

PIEAA

香港上市公司審核師協會有限公司
Hong Kong Association of Registered
Public Interest Entity Auditors Limited

ANNUAL REPORT 2023



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CHAIRMAN STATEMENT



It is with immense pride and pleasure that I am writing this first chairman statement for the Hong Kong Association of Registered Public Interest Entity Auditors Limited, or commonly known as PIEAA in the local community of accountants and auditors.

PIEAA was formed in April 2021 as a company limited by guarantee under the Hong Kong Companies Ordinance with the objective of establishing a common platform for practising auditors engaging in audit of Public Interest Entities ("PIE") to share common interests and relevant experiences arising from their work as PIE auditors. In the longer run we aim to develop PIEAA to be the recognized representative organization of PIE Auditors as a distinctive sector of the audit profession in Hong Kong, so as to advocating and promoting our interests, reputation and quality as PIE auditors in Hong Kong et large. We believe such representation and recognition is important to the continuing thriving of the Hong Kong capital market and Hong Kong as a recognized International Financial Centre. To that end we have identified amongst others the following goals to strive for:



Developing training seminars on relevant topics affecting PIE auditors such as changes in standards affecting PIE audits, changes in regulatory expectations and rules, provision of training courses designed to improve regulators' inspection etc.



Nominating candidates to stand in the election for the accounting sector of the Election Committee.



Functioning as an effective advocacy group representing PIE Auditors in public consultations and other public spaces.



Participating in the profession wide activities and events as PIE Auditors with the aim to promote and extend the influence of PIE Auditors as a special sector of audit profession.

With the foregoing goals and objectives, at the time of writing this despite our relatively short history the Association had attracted most of actively practising PIE auditors in Hong Kong to join us as members. Pursuant to the Association's Articles of Association, the first Council was duly elected to office, and it represents the main governance and decision-making body within our Association. Taking this opportunity, I would like to express my heartfelt thanks to my council members who worked diligently and selflessly throughout since formation, and without which we cannot possibly achieve and reach the stage that we have. I like to recognize them by name in alphabetical order as follows:

Vice-chairmen:	Roy WK Lo – Shinewing (HK) CPA Limited Honson To - KPMG
Permanent council members:	Edward CH Au – Deloitte Touche Tohmatsu Jack H Chan – Ernst & Young Charles SK Chow – PricewaterhouseCoopers
Council members:	Charles WD Chan – Crowe (HK) CPA Limited Mabel MB Chan – Grant Thornton Hong Kong Limited Eugene Liu – RSM Hong Kong Helen HL Tang – Moore CPA Limited Jimmy NS Yip – Mazars CPA Limited

I would also like to set out below a summary of our major achievements and activities since our formation. PIEAA nominated 15 candidates to stand in the accounting sector of the Election Committee election held in June 2021 and had successfully returned all our 15 nominated candidates to the Election Committee. The Association also participated in various Mainland – Hong Kong cross jurisdictional accountants' collaboration and business promotion events and seminars held at Beijing and other cities located at the Greater Bay Area, building up much closer ties between PIEAA and mainland accountant organizations such as CICPA and Guangdong Institute of CPAs. PIEAA also managed to set up various meetings with AFRC in discussing regulatory and audit quality matters, effectively acting as a bridge between PIE auditors and the relevant regulators. We also organized themed sessions for our members in sharing their experience on topics relevant to PIE audit such as AFRC quality inspections, preparation for implementation of HKSQM1 and challenges brought by talent shortages. We submitted views to all public consultations issued by AFRC since their formation. Since our formation we have been actively organizing and co-sponsoring various events and activities with other leading accountants' associations in strengthening unity and networking of accountants in Hong Kong. Lastly but not least we also carried out an industry-wide human resources survey which produced ample insights on important issues that are affecting the attractiveness of our profession to young talents in the long run. In view of the above I am sure you all agree with me that PIEAA has been very active in representing PIE Auditors sector in the public domain.

I am indeed very honored to be the founding Chairman of PIEAA, and my outlook of the Association has been nothing but optimistic and confident. Never in Hong Kong history we had a professional accountants association solely represents the interest of PIE Auditors sector and we are the first of its kind. At present we have a member base of 44 firms out of the 87 registered PIE auditors in Hong Kong. Among our members we audit 91 percent of public issuers in Hong Kong. We are truly the undisputed representation of PIE Auditors in Hong Kong, and we have every intention to stay that way based not only by our numbers but the merits we amass over time.



Clement Chan
Chairman of PIEAA

SUMMARY OF EVENTS AND ACTIVITIES SINCE INCORPORATION

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8 SEPTEMBER 2021

The signing ceremony of the Guangdong-Hong Kong-Macau Certified Public Accountants Alliance, organized by the Guangdong Institute of CPAs, Union of Association of Professional Accountants of Macau and our Association to continue the mission of enhancing cooperation between CPA practices in Guangdong province, Macau and Hong Kong ("GMH").



13 SEPTEMBER 2021

Following up the signing ceremony for Guangdong-Hong Kong-Macau Certified Public Accountants Alliance, relevant seminar was arranged to support and implement the 14th Five-Year Plan for economic and social development.



Celebration Event for the 72th Anniversary of the People's Republic of China.



20 NOVEMBER 2021

PIEAA was one of the hosting organization for CPD Carnival which covers a range of topical issues which are affecting the accounting profession including the auditors regulatory reforms, the new auditing standards, the new financial reporting standards and the imminent ISQM standard.

聯合主辦機構:      

支持機構:              

嘉賓嘉賓 Roy Leung

嘉賓嘉賓 Andrew Yung

嘉賓嘉賓 Calvin Tse

嘉賓嘉賓 Stephen Lee

嘉賓嘉賓 Teddy Liu

嘉賓嘉賓 Jasmine Lee

嘉賓嘉賓 Edward Au

改革 · 發展 · 賦能

INNOVATION · DEVELOPMENT · EMPOWER

2021年度會計師持續專業進修CPD 嘉年華

	分掌內容	主講嘉賓
①	會計規管改革及《2021年財務匯報局（修訂）條例草案》解讀	陳浩志 Joseph Chan
②	香港會計準則的更新	林智強 Nelson Lam
③	財務報告準則的最新發展	梁榮祺 Roy Leung
④	會計 x 數科技: 從合併視角商業應用	梁錦輝 Andrew Yung
⑤	會計師組合: 會計師的職業發展路徑 (無體工交流)	林潔瑩 Dr. George Lam 鄧海鴻 Calvin Tse 唐達德 Teddy Liu
⑥	控制與稅: 和光同塵——有效監管與良性競爭	吳天祐 Dr. Kelvin Wong
⑦	中國內地及香港資本市場最新發展	歐智傑 Edward Au
⑧	財務報告發展機、風地與應對	黃卓豪 Stephen Lee
⑨	香港國際金融中心: 洞悉未來的商機與挑戰	李奕芝 Jasmine Lee

掃描二維碼即可報名 【日期及時間】 11月20日9:30 - 18:30
線上線下同步舉行






嘉賓嘉賓 Roy Leung

嘉賓嘉賓 Andrew Yung

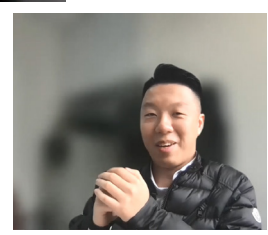
嘉賓嘉賓 Calvin Tse

嘉賓嘉賓 Stephen Lee



24 NOVEMBER 2021

Provide virtual platform to support the HKICPA Council Election in December.

**2 DECEMBER 2021**

Forum jointly organized with AHKAA for all candidates standing for Election Committee sector and accounting sector to meet with all the Accounting Sector Election Committee members.

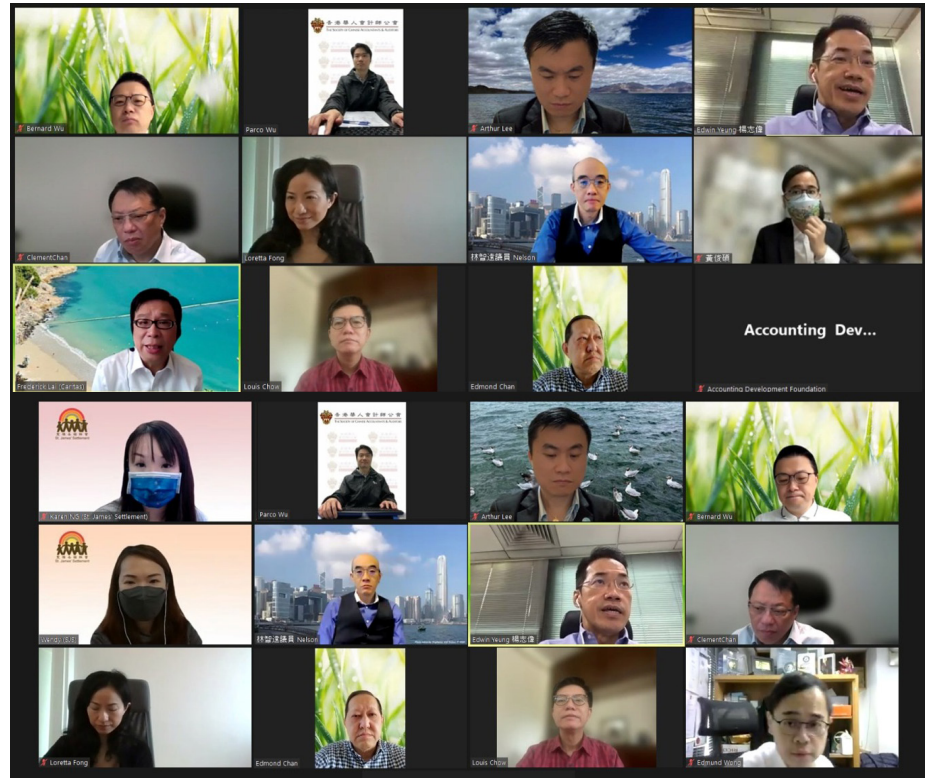
**9 DECEMBER 2021**

Forum for 4 Accounting Sector Candidates to present their election manifesto at BDO Office.



MARCH 2022

Supported a fund raising exercise in helping the underprivileged and needed sectors to combat the COVID-19 disruption.



12 APRIL 2022

Webinar jointly organized with AFRC on Further Reform of the Accounting Profession.

FORUM ON FURTHER REFORM OF THE ACCOUNTING PROFESSION

12 April 2022

ABOUT THIS FORUM

Further reform of the accounting profession is expected to commence in the 4th quarter of this year. Upon commencement, the Financial Reporting Council (FRC) will enhance its role as the independent regulator for the accounting profession in Hong Kong and its name will be changed to Accounting and Financial Reporting Council (AFRC).

On 9 March 2022, the FRC launched an Engagement and Consultation Paper on further reform of the accounting profession ([the Paper](#)). The Paper provides explanation of its regulatory principles and approaches and aims to facilitate stakeholders to understand its rationale and solicit their views on how to ensure its proposed policies meet the expectations of the public through an effective disciplinary regime. The FRC invites interested parties and the public to share their views on or before 4 May.

To provide members with an in-depth understanding of the Paper, the Hong Kong Association of Registered Public Interest Entity Auditors Limited (PIEAA) will organize a virtual live seminar on 12 April 2022.

Date: Tuesday, 12 April 2022
Time: 18:30 - 20:30
Venue: via Microsoft Teams
Language: English
Fee: Free of Charge

Highlights of the Forum:

- ▶ Registration of practice units and public interest entity (PIE) auditors
- ▶ Issuance of practicing certificates to certified public accountants (CPAs)
- ▶ Inspection of practice units
- ▶ Investigation of professional persons (i.e. CPAs and practice units)
- ▶ Discipline of professional persons

Remarks:

- ▶ Dr Kelvin WONG, SBS, JP, Chairman, FRC
- ▶ Mr Marek GRABOWSKI, CEO, FRC
- ▶ Mr Clement CHAN, MH, JP, Chairman of PIEAA

Speakers:

- ▶ Ms Hester LEUNG, Head of Discipline of FRC
- ▶ Ms Eva LAU, Acting Head of Inspection of FRC
- ▶ Ms Winney LAM, Head of Investigation and Compliance of FRC
- ▶ Mr Ambrose WONG, Acting Head of Oversight, Policy and Governance of FRC

4 JULY 2022

Philharmonic Concert for celebrating 25th Anniversary of the establishment of the HKSAR.



21 JULY 2022

Inauguration Ceremony for GDICPA Training Programme for CPAs Cross-Border (Jul22-Dec23). PIEAA participated in a presentation about the future opportunities and challenges faced by accountants in GBA.



15 AUGUST 2022

Virtual Live Seminar jointly organized with AFRC on 2021 Annual Inspection Report.

FORUM ON FINANCIAL REPORTING COUNCIL
2021 ANNUAL INSPECTION REPORT
 15 August 2022

ABOUT THIS FORUM

On 23 June 2022, the Financial Reporting Council (FRC) issued its 2021 Annual Inspection Report which presents the full year results of its 2021 inspections. The report summarises principal inspection findings for 2021 and their root causes, and highlights characteristics of high quality audits which auditors can learn to improve their practices. The report also reminds preparers and audit committees about their roles and responsibilities in financial reporting and upholding of audit quality.

To provide members with an in-depth understanding of the Inspection Report, the Hong Kong Association of Registered Public Interest Entity Auditors Limited (PIEAA) will organize a virtual live seminar on 15 August 2022.

OBA session will be included during the webinar providing opportunities for participants to explore the topics in more detail and ask questions.

ABOUT THE SPEAKER

Ms Eva Lau is the Acting Head of Inspection of the Financial Reporting Council. She is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, and a non-practising member of the Chinese Institute of Certified Public Accountants. She has over 20 years of experience in auditing and financial reporting. Prior to joining the Financial Reporting Council in 2019, she was an audit partner of an international accounting firm.

Date: Monday, 15 August 2022
Time: 17:00 - 18:00
Venue: via Microsoft Teams
Language: Cantonese
Fee: Free of Charge

Highlights of the Forum:

- Major findings identified in the FRC's 2021 inspections
- Common causes of the identified audit deficiencies
- Factors contributing to high quality audits and good practices
- FRC's expectation of auditors, directors and audit committee in response to its market wide findings

Remarks:

- Mr Clement CHAN, MR, JP, Chairman of PIEAA

Speakers:

- Ms Eva LAU, Acting Head of Inspection of FRC
- Inspection Team Members

9 SEPTEMBER 2022

HKSQM1 Online Panel Discussion (supported by SCAA).



You are cordially invited to PIEAA's HKSQM1 Online Panel Discussion

Hong Kong Standard on Quality Management (HKSQM) 1 will be effective as of 15 December 2022. The HKSQM 1 represents a significant change for the profession and it requires a more robust and proactive quality management system and increased effort by firms.

In this webinar, a panel of speakers will share their insight and experience on the implementation of the HKSQM 1. You are welcome to suggest any topics that you would like our panel to cover and raise questions regarding HKSQM 1 in advance.

Interested parties, please [Click Here](#) to register and submit any suggested topics by 19 August 2022. Webinar joining link will be sent to you after your registration is confirmed.

9 September 2022
(Friday)

PIEAA
HKSQM1
Panel Discussion

23 SEPTEMBER 2022

Celebration Event for the 73rd Anniversary of the People's Republic of China.



26 SEPTEMBER 2022

Webinar jointly organized with AFRC on AFRC Requirements and Procedures for PIE Auditor Registration.

WEBINAR ON AFRC REQUIREMENTS AND PROCEDURES FOR PIE AUDITOR REGISTRATION

26 September 2022

ABOUT THIS WEBINAR

Under the further reform of the regulatory regime of the accounting profession, on 1 October 2022 the Financial Reporting Council ("FRC") (which will be renamed as the Accounting and Financial Reporting Council ("AFRC")) will assume the responsibilities for the following registration functions:

- Registration of PIE auditors
- Issuance of practicing certificates to certified public accountants
- Registration of firms
- Registration of corporate practices

To help Registered PIE auditors understand better the AFRC's requirements and procedures for registration as PIE auditors and practice units and in particular, the upcoming annual renewal, the Hong Kong Association of Registered Public Interest Entity Auditors Limited ("PIEAA") will organize a webinar on 26 September 2022 with speakers from the FRC.

Date: Monday, 26 September 2022
Time: 17:00 - 18:00
Venue: via Microsoft Teams
Language: English
Fee: Free of Charge

Highlights of the Webinar:

- Update on the registration of PIE auditors under AFRC regime
- Procedures for the 2023 renewal of PIE auditor registration
- Practising certificate issuance, firm and corporate practice registration

Remarks:

- Mr Clement CHAN, MH, JP, Chairman of PIEAA

Speakers:

- Ms Mary LEUNG, Head of Oversight, Policy and Governance of FRC
- Ms Tracy WONG, Deputy Head of Oversight, Policy and Governance of FRC

29 DECEMBER 2022

An informal gathering for members and non-members to exchange ideas and know more about PIEAA with the attendance of Kelvin Wong and Mary Leung (AFRC), Bonnie Chan (HKEX) and Sam Hui (FSTB).



11 JUNE 2023

Philharmonic Concert celebrating 26th Anniversary of the establishment of the HKSAR.

19 JULY 2023

HR Survey Press Conference.



22 SEPTEMBER 2023

Celebration Event for the 74th Anniversary of the People's Republic of China.



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AUDITED FINANCIAL STATEMENTS

REPORT OF THE COUNCIL MEMBERS

The council members present their report and the audited financial statements for the year ended 31st March, 2023.

REPORTING EXEMPTION

The association falls within the reporting exemption for the period and is exempt from certain disclosure requirements of the Hong Kong Companies Ordinance relating to the report of the council members including preparation of a business review.

PRINCIPAL ACTIVITIES

The principal activities of the association are as follows:

- a. To serve the business community and public interest entities in Hong Kong.
- b. To contribute to the sustainable development of Hong Kong as a leading international business and financial centre.
- c. To strengthen the cooperation and exchange between Hong Kong and The People's Republic of China.
- d. To reflect and protect the mutual and professional interests of the members of the association.
- e. To represent its members and create a formidable voice on matters of common concern and interest.
- f. To encourage and promote the best professional practices.
- g. To upkeep the image and standing of the Registered Public Interest Entity Auditors and the accountancy profession at large.
- h. To provide a channel of communication and a common platform for its members to foster cooperation and collaboration among themselves.
- i. To provide related services to its members.
- j. To promote interest in future development potential for young talent.

FINANCIAL STATEMENTS

The deficit of the association for the year ended 31st March, 2023 and the association's financial position at that date are set out in the attached financial statements.

REPORT OF THE COUNCIL MEMBERS

(CONT'D)

COUNCIL MEMBERS

The following were council members of the association during the year and up to the date of this report:

Permanent Council Members

Chan Clement Kam Wing (Chairman)

(Alternate: Kong Chi How, Johnson)

Lo Wa Kei Roy (Vice-Chairman)

To Honson (Vice-Chairman)

(Alternate: Cheung Wing Han and Leung Sze Kit)

Au Chun Hing

(Alternate: Yeung Yu Man appointed on 29th December, 2022 and resigned on 24th August, 2023, Keung To Wai David appointed on 29th December, 2022 and resigned on 24th August, 2023 and Lee Po Chi appointed on 24th August, 2023)

Chan Hoi Jack

(Alternate: Chan Sui Kuen Agnes resigned on 18th August, 2022, Law Fu Yuen and Lee Shun Yi, Jasmine appointed on 18th August, 2022)

Chow Sai Keung

Elected Council Members

Chan Mei Bo, Mabel

Chan Wai Dune

Liu Eugene (Alternate: Wong Tak Man Stephen)

Tang Hoi Lin, Helen

Yip Ngai Shing

In accordance with the articles of association of the association, all permanent council members hold office for life. The elected council members, shall retire at the second annual general meeting and, being eligible, offer themselves for re-election.

PERMITTED INDEMNITY PROVISION

In accordance with the articles of association of the association, a council member of the association may be indemnified out of the association's assets against any liability incurred by the council member to a person other than the association or an associated company of the association in connection with any negligence, default breach of duty or breach of trust in relation to the association or associated company provided that the indemnity does not cover the prohibitions specified in section 469 of the Hong Kong Companies Ordinance. This indemnity provision is in force during the financial year and at the time of approval of this report.

AUDITORS

The auditors, Messrs. Poon & Co. retire and, being eligible, offer themselves for re-appointment.

On behalf of the board



Chan Clement Kam Wing
Chairman

HONG KONG, 19th October, 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HONG KONG ASSOCIATION OF REGISTERED PUBLIC INTEREST ENTITY AUDITORS LIMITED (INCORPORATED IN HONG KONG WITH LIMITED LIABILITY BY GUARANTEE)

Hoon & Co.

**CERTIFIED PUBLIC ACCOUNTANTS
CHARTERED SECRETARIES**

6th Floor, Dominion Centre
43-59 Queens' Road East
Hong Kong

TO THE MEMBERS OF
HONG KONG ASSOCIATION OF REGISTERED PUBLIC INTEREST ENTITY AUDITORS LIMITED
(Incorporated in Hong Kong with limited liability by guarantee)

OPINION

We have audited the financial statements of Hong Kong Association Of Registered Public Interest Entity Auditors Limited ("the association") set out on pages 19 to 39, which comprise the statement of financial position as at 31st March, 2023, and the statement of surplus or deficit, the statement of surplus or deficit and other comprehensive income, statement of changes in fund and 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 association as at 31st March, 2023, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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 association 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 council members are responsible for the other information. The other information comprises the information included in the report of the council members, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HONG KONG ASSOCIATION OF REGISTERED PUBLIC INTEREST ENTITY AUDITORS LIMITED (INCORPORATED IN HONG KONG WITH LIMITED LIABILITY BY GUARANTEE) (CONT'D)

OTHER INFORMATION (CONT'D)

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 COUNCIL MEMBERS AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The council members are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the council members 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 council members are responsible for assessing the association'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 council members either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association'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 responsibilities 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 HKSAAs 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 HKSAAs, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HONG KONG ASSOCIATION OF REGISTERED PUBLIC INTEREST ENTITY AUDITORS LIMITED (INCORPORATED IN HONG KONG WITH LIMITED LIABILITY BY GUARANTEE) (CONT'D)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council members.
- Conclude on the appropriateness of the council members' 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 association'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 association 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.



Poon & Co.
Certified Public Accountants

HONG KONG, 19th October, 2023

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH, 2023

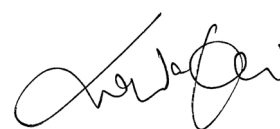
	Note	2023 (HK\$)	2022 (HK\$)
ASSETS			
NON-CURRENT ASSETS			
Equipment	3	920.00	-
CURRENT ASSETS			
Accounts receivable		190,367.10	156,960.23
Prepayments		63,784.87	7,321.70
Cash at bank		614,678.13	577,577.02
		868,830.10	741,858.95
LESS: CURRENT LIABILITIES			
Contract liabilities	4	410,000.00	-
Accrued expenses		213,962.50	4,123.02
Amount due to permanent founding member	5	33,155.85	66,956.45
Provisions	6	31,818.60	23,254.79
Provision for taxation		50,034.00	60,034.00
		738,970.95	154,368.26
NET CURRENT ASSETS		129,859.15	587,490.69
NET ASSETS		130,779.15	587,490.69
MEMBERS' FUND			
ACCUMULATED SURPLUS		130,779.15	587,490.69

The accompanying notes form an integral part of these financial statements.

These financial statements were approved and authorised for issue by the board of council members on 19th October, 2023 and were signed on its behalf.



Chan Clement Kam Wing
Chairman



Lo Wa Kei Roy
Vice-Chairman

STATEMENT OF SURPLUS OR DEFICIT

AS AT 31ST MARCH, 2023

	Note	1/4/2022 - 31/3/2023 (HK\$)	14/4/2021 - 31/3/2022 (HK\$)
REVENUE			
Membership fee income	8	364,175.00	370,000.00
Sponsorship income	8	309,600.00	370,000.00
Registration fee income from webinar	8	8,100.00	-
Subscription fee income	8	-	730,000.00
		681,875.00	1,470,000.00
OTHER REVENUE			
Interest income		596.70	0.94
OTHER GAIN/(LOSS)			
Share of surplus from Accounting Sector's National Day's Celebration		30,267.10	46,960.23
Share of expenses for Summit cum ceremony		(28,100.00)	-
		2,167.10	46,960.23
		684,638.80	1,516,961.17
LESS: EXPENDITURE			
Service fee		400,000.00	304,910.50
Sponsorship expenses		161,500.00	54,000.00
Salaries and allowances		376,063.81	174,521.73
Professional fees		3,450.00	120,167.00
Company secretarial fees		100,000.00	96,438.35
Donation		-	50,000.00
Accountancy fees		30,000.00	27,500.00
Audit fee		15,000.00	15,000.00
Contributions to mandatory provident fund		18,000.00	6,800.00
Meeting expenses		11,935.00	-
Insurance		9,367.01	4,999.25
Computer expenses		7,720.19	3,825.95
Printing and stationery		3,829.32	3,322.60
Bank charges		869.00	1,600.00
Depreciation		230.00	-
Sundry expenses		13,386.01	6,351.10
		1,151,350.34	869,436.48
(DEFICIT)/SURPLUS BEFORE TAXATION		(466,711.54)	647,524.69
LESS: TAXATION	10	(10,000.00)	60,034.00
(DEFICIT)/SURPLUS FOR THE YEAR/PERIOD		(456,711.54)	587,490.69

STATEMENT OF SURPLUS OR DEFICIT AND COMPREHENSIVE INCOME

AS AT 31ST MARCH, 2023

	1/4/2022 - 31/3/2023 (HK\$)	14/4/2021 - 31/3/2022 (HK\$)
<i>(DEFICIT)/SURPLUS FOR THE YEAR/PERIOD</i>	(456,711.54)	587,490.69
<i>OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX</i>	-	-
<i>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD</i>	(456,711.54)	587,490.69

STATEMENT OF CHANGES IN MEMBERS' FUND

AS AT 31ST MARCH, 2023

	<i>Accumulated surplus (HK\$)</i>
At 14th April, 2021	-
Surplus/total comprehensive income for the period	587,490.69
At 31st March, 2022	587,490.69
Deficit/total comprehensive loss for the year	(456,711.54)
At 31st March, 2023	130,779.15

STATEMENT OF CASH FLOWS

AS AT 31ST MARCH, 2023

	1/4/2022 - 31/3/2023 (HK\$)	14/4/2021 - 31/3/2022 (HK\$)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/surplus before taxation	(466,711.54)	647,524.69
Adjustments for:		
Depreciation	230.00	-
Interest income	(596.70)	(0.94)
Operating (deficit)/surplus before working capital changes	(467,078.24)	647,523.75
Increase in accounts receivable	(33,406.87)	(156,960.23)
Increase in prepayments	(56,463.17)	(7,321.70)
(Decrease)/increase in amount due to permanent founding member	(33,800.60)	66,956.45
Increase in contract liabilities	410,000.00	-
Increase in accrued expenses	209,839.48	4,123.02
Increase in provisions	8,563.81	23,254.79
NET CASH FROM OPERATING ACTIVITIES	37,654.41	577,576.08
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire equipment	(1,150.00)	-
Interest received	596.70	0.94
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(553.30)	0.94
NET INCREASE IN CASH AND CASH EQUIVALENTS	37,101.11	577,577.02
CASH AND CASH EQUIVALENTS AT 1ST/14TH APRIL	577,577.02	-
CASH AND CASH EQUIVALENTS AT 31ST MARCH	614,678.13	577,577.02

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The association is a company limited by guarantee, not having a share capital, domiciled and incorporated in Hong Kong. The liability of each of its members is limited to HK\$100.00. Its registered office is located at 25th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.

The principal activities of the association are as follows:

- a. To serve the business community and public interest entities in Hong Kong.
- b. To contribute to the sustainable development of Hong Kong as a leading international business and financial centre.
- c. To strengthen the cooperation and exchange between Hong Kong and The People's Republic of China.
- d. To reflect and protect the mutual and professional interests of the members of the association.
- e. To represent its members and create a formidable voice on matters of common concern and interest.
- f. To encourage and promote the best professional practices.
- g. To upkeep the image and standing of the Registered Public Interest Entity Auditors and the accountancy profession at large.
- h. To provide a channel of communication and a common platform for its members to foster cooperation and collaboration among themselves.
- i. To provide related services to its members.
- j. To promote interest in future development potential for young talent.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), the collective term which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and accounting principles generally accepted in Hong Kong.

The financial statements comply with the applicable requirements of the Hong Kong Companies Ordinance which concern the preparation of financial statements.

The financial statements have been prepared under the historical cost convention.

The association has not early adopted any of the new standards or interpretations that have been issued but are not yet effective. The council members anticipate that the adoption of such standards or interpretations will not have a material impact on the association's financial statements based on their initial assessment.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b. Equipment

Equipment is shown at cost less accumulated depreciation and accumulated impairment loss.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of surplus or deficit during the year in which they are incurred.

c. Depreciation

Depreciation is calculated on a straight line basis 20% per annum to write off the cost of equipment less accumulated impairment loss over the estimated useful lives.

d. Contract balances

A contract asset is the association's right to consideration in exchange for goods or services that the association has transferred to a customer in excess of the received consideration (or an amount of consideration due) from the customer.

A receivable is transferred from a contract asset when the association's rights to consideration are unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

A contract liability is the association's obligation to transfer goods or services to a customer in excess of what the association has received consideration (or an amount of consideration is due) from the customer.

e. Financial instruments

Financial assets and financial liabilities are recognised when an association becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

On initial recognition, financial assets and financial liabilities are classified in the following measurement categories. The classification depends on the association's business model for managing the financial assets and the contractual cash flow characteristics.

Financial assets at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets (including accounts receivable and cash at bank) that meet the above conditions are subsequently measured at amortised cost using the effective interest method less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

Financial liabilities at amortised cost

Financial liabilities (including accrued expenses and amount due to permanent founding member) that meet the above conditions are subsequently measured at amortised cost using the effective interest method.

Recognition and derecognition

Financial assets at amortised cost arise when the association provides money, goods or services directly to a debtor.

Financial liabilities are incurred if the association has a contractual obligation to settle when it receives money, goods or services directly from a creditor.

Financial assets are derecognised when the rights to receive cash flows from the assets expire or the financial assets are transferred and the association has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of surplus or deficit.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of surplus or deficit.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the association or the counterparty.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

f. Impairment

Impairment of financial assets

The association recognises loss allowances for expected credit losses ("ECL") on financial assets at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The association always recognises lifetime ECL for accounts receivable under the simplified approach as permitted by HKFRS 9. The expected credit losses on these financial assets are estimated using a provision matrix based on the association's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting dates, including time value of money where appropriate.

For other financial assets at amortised cost, the association recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition under the general approach. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the association measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Expected credit loss is estimated as the difference between all contractual cash flows that are due to the association in accordance with the contract and all the cash flows that the association expects to receive, discounted at the original effective rate.

The association assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default,
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

f. Impairment (Cont'd)

Impairment of financial assets (Cont'd)

The association considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" or an internal rating of "performing" that is consistent with the globally understood definition of low credit risk. Performing means that the counterparty has a strong financial position and there is no past due amount.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the association compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the association considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant unfavourable changes in operating results of the debtor that result in a significant change to the debtor's ability to meet its obligations;
- actual or expected significant adverse changes in regulatory, economic or technological environment that result in a significant change to the debtor's ability to meet its obligations;
- significant unfavourable changes in external market indicators of credit risk for the particular financial instrument or similar financial instrument with the same expected life;
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the expected performance and behaviour of the debtors, including changes in the payment statuses and patterns; and
- financial asset is more than 30 days past due unless the association has reasonable and supportable information to demonstrate that such past due information does not represent a significant increase in credit risk.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

f. Impairment (Cont'd)

Impairment of financial assets (Cont'd)

The association considers the following to constitute a default event for internal credit risk management purposes:

- breaches of financial covenants by the debtor;
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors including the association (without taking into account any collateral held by the association); or
- financial asset is more than 90 days past due unless the association has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The association is mindful that the combined effect of several of the above events instead of a single discrete event can cause financial assets to become credit-impaired.

Loss allowances for financial assets are deducted from the gross carrying amounts of the assets. Changes in the loss allowances are recognised in surplus or deficit. Financial assets are written off against the loss allowances when the association has no reasonable expectations of recovering them.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

f. Impairment (Cont'd)

Impairment of financial assets (Cont'd)

If the amount of expected credit losses decreases in a subsequent period, the reversal would be adjusted to the loss allowances at the reporting date. The amount of reversal is recognised in surplus or deficit.

Subsequent recovery of a financial asset that was previously written off is recognised as a reversal of impairment in surplus or deficit in the period in which the recovery occurs.

Impairment of other assets

At the end of each reporting period, the association reviews the carrying amount of its equipment to determine whether there is any indication that these assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying 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 as income immediately.

g. Provisions

Provisions are recognised when the association has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

h. Taxation

Income tax comprises current and deferred tax.

Current tax is based on taxable profit for the reporting period, using tax rate that has been enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous reporting periods.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are generally recognised for all taxable temporary differences, while deferred tax assets are recognised for all deductible temporary differences and the carry-forward unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences and unused tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

h. Taxation (Cont'd)

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

Deferred tax is calculated at the tax rate that is expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the statement of surplus or deficit, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which the temporary differences are expected to reverse.

i. Revenue recognition

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The association recognises revenue when it transfers control of a product or service to a customer.

The 5-step approach of revenue recognition includes:

- i. identify the contract with customer;
- ii. identify separate performance obligations in a contract;
- iii. determine the transaction price;
- iv. allocate the transaction price to the performance obligations; and
- v. recognise revenue when a performance obligation is satisfied.

The following is a description of the principal activities which the association generates its revenue.

Subscription fee income is recognised at the time when a member first becomes a member of the association.

Membership fee income is recognised over the annual subscription period.

Sponsorships not designated for any specific purposes and used at the discretion of the association are recognised as revenue when the right to receive payment is established. Sponsorships designated for specific purposes are recognised as revenue on systematic bases in the same periods to match with the related expenses which they are intended to compensate.

Registration fee income from webinar is recognised over time as the webinar is conducted.

Revenue from other sources

Interest income is recognised on a time-proportion basis.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

j. Employee benefits

Employee entitlements to annual leave and long service payment are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service payment as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

In accordance with a defined contribution mandatory provident fund retirement benefits scheme ("the MPF scheme") established under the Mandatory Provident Fund Schemes Ordinance, both the association and staff are required to contribute 5% of the employees' relevant income (capped at HK\$3,000.00 per month). Contributions from the employer are 100% vested in the employees as soon as they are paid to the relevant MPF scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the retirement age of 65 subject to certain exceptions. Staff may elect to contribute more than the minimum as a voluntary contribution.

Contributions for the above scheme are charged to the statement of surplus or deficit as they become payable in accordance with the rules of the schemes. The assets of the schemes are held separately from those of the association in independently administered funds.

k. Related parties

A related party is a person or entity that is related to the association.

I. A person or a close member of that person's family is related to the association if that person:

- i. has control or joint control over the association;
- ii. has significant influence over the association; or
- iii. is a member of the key management personnel of the association or of a parent of the association.

II. An entity is related to the association if any of the following conditions applies:

- i. The entity and the association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii. Both entity and the association are joint ventures of the same third party.
- iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v. The entity is a post-employment benefit plan for the benefit of employees of either the association or an entity related to the association. If the association is itself such a plan, the sponsoring employers are also related to the association.
- vi. The entity is controlled or jointly controlled by a person identified in (I).
- vii. A person identified in (I)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the association or to the parent of the association.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. EQUIPMENT

	HK\$
Cost	
Additions and at 31st March, 2023	1,150.00
Less: Accumulated depreciation	
Charge for the year and at 31st March, 2023	230.00
Net carrying amount	
At 31st March, 2023	920.00

4. CONTRACT LIABILITIES

	2023 (HK\$)	2022 (HK\$)
Contract liabilities relating to membership fee income	410,000.00	-

Contract liabilities have increased (2022 - Nil) since the considerations received or due were in excess of the transferred services (2022 - Nil).

5. AMOUNT DUE TO PERMANENT FOUNDING MEMBER

Amount due to permanent founding member is unsecured, interest-free and repayable on demand.

6. PROVISIONS

	2023 (HK\$)	2022 (HK\$)
Employee benefits	13,818.60	5,254.79
Others	18,000.00	18,000.00
	31,818.60	23,254.79

The provision for employee benefits represents accrued staff annual leave.

7. DEFERRED TAXATION

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable. As at 31st March, 2023, the association did not recognise deferred tax assets of HK\$38,553.00 (2022 - Nil) in respect of the remaining balance due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

	2023 (HK\$)	2022 (HK\$)
Tax loss	468,229.00	-
Taxable temporary difference	(920.00)	-
	467,309.00	-

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

8. REVENUE

Disaggregation of revenue from contracts with customers

The association disaggregates revenue from contracts with customers into the following categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors:

	2023 (HK\$)	2022 (HK\$)
<i>Primary geographical market</i>		
Hong Kong	681,875.00	1,470,000.00

Segment	Member services (HK\$)	Events and programmes (HK\$)	Total (HK\$)
<i>For the year ended 31st March, 2023</i>			
Membership fee income	364,175.00	-	364,175.00
Sponsorship income	-	309,600.00	309,600.00
Registration fee income from webinar	-	8,100.00	8,100.00
	364,175.00	317,700.00	681,875.00
<i>Time of revenue recognition</i>			
<i>For the year ended 31st March, 2023</i>			
<i>Over time</i>			
Membership fee income	364,175.00	-	364,175.00
Sponsorship income	-	309,600.00	309,600.00
Registration fee income from webinar	-	8,100.00	8,100.00
	364,175.00	317,700.00	681,875.00

Segment	Member services (HK\$)	Events (HK\$)	Total (HK\$)
<i>For the period ended 31st March, 2022</i>			
Subscription fee income	730,000.00	-	730,000.00
Membership fee income	370,000.00	-	370,000.00
Sponsorship income	150,000.00	220,000.00	370,000.00
	1,250,000.00	220,000.00	1,470,000.00

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

8. REVENUE (CONT'D)

Disaggregation of revenue from contracts with customers (Cont'd)

Segment	Member services (HK\$)	Events (HK\$)	Total (HK\$)
<i>Time of revenue recognition</i>			
<i>For the period ended 31st March, 2022</i>			
<i>At a point in time</i>			
Subscription fee income	730,000.00	-	730,000.00
Sponsorship income	150,000.00	-	150,000.00
	880,000.00	-	880,000.00
<i>Over time</i>			
Membership fee income	370,000.00	-	370,000.00
Sponsorship income	-	220,000.00	220,000.00
	370,000.00	220,000.00	590,000.00

The above disclosures in this note are not applicable to revenue from other sources including interest income which is not within the scope of HKFRS 15.

Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period.

	2023 (HK\$)	2022 (HK\$)
Membership fee income	410,000.00	-

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as part of the end of the reporting period.

	<i>In the year ending 31st March, 2024 (HK\$)</i>
<i>As at 31st March, 2023</i>	
Membership fee income	410,000.00

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

9. EMPLOYEE BENEFIT EXPENSES

	2023 (HK\$)	2022 (HK\$)
Salaries and allowances	376,063.81	174,521.73
Contributions to mandatory provident fund	18,000.00	6,800.00
	394,063.81	181,321.73

10. TAXATION

Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million for the year of assessment.

The amount of taxation (credited)/charged to the statement of surplus or deficit represents:

	2023 (HK\$)	2022 (HK\$)
Current taxation	(10,000.00)	60,034.00
(Deficit)/surplus before taxation	(466,711.54)	647,524.69
Calculated at the applicable taxation rate	(38,504.00)	53,420.00
Expenses (deductible)/not deductible for taxation purposes	(76.00)	6,614.00
Income not subject to taxation	(49.00)	-
Tax loss not utilised	38,629.00	-
Tax reduction for prior year	(10,000.00)	-
Taxation (credit)/charge	(10,000.00)	60,034.00

11. RELATED PARTY TRANSACTIONS

No compensation was paid or payable to key management personnel during the period (2022 - Nil).

12. MANAGEMENT OF MEMBERS' FUND

The members' funds of the association consist of accumulated surplus. Members' funds of the association at 31st March, 2023 was HK\$130,779.15 (2022 - \$587,490.69). The decrease (2022 - increase) in members' funds during the year (2022 - period) was attributable to the decrease (2022 - increase) in accumulated surplus arising from deficit (2022 - surplus) for the year (2022 - period).

Its objectives when managing members' funds are:

- to safeguard the association's ability to continue as a going concern, so that it can continue to provide benefits to members and other stakeholders; and
- to support the association's stability and growth.

The association is not subject to externally imposed capital requirements.

The association manages the members' funds and makes adjustments to it in the light of changes in economic conditions. The association retains adequate surpluses as members' fund for future use.

There were no changes in the association's approach to fund management from the previous period.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

13. CATEGORIES OF FINANCIAL INSTRUMENTS

	2023 (HK\$)	2022 (HK\$)
Financial assets		
Financial assets at amortised cost	805,045.23	734,537.25
Financial liabilities		
Financial liabilities at amortised cost	247,118.35	71,079.47

14. FINANCIAL RISK MANAGEMENT

The association's activities expose it to a variety of financial risks: credit risk and liquidity risk.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the association by failing to discharge an obligation. The association's maximum exposure to credit risk is arising from the carrying value of the respective financial assets.

The association has policies in place to ensure that credits are granted to appropriate counterparties.

The council members consider the probability of default upon initial recognition of financial assets and whether there has been a significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk, the association compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The association considers reasonable and supportive information, including historical experience and forward-looking information that is available without undue cost or effort.

Based on past experience, existing market conditions and forward-looking information, the council members believe that no credit loss allowance is necessary in respect of accounts receivable as there has been no significant change in credit quality and the balances are still considered fully recoverable.

The council members determine that cash at bank has low credit risk in view of the following:

- the financial instrument has low risk of default,
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term,
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations, and
- an internal rating of "performing" that is consistent with the globally understood definition of low credit risk and "performing" means that the counterparty has a strong financial position and there is no past due amount.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

14. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (Cont'd)

The council members consider that the credit risk on cash placed with a financial institution to be limited because the counterparty is reputable and creditworthy entity located in Hong Kong.

Cash at bank is an eligible deposit protected by the Deposit Protection Scheme ("DPS") in Hong Kong. The DPS is funded by member banks and has a standby credit facility from the Exchange Fund of Hong Kong. In the event of the financial failure of a bank, the protection is up to HK\$500,000.00 per depositor per bank. As at 31st March, 2023 (2022 - 31st March, 2022), all (2022 - all) of cash at bank in excess of the protected deposits under DPS is placed with a financial institution that has "good to highest investment grade" (2022 - "good to highest investment grade") credit ratings assigned by at least three international credit rating agencies.

The council members consider that the credit risk associated with accounts receivable and their lifetime expected credit loss amounts are minimal as at 31st March, 2023 and 2022.

The council members consider that the credit risk associated with cash at bank and its 12-month expected credit loss amount is minimal as at 31st March, 2023 and 2022.

The majority of the debtors of accounts receivable were a subsidiary of an office of the Central People's Government of the People's Republic of China in Hong Kong and a professional accounting organization (2022 - audit firms of listed entities and a professional accounting organisation). Other than concentration of credit risk on accounts receivable and cash placed with a financial institution, the association had no significant credit exposure to a single counterparty as at 31st March, 2023 and 2022.

The association does not hold any collateral and other credit enhancement.

Since the recoveries and settlements of financial assets at amortised cost are closely monitored by the council members, the association has not made any loss allowance for impairment in respect of its financial assets at amortised cost.

Liquidity risk

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The council members manage liquidity risk by monitoring the association's forecast cash flow needs, maintaining sufficient cash and cash equivalents to meet its obligations and liquidity requirements. The association had net current assets of HK\$129,859.15 and HK\$587,490.69 and net assets of HK\$130,779.15 and HK\$587,490.69 as at 31st March, 2023 and 2022 respectively. In the opinion of the council members, the association's exposure to liquidity risk is limited.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

14. FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (Cont'd)

The following tables detail the remaining contractual maturities of financial liabilities. The table reflects the undiscounted cash flows of financial liabilities on the earliest date that the association can be required to pay.

	<i>Carrying value (HK\$)</i>	<i>Total contractual cash flows (HK\$)</i>	<i>Repayable on demand (HK\$)</i>	<i>Less than 3 months (HK\$)</i>
<i>At 31st March, 2023</i>				
Accrued expenses	213,962.50	213,962.50	-	213,962.50
Amount due to permanent founding member	33,155.85	33,155.85	33,155.85	-
	247,118.35	247,118.35	33,155.85	213,962.50
<i>At 31st March, 2022</i>				
Accrued expenses	4,123.02	4,123.02	-	4,123.02
Amount due to permanent founding member	66,956.45	66,956.45	66,956.45	-
	71,079.47	71,079.47	66,956.45	4,123.02

15. COUNCIL MEMBERS' BENEFITS

No emolument was paid or payable to the council members during the period disclosed pursuant to section 383(1)(a) of the Hong Kong Companies Ordinance and Hong Kong Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) (2022 - Nil).

16. FAIR VALUES

The council members consider the carrying values of financial assets and liabilities are not materially different from their fair values.

17. ADOPTION OF TRADE NAME

In the year ended 31st March, 2023 (2022 - period ended 31st March, 2022), the association adopted the trade names of "PIEAA" and "香港上市公司審核師協會" to carry out its operations.

NOTICE OF THE 2023 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 Annual General Meeting of **HONG KONG ASSOCIATION OF REGISTERED PUBLIC INTEREST ENTITY AUDITORS LIMITED** (the Association) will be held at 25th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong on **Thursday, 21 December 2023 at 12:00 noon** for the following purposes:

1. To receive the audited Financial Statements and the Reports of the Council Members and the Independent Auditor for the year ended 31 March 2023;
2. To re-appoint Poon & Co. as Auditor of the Association and authorise the Council to fix the Auditor's remuneration for the year ending 31 March 2024; and
3. To note the election of Council Members.

By Order of the Council



Clement Chan Kam Wing
Chairman

Hong Kong, 13 November 2023

Explanatory Notes to the Notice of AGM:

Election of Council Members – Resolution 3

Pursuant to Article 24(2) of the Articles of Association, the 5 Elected Council Members CHAN Mei Bo Mabel, CHAN Wai Dune (Charles), TANG Hoi Lin Helen, YIP Ngai Shing (Jimmy) and Eugene LIU shall retire at the second annual general meeting of the Association but shall be eligible for reappointment.

The following nomination of Member Representatives for election to Council were received before the Nomination Closing Date on 4 October 2023:

<u>Nominated Representative</u>	<u>Member</u>	<u>Remarks</u>
CHAN Mei Bo Mabel	Grant Thornton Hong Kong Limited	Existing Council Member
CHAN Wai Dune (Charles)	Crowe (HK) CPA Limited	Existing Council Member
TANG Hoi Lin Helen	Moore CPA Limited	Existing Council Member
YIP Ngai Shing (Jimmy)	Mazars CPA Limited	Existing Council Member
YAM Tak Fai Ronald	RSM Hong Kong	New Nomination

As the number of candidates does not exceed the number of vacancies to be filled, those nominated will be deemed elected.

Guidance Notes for joining the AGM:

- Pursuant to Article 46 of the Association's Articles of Association, a Member which is a body corporate shall by resolution of its directors or other governing body authorise its Member Representative to act and to attend on its behalf the Annual General Meeting of the Association and shall inform the Association in writing with a copy of the resolution attached. The Member Representative shall have the right to attend, vote and be heard at the Annual General Meeting.*
- A Member who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy under section 596(1) of the Companies Ordinance to attend and to speak and vote on its behalf.*
- Proxy forms for the Annual General Meeting were sent to Members on 13 November 2023. Proxy forms must be completed, signed and deposited at the Association's registered office address at 25th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong; or returned electronically in legible image to the Association by email at amykok@pieaa.com.hk, in each case, not less than 48 hours before the time for holding the Annual General Meeting (or any adjournment or postponement thereof).*

PROXY FORM FOR ANNUAL GENERAL MEETING

We, _____ (full name of member in BLOCK LETTERS) of _____ (address)

being a member of **HONG KONG ASSOCIATION OF REGISTERED PUBLIC INTEREST ENTITY AUDITORS LIMITED** (the Association) hereby appoint^(a) _____

_____ (full name) of _____ (address)

or failing him/her the Chairman of the Annual General Meeting of the Association to be held on **Thursday, 21 December 2023 at 12:00 noon** as our proxy to attend and vote for us and on our behalf at the aforementioned Annual General Meeting, and at every adjournment thereof on the undermentioned resolutions as indicated:

Resolutions	For ^(b)	Against ^(b)
1. To receive the audited Financial Statements and the Reports of the Council Members and the Independent Auditor for the year ended 31 March 2023		
2. To re-appoint Poon & Co. as Auditor of the Association and authorise the Council to fix the Auditor's remuneration for the year ending 31 March 2024		
3. To note the election of Council Member ^(c)	N/A ^(c)	N/A ^(c)

Dated _____ day of _____ 2023

Member's Signature : _____

Notes:

- If any proxy other than the Chairman of the Annual General Meeting is appointed, please insert the full name and address of the proxy appointed in BLOCK LETTERS in the space provided. If no name is inserted, the Chairman of the Annual General Meeting will act as your proxy.
- IMPORTANT: IF YOU WISH TO VOTE FOR THE RESOLUTION, PUT A "X" IN THE BOX IN THE COLUMN MARKED "FOR". IF YOU WISH TO VOTE AGAINST THE RESOLUTION, PUT A "X" IN THE BOX IN THE COLUMN MARKED "AGAINST". If none of the boxes is completed, your proxy will be entitled to cast votes at his/her discretion.

- (c) Pursuant to Article 24(2) of the Articles of Association, the 5 Elected Council Members CHAN Mei Bo Mabel, CHAN Wai Dune (Charles), TANG Hoi Lin Helen, YIP Ngai Shing (Jimmy) and Eugene LIU shall retire at the second annual general meeting of the Association but shall be eligible for reappointment.

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<u>Nominated Representative</u>	<u>Member</u>	<u>Remarks</u>
CHAN Mei Bo Mabel	Grant Thornton Hong Kong Limited	Existing Council Member
CHAN Wai Dune (Charles)	Crowe (HK) CPA Limited	Existing Council Member
TANG Hoi Lin Helen	Moore CPA Limited	Existing Council Member
YIP Ngai Shing (Jimmy)	Mazars CPA Limited	Existing Council Member
YAM Tak Fai Ronald	RSM Hong Kong	New Nomination

As the number of candidates does not exceed the number of vacancies to be filled, those nominated will be deemed elected.

- (d) Any member whose subscription remains outstanding on Tuesday, 19 December 2023 shall not be entitled to vote.
- (e) To be valid, the completed and signed Proxy Form must be (i) delivered to the Association at 25th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong OR (ii) returned electronically in a legible image to the Association by email at amykok@pieaa.com.hk as soon as possible and in any event not less than 48 hours before the time for holding the Annual General Meeting (or any adjournment or postponement thereof).
- (f) Any alteration made to this Proxy Form should be initialled by the person who signs it.

PERSONAL INFORMATION COLLECTION STATEMENT

‘Personal Data’ in this statement has the same meaning as ‘personal data’ in the Personal Data (Privacy) Ordinance, Cap 486 (PDPO), which will include your and your appointed proxy’s name and address.

The Personal Data provided in this form may be used in connection with processing your appointment of proxy at the Association’s Annual General Meeting and instructions. The supply of your and your proxy’s Personal Data to the Association is on a voluntary basis. However, we may not be able to effect the appointment of your proxy and instructions unless you provide us with the Personal Data.

The information provided by you herein may be made available to agents, contractors, business associates or service providers of the Association, as may be necessary for the above purpose. The Association may also transfer your Personal Data if it is required to do so by law or in response to requests from law enforcement agencies or regulatory authorities.

The Personal Data collected in this form will be retained for such period as may be necessary for our verification and record purpose.

By providing your proxy’s Personal Data in this form, you should have obtained the express consent (which has not been withdrawn in writing) from your proxy in using his/her Personal Data provided in this form and that you have informed your appointed proxy of the purpose for and the manner in which his/her Personal Data may be used.

You and your appointed proxy have the right to request access to, correction and/or erasure of the respective Personal Data in accordance with, where applicable, the provisions of PDPO, and any other data protection law as applicable. Any such request for access to, correction and/or erasure of the Personal Data, as well as withdrawal of consent, where applicable, should be made in writing by mail to the Association at 25th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.



香港上市公司審核師協會有限公司
Hong Kong Association of Registered
Public Interest Entity Auditors Limited