

**Hong Kong Financial Services Professionals Association Limited**  
**香港金融業協會有限公司**  
(Incorporated in Hong Kong and limited by guarantee)

**Reports and financial statements**

**For the period from 29 January 2010 (date of incorporation)**

**To 30 June 2011**

**SIMON Y. P. CHAN & CO.**

Certified Public Accountants

**陳以波會計師事務所**

HONG KONG



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**Hong Kong Financial Services Professionals Association Limited**  
**香港金融業協會有限公司**

**Reports and financial statements**  
**For the period ended 30 June 2011**

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(Expressed in Hong Kong dollars)

**Hong Kong Financial Services Professionals Association Limited**  
**香港金融業協會有限公司**

**Directors' report**

The directors present their first report and the audited financial statements for the period from 29 January 2010 (date of incorporation) to 30 June 2011.

**Principal objectives**

The principal objectives of the Company during the course of the period were to foster and promote the exchange of information and views on financial services industry, to collect and disseminate information pertaining to financial products and financial services industry, and to develop the technique of financial services. The Company commenced its operations on 29 January 2010.

**Results**

The results of the Company for the period ended 30 June 2011 and the state of the Company's affairs as at that date are set out in the financial statements on page 3 to 9.

**Directors**

The directors of the Company during the period and up to the date of this report are:

Mr. Lee Siu Kuen	(Nominated by founder members on incorporation)
Mr. Leung Siu Pang	(Nominated by founder members on incorporation and resigned on 31 May 2011)
Mr. Lee Shiu Ki	(Appointed on 1 June 2011)

**Directors' interest in contracts of significance**

No contract of significance in relation to the Company's operation to which the Company was a party and in which a member had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

**Other matters**

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

**Auditors**

Messrs. Simon Y. P. Chan & Co. retire and, being eligible, offer themselves for re-appointment. A resolution will be submitted to the annual general meeting to re-appoint Messrs. Simon Y. P. Chan & Co. as auditor of the Company.

On behalf of the Executive Committee



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Chairman  
Hong Kong, 30 April 2012

**Independent auditors' report to the executive committee of**

**Hong Kong Financial Services Professionals Association Limited** ("The Company")

香港金融業協會有限公司

(incorporated in Hong Kong by limited guarantee)

We have audited the financial statements of Hong Kong Financial Services Professionals Association Limited set out on pages 3 to 9, which comprise the statement of financial position as at 30 June 2011, and the income and expenditure account and statement of cash flows for the period from 29 January 2010 to 30 June 2011 then ended, and a summary of significant accounting policies and other explanatory information.

*Management's responsibility for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Hong Kong Financial Reporting Standards for Private Entities issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 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. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements give a true and fair view of the state of Company's affairs as at 30 June 2011, and of its result for the period then ended in accordance with Hong Kong Financial Reporting Standards for Private Entities and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

 Simon Y. P. Chan

Certified Public Accountants (Practising)  
Hong Kong, 30 April 2012

**Hong Kong Financial Services Professionals Association Limited**  
**香港金融業協會有限公司**

**Income and expenditure account**  
**For the period ended 30 June 2011**

	<u>Note</u>	HK\$
<b>Income</b>		
Programme fee received	2	989,360
Membership fee received	2	500
		<hr/> 989,860 <hr/>
<b>Expenditure</b>		
Accountancy fee		6,000
Audit fee		6,000
Bank charges and interest		1,705
Business registration fee		450
Electricity and water		5,760
Events and functions expenses		86,280
Lecturer fee		735,529
Printing and stationery		56,803
Rent and rates		67,500
Staff salaries and allowances		160,912
Sundry expenses		15,822
Telephone		8,820
Travelling		4,018
		<hr/> 1,155,599 <hr/>
<b>Deficit before tax</b>		( 165,739)
Income tax expense	3	-
<b>Deficit for the period</b>		<hr/> ( 165,739) <hr/>

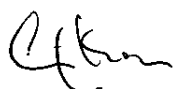
The notes on pages 6 to 9 form part of these financial statements.

**Hong Kong Financial Services Professionals Association Limited**  
**香港金融業協會有限公司**

**Statement of financial position at 30 June 2011**

	<u>Note</u>	HK\$
<b>Assets</b>		
<b>Current assets</b>		
Cash at bank		101,143
Accounts receivable		395,922
Utility deposits		21,500
		<u>518,565</u>
<b>Current liabilities</b>		
Amount due to a director	5	506,184
Accrued expenses		178,120
		<u>684,304</u>
<b>Net assets</b>		<u>( 165,739)</u>
Represented by:		
<b>Accumulated funds</b>		
Deficit for the period		<u>( 165,739)</u>

The financial statements on pages 3 to 9 were approved by the Executive Committee on 30 April 2012 and are signed on its behalf by:



Chairman



Director

The notes on pages 6 to 9 form part of these financial statements.

**Hong Kong Financial Services Professionals Association Limited**  
**香港金融業協會有限公司**

**Statement of cash flows**  
**For the period ended 30 June 2011**

	HK\$
<b>Cash flows from operating activities</b>	
Cash receipts in operations	593,938
Cash paid in operations	( 492,795)
	<hr/>
<b>Net cash generated in operating activities as increase in cash and cash equivalents</b>	<b>101,143</b>
	<hr/> <hr/>

The notes on pages 6 to 9 form part of these financial statements.

**Hong Kong Financial Services Professionals Association Limited**  
**香港金融業協會有限公司**

**Notes to the financial statements**  
**For the period ended 30 June 2011**

**1. General information**

Hong Kong Financial Services Professionals Association Limited was a company incorporated under the Hong Kong Companies Ordinance (Chapter 32) as a company limited by guarantee and not having a share capital on 29 January 2010 and domiciled in Hong Kong. The registered address of the Company is located at 6/F., Sino Cheer Plaza, No. 23 Jordan Road, Kowloon, Hong Kong.

Under the provisions of the Company's Memorandum and Articles of Association, every member shall, in the event of the Company being wound up, contribute such amount as may be required to meet the liabilities of the Company but not exceeding HK\$10 each. The Company has a member guarantee of HK\$20 as there are two members at the end of the reporting period.

The principal objectives of the Company are to foster and promote the exchange of information and views on financial services industry, to collect and disseminate information pertaining to financial products and financial services industry, and to develop the technique of financial services. The Company commenced its operations on 29 January 2010 under the name "Hong Kong Financial Services Professionals Association".

**2. Basis of preparation and accounting policies**

The financial statements have been prepared 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 and the requirements of the Hong Kong Companies Ordinance. The financial statements have been prepared on the historical cost basis.

The directors have confirmed that they will provide such financial assistance as is necessary to maintain the Company as a going concern. On the strength of this assurance, the financial statements have been prepared on a going concern basis.

The principal accounting policies are set out below:

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided.

Revenue is recognised in income or expenditure provided it is probable that the economic benefits will flow to the Company and when the revenue and costs, if applicable, can be measured reliably, as follows:

(i) Service income

Service income is recognised when services are provided.

(ii) Membership fee

The categories of membership be ordinary members and corporate members and the subscriptions payable by them be HK\$50 and HK\$100 per annum respectively.



## **2. Basis of preparation and accounting policies (continued)**

### **Revenue recognition (continued)**

#### **(iii) Interest income**

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### **Impairment of assets**

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### **Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### **As lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### **Taxation**

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. Taxable profit differs from profit as reported in the statement of income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

## **2. Basis of preparation and accounting policies (continued)**

### **Taxation (continued)**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

### **Receivables**

Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

### **Cash and cash equivalent**

Cash and cash equivalents includes cash on hand and in banks, demand deposits and short-term highly liquid investments in money market instruments, net of outstanding bank overdraft. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

## **3. Income tax expense**

No provision for Hong Kong profits tax has been made as the Company incurred a tax loss for the period.

The deferred tax assets has not been recognised by the Company during the period was due to accelerated tax losses. The reason for the unprovided as it is not certain that the unused tax losses will be utilised in the foreseeable future to offset future profit.

**4. Key management's remuneration**

During the period ended 30 June 2011, no amounts had been paid in respect of directors' emoluments, directors' or past directors' pensions or for any compensation to directors' or past directors' in respect of loss of office.

**5. Amount due to a director**

The amount due is unsecured, interest free and has no fixed term of repayment.

**6. Operating leases commitments**

Minimum lease payments paid under operating leases in respect of premises during the period are HK\$67,500.

At the end of the reporting period, the Company had commitments for minimum lease payments under non-cancellable operating leases in respect rented premises of HK\$149,500.