

**ASIA EDUCATION FOUNDATION LIMITED  
(LIMITED BY GUARANTEE)**

**REPORT OF THE COUNCILLORS**

**AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2020**

Certified as true and correct



\_\_\_\_\_  
Olivia Charlton Scott  
Director

10 NOV 2021

**YU SHUI WAI**

**CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)**

**HONG KONG**



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**ASIA EDUCATION FOUNDATION LIMITED  
(LIMITED BY GUARANTEE)  
REPORT OF THE COUNCILLORS**

The councillors have pleasure in submitting their annual report together with the audited financial statements of the Company for the year ended 31 December 2020.

**1. PRINCIPAL ACTIVITIES**

The principal activities of the Company are to provide funding, grant, scholarship, awards, prizes and/ or financial assistance to promote education for students in Asia.

**2. RESULTS**

Deficit for the year and carried forward (HK\$ 9,125)

The state of the Company's affairs as at 31 December 2020 is set out in the accompanying financial statements.

**3. COUNCILLORS**

The councillors during the year and up to the date of this report were:

Uther Edward Charlton-Stevens  
Olivia Emily Emma Charlton Scott  
Jeremy Charlton Scott

Two of the councillors who have been longest in the office retire from office in accordance with the Articles of the Association but being eligible, offer themselves for re-appointment.

**4. COUNCILLORS' INTEREST**

No contracts of significance, to which the Company was a party and in which a councillor 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.

**5. AUDITORS**

The auditors, Messrs Yu Shui Wai retire and, being eligible, offer themselves for re-appointment.

On behalf of the Council of Management



Chairman  
16 August 2021  
Hong Kong

**REPORT OF THE AUDITORS  
TO THE MEMBERS OF ASIA EDUCATION FOUNDATION LIMITED  
(incorporated in Hong Kong with limited by guarantee)****Report on the Financial Statements  
Opinion**

We have audited the financial statements of Asia Education Foundation Limited (the "Company") set out on pages 4 to 8, which comprise the statement of financial position as at 31 December 2020, the income and expenditure statement for the year then ended, the statement of changes in reserves 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 the 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 (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 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.

**Other Information**

The Councillors are responsible for the other information. The other information comprises the information included in the Councillors' 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 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 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. 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 purpose. 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.
- 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.



Yu Shui Wai  
Certified Public Accountants (Practising)

16 August 2021  
Hong Kong

**ASIA EDUCATION FOUNDATION LIMITED**  
**(LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

|                            | <u>Notes</u> | <u>2020</u><br>HK\$ | <u>2019</u><br>HK\$ |
|----------------------------|--------------|---------------------|---------------------|
| <b>CURRENT ASSETS</b>      |              |                     |                     |
| Accounts receivable        |              | -                   | -                   |
| Cash and bank balances     | 6            | 65,952              | 75,077              |
|                            |              | <u>65,952</u>       | <u>75,077</u>       |
| <b>CURRENT LIABILITIES</b> |              |                     |                     |
| Accrued expenses           |              | 5,000               | 5,000               |
| Account payables           |              | 45,661              | 45,661              |
|                            |              | <u>50,661</u>       | <u>50,661</u>       |
| <b>NET CURRENT ASSETS</b>  |              | <u>15,291</u>       | <u>24,416</u>       |
| <b>ACCUMULATED FUNDS</b>   |              |                     |                     |
| Accumulated surplus        |              | 24,416              | 29,209              |
| (Deficit) for the year     |              | (9,125)             | (4,793)             |
|                            |              | <u>15,291</u>       | <u>24,416</u>       |



Uther Edward Charlton-Stevens  
Councillor



Olivia Emily Emma Charlton  
Councillor

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

**ASIA EDUCATION FOUNDATION LIMITED**  
**(LIMITED BY GUARANTEE)**  
**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2020**

|                                           | <u>Notes</u> | <u>2020</u><br>HK\$ | <u>2019</u><br>HK\$ |
|-------------------------------------------|--------------|---------------------|---------------------|
| INCOME                                    | 3            | 1,000               | 309,985             |
| ADD: OTHER REVENUE                        |              |                     |                     |
| Bank interest income                      |              | <u>1</u>            | <u>77</u>           |
|                                           |              | 1,001               | 310,062             |
| LESS: OPERATING EXPENSES                  |              |                     |                     |
| Auditor's remuneration                    |              | 5,500               | 5,500               |
| Bank charges                              |              | 680                 | -                   |
| Donation                                  |              | 3,946               | 309,250             |
| Sundry expenses                           |              | <u>-</u>            | <u>105</u>          |
|                                           |              | 10,126              | 314,855             |
| (DEFICIT) FOR THE YEAR<br>BEFORE TAXATION |              | (9,125)             | (4,793)             |
| TAXATION                                  | 4            | <u>-</u>            | <u>-</u>            |
| (DEFICIT) FOR THE YEAR<br>AFTER TAXATION  |              | <u>(9,125)</u>      | <u>(4,793)</u>      |

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

**ASIA EDUCATION FOUNDATION LIMITED  
(LIMITED BY GUARANTEE)  
STATEMENT OF CHANGES IN RESERVES  
FOR THE YEAR ENDED  
31 DECEMBER 2020**

|                       | HK\$    |
|-----------------------|---------|
| Balance at 1.1.2019   | 29,209  |
| Deficit for the year  | (4,793) |
|                       | -----   |
| Balance at 31.12.2019 | 24,416  |
| Deficit for the year  | (9,125) |
|                       | -----   |
| Balance at 31.12.2020 | 15,291  |
|                       | =====   |

**ASIA EDUCATION FOUNDATION LIMITED  
(LIMITED BY GUARANTEE)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. GENERAL**

The Company was incorporated under the laws of Hong Kong on 1 August 2006 and is limited by guarantee of not exceeding HK\$100.00 for each member. The Company's registered office is 1201 Dominion Centre, 43-59 Queen's Road East, Hong Kong.

The principal activities of the Company are to provide funding, grant, scholarship, awards, prizes and/ or financial assistance to promote education for students in Asia.

The Company's financial statements are expressed in Hong Kong dollars because that is the currency of primary economic environment in which the Company operates.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Company qualifies for the reporting exemption under the Hong Kong Companies Ordinance (Cap.622) and is also entitled to prepare and present its financial statements in accordance with the Small and Medium-size Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants ("the HKICPA").

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

**(a) Basis of preparation**

These financial statements have been prepared in accordance with generally accepted accounting principles in Hong Kong and comply with the SME-FRS issued by the HKICPA. They have been prepared under the historical cost convention, the accrual basis of accounting and on the basis that the Company is a going concern.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

**(b) Income and revenue recognition**

Revenue is recognised when it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable.

**(c) Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand.

**(d) Financial liabilities**

The Company's financial liabilities include creditors and accrued charges and which are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest rate method.

**ASIA EDUCATION FOUNDATION LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Foreign currencies**

Foreign currency balances at the balance sheet date are translated into Hong Kong dollars at the approximate rates of exchange ruling at that date. Foreign currency transactions during the year were translated into Hong Kong dollars at the rates of exchange ruling at the dates of the transactions. All exchange differences are dealt with in the income and expenditure account.

**(f) Provisions and contingent liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

**3. INCOME**

Income for the year represents the donation income.

**4. TAXATION**

The Company is an approved charitable organization within the meaning of section 88, Chapter 112 of the Inland Revenue Ordinance and accordingly is exempted from all Hong Kong taxes.

**5. COUNCILLORS' REMUNERATION**

During the year ended 31 December 2020, no amounts have been paid in respect of Councillors' emoluments, Councillors' pension or for any compensation to Councillors in respect of loss of office.

**6. CASH AND CASH EQUIVALENTS**

|                          | <u>2020</u><br>HK\$ | <u>2019</u><br>HK\$ |
|--------------------------|---------------------|---------------------|
| Cash at bank and in hand | 65,952              | 75,077              |

**7. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Council of Management on 16 August 2021.