

ASSOCIATION OF CHINESE INTERNAL AUDITORS

(華人內部審計師公會)

(registered in Hong Kong under the Societies Ordinance)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

張 李 吳 會 計 師 行

有 限 公 司

CHEUNG LEE NG & CO. (CPA) LIMITED

Certified Public Accountants

HONG KONG

ASSOCIATION OF CHINESE INTERNAL AUDITORS
(華人內部審計師公會)
REPORTS AND FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

CONTENTS

	Pages
The Report of The Council	1 - 2
Independent Auditors' Report	3 - 5
Income and Expenditure Accounts	6
Statement of Financial Position	7
Accounting policies and explanatory notes to the financial statements	8 - 10

ASSOCIATION OF CHINESE INTERNAL AUDITORS
(華人內部審計師公會)
THE REPORT OF THE COUNCIL

The Council has pleasure in presenting its annual report and the audited financial statements for the year ended 31 December 2021.

PRINCIPAL PLACE OF BUSINESS

ASSOCIATION OF CHINESE INTERNAL AUDITORS ('the Association') is an association incorporated and domiciled in Hong Kong and have its registered office and principal place of business is situate at Room 2102, 21/F, Times Tower, 928-930 Cheung Sha Wan Road, Kowloon, Hong Kong.

PRINCIPAL ACTIVITIES

The Association's principal activities include promoting and supporting the development and promulgation of internal auditing; the regulation of the practice of the internal audit profession; the operation and promotion of the Association's qualification program and professional examinations; representing the views of the profession; providing membership and student support services and preserving the profession's integrity and status.

STATE OF AFFAIRS

The state of affairs of the Association as at 31 December 2021 is set out in the statement of financial position on page 6.

THE COUNCIL

An annual special meeting was held on _____ which the Council members were elected as follows:

會長	徐惠祥	Appointed on 6 February 2015
副會長	蘇楊青	Resigned on 11 December 2019
副會長	陳俊民	Appointed on 20 August 2018
副會長	劉嘉明	Appointed on 11 December 2019
財務長	文耀貴	Appointed on 11 December 2019
秘書	鍾詠恩	Appointed on 11 December 2019
理事	陳海雲	Appointed on 11 December 2019
理事	潘琪偉	Appointed on 11 December 2019

ASSOCIATION OF CHINESE INTERNAL AUDITORS
(華人內部審計師公會)
THE REPORT OF THE COUNCIL

COUNCIL'S INTEREST IN CONTRACTS

No contracts of significance in relation to the association's business to which the Association was a party, and in which any council member had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Association a party to any arrangements to enable the Association's council member to acquire benefits by means of the acquisition of shares in, or debenture of, the Association or any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the Association's management or administration were entered into or existed during the year.

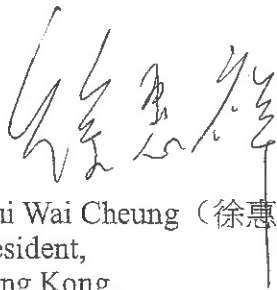
PERMITTED INDEMNITY PROVISION

At no time during the year and up to the date of this report, there was or is, any permitted indemnity provision being in force for the benefit of the Council members of the Association (whether made by the Association or otherwise).

AUDITORS

A resolution will be submitted to the annual general meeting of the Association to re-appoint Cheung Lee Ng & Co. (CPA) Limited, Certified Public Accountants, as auditors of the Association..

On behalf of the Council



Tsui Wai Cheung (徐惠祥)
President,
Hong Kong,

03 MAY 2023

CHEUNG LEE NG & CO. (CPA) LIMITED

Certified Public Accountants

ROOM B, 2/F., SILVERCORP INTERNATIONAL TOWER,
707 - 713 NATHAN ROAD, KOWLOON, HONG KONG

ALEXANDER K.F. CHEUNG 張鏡輝會計師

FCCA, FCA, ACIS, FCPA (Practising), ASA, MIPA, AEA, ACG, B.Ccm.

YUEN MEI YI 袁美儀會計師

FCCA, CPA (Practising)

Telephone 電話 : (852) 2374 0180

(852) 2388 0020

Facsimile 傳真 : (852) 2374 0302

(852) 2770 8481

張李吳會計師行有限公司
香港九龍彌敦道七零七號
銀高國際大廈二樓B室
電話：二三七四零一八零
電話：二三七八零二零
傳真：二七七零八四八零
傳真：二七七零八四八零

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AS SOCIATION OF CHINESE INTERNAL AUDITORS

(華人內部審計師公會) (Registered in Hong Kong under the Societies Ordinance)

Opinion

We have audited the financial statements of Association of Chinese Internal Auditors ("the Association") set out on pages 6 to 10, which comprise the statement of financial position for year ended 31 December 2021, and the income and expenditure account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Association are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised) *Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard* issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Council in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), and we have fulfilled our other 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 are responsible for the other information. The other information comprises all information included in the report of the council but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materiality inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materiality 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASSOCIATION OF CHINESE INTERNAL AUDITORS
(華人內部審計師公會) *(Registered in Hong Kong under the Societies Ordinance)*

Responsibilities of Council for the Financial Statements

The council are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the council 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 is 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 either intends to liquidate the Association or to cease operations, or has 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 the Association's regulation, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.
- 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASSOCIATION OF CHINESE INTERNAL AUDITORS
(華人內部審計師公會) (Registered in Hong Kong under the Societies Ordinance)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of the council's 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 Council'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 disclosure 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 Council to cease to continue as a going concern.

We communicate with the council 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.



CHEUNG LEE NG & CO. (CPA) LIMITED
Certified Public Accountants (Practising)

Cheung Kang Fai Alexander [Practising Certificate No. : P00891]

Hong Kong
03 MAY 2023

ASSOCIATION OF CHINESE INTERNAL AUDITORS
(華人內部審計師公會)

INCOME AND EXPENDITURE ACCOUNT
TO THE YEAR ENDED 31 DECEMBER 2021

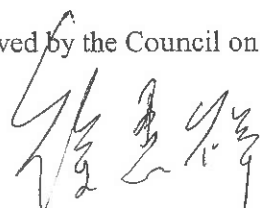
	2021	2020
	<u>HK\$</u>	<u>HK\$</u>
INCOME		
Subscription income	37,672.00	16,000.00
Course/ seminar Income	20,200.00	0.00
Sponsor fee income	36,000.00	120,000.00
Other income	3.22	0.00
	93,875.22	136,000.00
LESS: EXPENDITURE		
Bank Charges	600.00	3,650.00
Seminar cost	30,940.97	0.00
Payme/Paypal	341.29	21.85
Advertising	800.00	1,000.00
Postage fees	0.00	0.00
Printing and stationary	1,706.60	0.00
Equipment and system maintainence	4,451.00	1,490.00
Sponsorship - City Univeristy Accountancy Society and In Celebration of the 72nd Anniversary of the Founding of the People's Republic of China	9,300.00	120,000.00
Transportation	0.00	0.00
	(48,139.86)	(126,161.85)
SURPLUS / (DEFICIT) FOR THE YEAR	45,735.36	9,838.15

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


ASSOCIATION OF CHINESE INTERNAL AUDITORS
(華人內部審計師公會)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 HK\$	2020 HK\$
Current assets			
Cash and cash equivalents		125,229.52	72,492.19
Receivables		1,729.00	0.00
		126,958.52	72,492.19
Current liabilities			
Amount due to President		197,194.57	188,603.60
Temporary Receipt		290.00	150.00
		197,484.57	188,753.60
Net liabilities		(70,526.05)	(116,261.41)
Represented by:			
General reserve			
Balance b/f		(116,261.41)	(126,099.56)
Deficit for the year	9	45,735.36	9,838.15
		(70,526.05)	(116,261.41)

Approved by the Council on 03 MAY 2023



President
Tsui Wai Cheung



Honorary Treasurer
Man Yiu Kwai

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

ASSOCIATION OF CHINESE INTERNAL AUDITORS

(華人內部審計師公會)

NOTES TO THE FINANCIAL STATEMENTS
FROM THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL

ASSOCIATION OF CHINESE INTERNAL AUDITORS ('the Association') is an association incorporated and domiciled in Hong Kong and have its registered office and principal place of business is situate at Room 2102, 21/F, Times Tower, 928-930 Cheung Sha Wan Road, Kowloon, Hong Kong.

The Association's principal activities include promoting and supporting the development and promulgation of internal auditing; the regulation of the practice of the internal audit profession; the operation and promotion of the Association's qualification program and professional examinations; representing the views of the profession; providing membership and student support services and preserving the profession's integrity and status.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Association qualifies and is entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

The measurement base adopted is the historical cost convention.

3. PRINCIPAL ACCOUNTING POLICIES

(a) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when the revenue can be measured reliably, on the following bases:

- (i) Annual subscription fees are recognized overtime on a straight-line basis over the subscription period.
- (ii) Income from seminars and courses, member and student activities is recognized over time as the services are rendered.
- (iii) Interest income is recognised on a time proportion basis taking into account the principal amounts outstanding and the interest applicable.

(b) Property, plant and equipment

The Association has no property, plant and equipment.

(c) Account receivables

Trade and other receivables are stated at estimated reliable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

ASSOCIATION OF CHINESE INTERNAL AUDITORS
(華人內部審計師公會)
NOTES TO THE FINANCIAL STATEMENTS
FROM THE YEAR ENDED 31 DECEMBER 2021

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(d) **Impairment of assets**

An assessment is made at the end of each reporting year to determine whether there is an indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

(e) **Account payables**

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(f) **Taxation**

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax is not provided.

(g) **Related parties**

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

4. REVENUE

An analysis of the Association's revenue is as follows:

	2021	2020
	<u>HK\$</u>	<u>HK\$</u>
Subscription income	37,672.00	16,000.00
Course/ seminar Income	20,200.00	0.00
Sponsor fee Income	36,000.00	120,000.00
Other income	3.22	0.00
	<u>93,875.22</u>	<u>136,000.00</u>

ASSOCIATION OF CHINESE INTERNAL AUDITORS
(華人內部審計師公會)
NOTES TO THE FINANCIAL STATEMENTS
FROM THE YEAR ENDED 31 DECEMBER 2021

5. SURPLUS/(DEFICIT) BEFORE TAXATION

Surplus/(Deficit) before taxation is arrived at after charging/(crediting) the following:

	2021	2020
	<u>HK\$</u>	<u>HK\$</u>
Sponsor fee income	(36,000.00)	(120,000.00)
Bank Charges	600.00	3,650.00
Sponsorship - City Univeristy Accountancy Society and In Celebration of the 72nd Anniversary of the Founding of the People's Republic of China	9,300.00	120,000.00
	<u><u> </u></u>	<u><u> </u></u>

6. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made in the financial statements as the Association has sufficient tax losses brought forward to set off estimated assessable profits for the year. (2020: Nil)

7. COUNCILL MEMBERS' REMUNERATION

No remuneration is paid or payable to the Council members of the Association.

8. AMOUNT DUE TO PRESIDENT

Particulars of the amounts due to the chairman are as follows:

	Balance at	Balance at
	31.12.2021	31.12.2020
	<u>HK\$</u>	<u>HK\$</u>
Name of chairman		
Tsui Wai Cheung	197,194.57	188,603.60
	<u><u> </u></u>	<u><u> </u></u>

The amount is unsecured, non-interest bearing and no fixed term of repayment.

9. GENERAL RESERVE

	2021	2020
	<u>HK\$</u>	<u>HK\$</u>
Balance at beginning of year/period	(116,261.41)	(126,099.56)
(Deficit)/Surplus for the year/period	45,735.36	9,838.15
	<u><u> </u></u>	<u><u> </u></u>
Balance at the end of year/period	(70,526.05)	(116,261.41)
	<u><u> </u></u>	<u><u> </u></u>