

PO LEUNG KUK

FINANCIAL STATEMENTS IN RESPECT OF
“STEP OUT YOUR BRIGHTEN FUTURE” LIFE PLANNING SCHEME

For the period from 1 September 2016 to 31 August 2018



Trilinear

中天泰正 會計師事務所



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Independent auditor's report

To the directors of Po Leung Kuk

In respect of "Step Out Your Brighten Future" Life Planning Scheme

Held for the period from 1 September 2016 to 31 August 2018

Opinion

We have audited the financial statements of "Step Out Your Brighten Future" Life Planning Scheme (the "Project"), which prepared by Po Leung Kuk ("PLK") set out on pages 4 to 7, which comprise the statement of financial position as at 31 August 2018, and the income and expenditure statement and statement of cash flows for period from 1 September 2016 to 31 August 2018 ("period"), 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 Project as at 31 August 2018, and of its financial performance and its cash flows for the period then ended accordance with the accounting policies set out in Note 1 to the financial statements.

Basic for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("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 Project 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.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. This report is intended for solely filing with the Home Affairs Bureau in order to comply with the Agreement signed between the Government of the Hong Kong Administrative Region and PLK ("the Agreement") in respect of the Project and for no other purpose. Our report is intended solely for PLK and Home Affairs Bureau and should not be distributed to or used by other parties. Our opinion is not modified in respect of this matter.

Responsibilities of Project's management for the Financial Statements

The Project's management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Note 1 to the financial statements, and for such internal control as the Project's management determines 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 Project's management is responsible for assessing the Project'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 Project's management either intend to liquidate the Project or to cease operations, or have no realistic alternative but to do so.

Those Project's management are responsible for overseeing the Project's financial reporting process.



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Independent auditor's report (continued)

To the directors of Po Leung Kuk

In respect of "Step Out Your Brighten Future" Life Planning Scheme

Held for the period from 1 September 2016 to 31 August 2018

Auditors' 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.

As part of an audit in accordance with HKSA's, 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 Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Project's management.
- Conclude on the appropriateness of the Project's management 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 Project'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 Project to cease to continue as a going concern.

We communicate with the Project's management 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.

Trilinear CPA & Co.

Certified Public Accountants

Hong Kong, 21 December 2018

Chan Chi Way

Practising Certificate Number: P06592

PO LEUNG KUK
IN RESPECT OF “STEP OUT YOUR BRIGHTEN FUTURE” LIFE PLANNING SCHEME

INCOME AND EXPENDITURE STATEMENT

For the period from 1 September 2016 to 31 August 2018

HK\$

Income

✓ Government grant	✓ 1,368,824.00
✓ Government grant receivable	✓ 132,813.23
	<u>✓ 1,501,637.23</u>

Expenditure

✓ Auditor's remuneration	✓ 9,500.00
✓ Group activities	✓ 387,501.84
✓ Insurance	✓ 933.12
✓ Printing and stationery	✓ 32,232.00
✓ Provident fund	✓ 52,316.67
✓ Staff salaries	✓ 1,017,653.60
✓ Sundry expenses	✓ 1,500.00
	<u>1,501,637.23</u>

Surplus for the period

-

The accompanying notes to the financial statements, including a summary of significant accounting policies from an integral part of, and should be read in conjunction with, these financial statements

PO LEUNG KUK
IN RESPECT OF "STEP OUT YOUR BRIGHTEN FUTURE" LIFE PLANNING SCHEME

STATEMENT OF FINANCIAL POSITION

As at 31 August 2018

	HK\$
CURRENT ASSETS	
Account receivable	<u>132,813.23</u>
CURRENT LIABILITIES	
Accrued charges	9,500.00
Amount due to PLK	<u>123,313.23</u>
	<u>132,813.23</u>
NET ASSETS	<u><u>-</u></u>
REPRESENTED BY:	
Accumulated surplus	<u><u>-</u></u>

Approved by the Board on 21 December 2018 and signed on its behalf.


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Acting Chief Executive Officer

The accompanying notes to the financial statements, including a summary of significant accounting policies from an integral part of, and should be read in conjunction with, these financial statements.

PO LEUNG KUK
IN RESPECT OF “STEP OUT YOUR BRIGHTEN FUTURE” LIFE PLANNING SCHEME

CASH FLOW STATEMENT

For the period from 1 September 2016 to 31 August 2018

	2018 HK\$
Operating activities	
Surplus for the period	-
Operating surplus before working capital changes	
Increase in account receivable	(132,813.23)
Increase in amount due to PLK	123,313.23
Increase in accrued charges	9,500.00
Net cash generated from operating activities	-
Net movement in cash and cash equivalents	-
Cash and cash equivalent at 1 September 2016	-
Cash and cash equivalent at 31 August 2018	-

The accompanying notes to the financial statements, including a summary of significant accounting policies from an integral part of, and should be read in conjunction with, these financial statements

PO LEUNG KUK
IN RESPECT OF “STEP OUT YOUR BRIGHTEN FUTURE” LIFE PLANNING SCHEME

NOTES TO FINANCIAL STATEMENTS

For the period from 1 September 2016 to 31 August 2018,

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The Project is not a separate legal entity and is not required to prepare statutory financial statements. These financial statements have been prepared solely for the purposes of filing with the Home Affairs Bureau in order to comply with the Agreement signed between the Government of the Hong Kong Administrative Region and Po Leung Kuk (“PLK”) in respect of “Step Out Your Brighten Future” Life Planning Scheme (the “Project”). These financial statements have been prepared from the records of the Project and reflect all transactions recorded locally by the Project.

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with Hong Kong Financial Reporting Standards (which also include Hong Kong Accounting Standards and Interpretations) issued by Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong.

The significant accounting policies of income is set as below:

Income recognition

A government grant is recognised when there is reasonable assurance that PLK will comply with the conditions attaching to it, and that the grant will be received.

Expenditure recognition

Expenditure items were recognised on accrual basis.

