020 HK\$	2019 HK\$
Other related parties:			
Donation received	(i)	<u>21,000</u>	<u>23,955</u>

(i) The donation received from other related parties was made according to the company's operating cost.

8. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of Councillors on May 24, 2021.