

**CHINA HONG KONG CULTURE EXCHANGE
ASSOCIATION LIMITED**
(Incorporated in Hong Kong)
(Limited by guarantee)
Reports and Financial Statements
Year ended July 31, 2019



23401842095

AC

15/01/2021

1497946

*Certified True
COPY*

Director

0017

CHINA HONG KONG CULTURE EXCHANGE ASSOCIATION LIMITED
REPORTS AND FINANCIAL STATEMENTS
YEAR ENDED JULY 31, 2019

C O N T E N T S

Pages

Independent Auditor's Report	1
Statement of Income and Expenditure and Accumulated Deficit	2 - 3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 7

0019
c t



T.K. LAM (C.P.A.) CO. LTD.

Certified Public Accountants

林得強會計師事務所有限公司

INDEPENDENT AUDITOR'S REPORT (CONT'D) 2.
TO THE MEMBERS OF CHINA HONG KONG CULTURE EXCHANGE ASSOCIATION LIMITED
(Registered in Hong Kong by guarantee without share capital)

Auditor's responsibilities for the audit of the financial statements (cont'd)

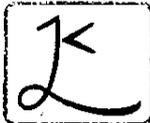
As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

T.K. LAM (CPA) Co. Ltd

Certified Public Accountants
Hong Kong
Lam Bernice Kay Mun
P. C. No. P06996
January 14, 2021



T.K. LAM (C.P.A.) CO. LTD.

Certified Public Accountants

林得強會計師事務所有限公司

INDEPENDENT AUDITOR'S REPORT 1.
TO THE MEMBERS OF CHINA HONG KONG CULTURE EXCHANGE ASSOCIATION LIMITED
(Registered in Hong Kong by guarantee without share capital)

Opinion

We have audited the financial statements of China Hong Kong Culture Exchange Association Limited ("the Company") set out on pages 3 to 7, which comprises the statement of financial position as at July 31, 2019, the statement of income and expenditure and accumulated deficit, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at July 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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 ("HKSAs") 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.

Responsibilities of directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors 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 directors 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 directors 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

It is our responsibility 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 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. 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 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.

...../P.2

CHINA HONG KONG CULTURE EXCHANGE ASSOCIATION LIMITED
YEAR ENDED JULY 31, 2019
STATEMENT OF INCOME AND EXPENDITURE AND ACCUMULATED DEFICIT

3.

	2019	2018
	HKS	HKS
INCOME		
Sponsorship	851,418	584,441
Reimbursement income	328,163	277,819
Service income	41,150	276,200
Subscription fee	118,824	165,759
Donation	10,000	8,200
Sundry income	535	-
	-----	-----
	1,350,090	1,312,419
ADMINISTRATIVE EXPENSES		
Activity costs	820,781	1,172,296
Audit fee	11,000	6,000
Bank charges	2,718	1,794
Depreciation	2,182	2,182
Electricity	3,042	3,372
Entertainment	10,429	2,500
Exchange loss	20	178
Insurance	4,353	4,989
Legal and professional fee	2,610	-
Mandatory provident fund	28,848	24,999
Printing and stationery	17,068	11,982
Postage	53	39
Rent, rates and building management fee	74,208	66,845
Salaries	696,952	594,133
Secretarial fee	-	6,500
Sundry	-	1,137
Telephone	7,188	7,483
Transportation	737	1,109
Travelling	-	9,943
Training and seminar cost	1,000	-
Website expenses	8,375	8,375
	-----	-----
	(1,691,564)	(1,925,856)
DEFICIT FOR THE YEAR	(341,474)	(612,987)
ACCUMULATED DEFICIT AT BEGINNING OF THE YEAR	(1,091,843)	(478,856)
	-----	-----
ACCUMULATED DEFICIT AT END OF THE YEAR	(1,433,317)	(1,091,843)
	=====	=====

The notes on pages 6 to 7 form part of the financial statements.

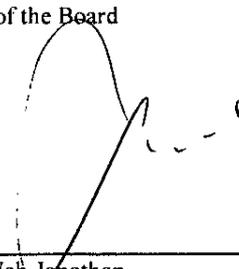
0020

CHINA HONG KONG CULTURE EXCHANGE ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION - JULY 31, 2019

4.

	Note	2019 HK\$	2018
NON-CURRENT ASSETS			
Equipment	3	2,180	4,362
CURRENT ASSETS			
Accounts receivable		280,811	240,007
Prepayment		34,845	43,439
Cash and bank balances		3,757	-
		319,413	283,446
CURRENT LIABILITIES			
Accounts and other payable and accrued charges		1,754,910	881,396
Receipt in advance		-	215,999
Bank overdraft		-	282,256
		1,754,910	1,379,651
NET CURRENT LIABILITIES		(1,435,497)	(1,096,205)
NET LIABILITIES		(1,433,317)	(1,091,843)
ACCUMULATED DEFICIT		(1,433,317)	(1,091,843)

Approved by the Board of Directors on January 14, 2021
 On behalf of the Board

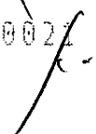


 Lai Ping Wah Jonathan
 Director



 Tse Ka Cheung
 Director

The notes on pages 6 to 7 form part of the financial statements.

002


CHINA HONG KONG CULTURE EXCHANGE ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS
YEAR ENDED JULY 31, 2019

5.

	2019	2018
	HK\$	HK\$
Operating activities		
Deficit for the year	(341,474)	(612,987)
Adjustment for: -		
Depreciation	2,182	2,182
	-----	-----
Operating deficit before changes in working capital	(339,292)	(610,805)
Increase in accounts receivable	(40,804)	(125,417)
Decrease in prepayment	8,594	58,814
Increase in accrued charges	873,514	311,878
(Decrease) / increase in receipt in advance	(215,999)	68,234
	-----	-----
Net cash from/(used in) operations		
and increase/(decrease) in cash and cash equivalents	286,013	(297,296)
Cash and cash equivalents at beginning of the year	(282,256)	15,040
	-----	-----
Cash and cash equivalents at end of the year	3,757	(282,256)
	=====	=====
Analysis of the balance of cash and cash equivalents		
Cash and bank balances	3,757	-
Bank overdraft	-	(282,256)
	=====	=====

The notes on pages 6 to 7 form part of the financial statements.

0022

1. ORGANISATION AND ACTIVITIES

The China Hong Kong Culture Exchange Association Limited is incorporated under the Hong Kong Companies Ordinance as a company limited by guarantee without share capital. Every member of the Organisation undertakes to contribute to the assets of the Organisation, in the event of its being wound up, such amount as may be required not exceeding the sum of one hundred dollars. The Organisation's registered office is located at Room 907, 9/F., Youth Square, 238 Chai Wan Road, Chai Wan, Hong Kong.

The company qualifies for the reporting exemption as a small private company under section 359(3)(a) of the Hong Kong Companies Ordinance. The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards for Private Entities issued by the Hong Kong Institute of Certified Public Accountants, and the requirements of the Hong Kong Companies Ordinance.

2. PRINCIPAL ACCOUNTING POLICIES

a) Plant and equipment

Plant and equipment are stated at cost less aggregate depreciation. Depreciation is calculated to write off their costs on a straight line basis over their expected useful lives to the company. The principal annual rate used for this is 20%.

b) Income recognition

Income is recognised when it is probable that the economic benefits will flow to the company and when the income can be measured reliably, on the following bases:-

- i) service income, when relevant services are rendered; and
- ii) reimbursement income, subscription fee, sponsorship and bank interest, as received.

c) Taxation

The Organisation is exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance.

d) 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 equipment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Any impairment loss is recognised in the statement of income and expenditure to reduce the asset to its recoverable amount. 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 assets in prior years.

e) Operating lease charges

Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating lease. Where the company has the use of assets under operating leases, payments made under the leases are charged to the statement of income and expenditure in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets.

0028 ✓

3. EQUIPMENT

	HK\$
COST	
Brought forward and carried forward	10,908
AGGREGATE DEPRECIATION	
Brought forward	6,546
Charge for the year	2,182
Carried forward	8,728
NET BOOK VALUE	
At July 31, 2019	2,180
At July 31, 2018	4,362

4. OPERATING LEASE ARRANGEMENTS

The company entered into a two years non-cancellable operating lease arrangement of its office with the landlord. At July 31, 2019 the total future minimum lease payments under this non-cancellable operating lease falling due are as follows:-

	2019 HK\$	2018 HK\$
Within one year	62,640	15,960
In the second to fifth year, inclusive	19,836	-
	82,476	15,960

0034