

**THE ENVIRONMENTAL MANAGEMENT ASSOCIATION OF HONG KONG**  
**香港環境管理協會**

**FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 OCTOBER 2019**  
**TO 31 DECEMBER 2020 (DATE OF CESSATION)**

**THE ENVIRONMENTAL MANAGEMENT ASSOCIATION OF HONG KONG**  
**香港環境管理協會**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE ENVIRONMENTAL MANAGEMENT ASSOCIATION OF HONG KONG**  
香港環境管理協會

**Opinion**

We have audited the financial statements of The Environmental Management Association of Hong Kong (the "Association") set out on pages 4 to 9, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and statement of cash flows for the period from 1 October 2019 to 31 December 2020 (date of cessation) , 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 transactions of the Association during the period from 1 October 2019 to 31 December 2020 (date of cessation) and the financial position of the Association at 30 December 2020 and of the Association's cash flows for the period then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**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.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Executive Committee are responsible for the other information. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**THE ENVIRONMENTAL MANAGEMENT ASSOCIATION OF HONG KONG (Cont'd)**  
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**Responsibilities of Executive Committee and Those Charged with Governance for the Financial Statements**

The Executive Committee is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Executive Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the executive Committee 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 Executive Committee 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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional 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**  
**THE ENVIRONMENTAL MANAGEMENT ASSOCIATION OF HONG KONG (Cont'd)**  
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**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 Executive Committee.
- Conclude on the appropriateness of the Executive Committee'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 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.

**LAU & AU YEUNG C.P.A. LIMITED**  
Certified Public Accountants  
HONG KONG, 8 April 2021

Franklin Lau Shiu Wai, Honorable Auditor  
Practising Certificate number: P01886

**THE ENVIRONMENTAL MANAGEMENT ASSOCIATION OF HONG KONG**  
**香港環境管理協會**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM 1 OCTOBER 2019**  
**TO 31 DECEMBER 2020 (DATE OF CESSATION)**

		Period from 1.10.2019 to 31.12.2020 HK\$	Year ended 30.9.2019 HK\$
<b>REVENUE AND OTHER INCOME</b>	4	60,465	49,121
<b>EXPENDITURES</b>		(36,331)	(12,099)
<b>SURPLUS FOR THE PERIOD / YEAR</b>		24,134	37,022
<b>OTHER COMPREHENSIVE INCOME</b>			
- payments as founding fund for the Environmental Management Association of Hong Kong Limited ("EMAHK Ltd")		(334,672)	-
<b>TOTAL COMPREHENSIVE (DEFICIT) / SURPLUS FOR THE PERIOD / YEAR</b>		(310,538)	37,022

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

**THE ENVIRONMENTAL MANAGEMENT ASSOCIATION OF HONG KONG**  
**香港環境管理協會**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	As at 31.12.2020 HK\$	As at 30.9.2019 HK\$
<b>ASSETS</b>			
<b>Current assets</b>			
Activity fee receivables		-	350
Prepayments		-	14,140
Cash and cash equivalents	6	-	316,609
<b>Total assets</b>		<u>-</u>	<u>331,099</u>
<b>FUNDS</b>			
Accumulated funds		-	310,538
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accruals		-	1,478
Membership fee received in advance		-	19,083
<b>Total liabilities</b>		<u>-</u>	<u>20,561</u>
<b>Total funds and liabilities</b>		<u>-</u>	<u>331,099</u>

Freeman Cheung [Signed]  
 President

Teresa Leung [Signed]  
 Treasurer

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

**THE ENVIRONMENTAL MANAGEMENT ASSOCIATION OF HONG KONG**  
**香港環境管理協會**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS**  
**FOR THE PERIOD FROM 1 OCTOBER 2019**  
**TO 31 DECEMBER 2020 (DATE OF CESSATION)**

	Accumulated funds HK\$
<b>Balance at 1 October 2018</b>	273,516
	-----
Surplus for the year	37,022
Other comprehensive deficit for the year	-
	-----
Total comprehensive surplus for the year	37,022
	-----
<b>Balance at 30 September 2019</b>	<b>310,538</b>
	=====
<b>Balance at 1 October 2019</b>	310,538
	-----
Surplus for the period	24,134
Other comprehensive deficit for the period	
- payments as founding fund for the Environmental Management Association of Hong Kong Limited ("EMAHK Ltd")	(334,672)
	-----
Total comprehensive deficit for the period	(310,538)
	-----
<b>Balance at 31 December 2020</b>	<b>-</b>
	=====

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.



**THE ENVIRONMENTAL MANAGEMENT ASSOCIATION OF HONG KONG**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM 1 OCTOBER 2019**  
**TO 31 DECEMBER 2020 (DATE OF CESSATION)**

	Note	Period from 1.10.2019 to 31.12.2020 HK\$	Year ended 30.9.2019 HK\$
<b>Cash flows from operating activities</b>			
Surplus for the period / year		24,134	37,022
Decrease / (increase) in activity fee receivables		350	(350)
Decrease / (increase) in prepayments		3,407	(14,140)
Decrease in accruals		(1,478)	(456)
(Decrease) / increase in membership fee received in advance		(6,620)	(12,228)
Membership fee received on behalf EMAHK Ltd		500	-
Payment to EMAHK Ltd		(2,230)	-
Payments as founding fund to EMAHK Ltd		(334,672)	-
<b>Net cash (used in) / generated from operating activities and net (decrease) / increase in cash and cash equivalents</b>		<b>(316,609)</b>	<b>9,848</b>
Cash and cash equivalents at beginning of the period / year		316,609	306,761
<b>Cash and cash equivalents at end of the period / year</b>	<b>6</b>	<b>-</b>	<b>316,609</b>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

**THE ENVIRONMENTAL MANAGEMENT ASSOCIATION OF HONG KONG**  
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**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 OCTOBER 2019 TO 31 DECEMBER 2020 (DATE OF CESSATION)**

**1. GENERAL INFORMATION**

The Environmental Management Association of Hong Kong (the "Association") was registered under the Hong Kong Societies Ordinance on 24 August 2010. The aim of the Association is to improve the quality of the environment in Hong Kong and its vicinity by improving awareness of the importance of environmental management, and to provide professional views on what needs to manage the challenge to the environment, in the face of continuous economic development. The Association was ceased in operation on 31 December 2020. The Environmental Management Association of Hong Kong Limited ("EMAHK") succeeded the Association's operation since 1 October 2020.

In accordance to the annual general meeting on 21 August 2020, all the members approved the Association's cash at the bank would be transferred to EMAHK Ltd as founding fund for its future operation.

These financial statements are presented in Hong Kong dollars ("HK\$") unless otherwise stated.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

**(a) Basis of preparation**

The financial statements of the association have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the association's accounting policies. There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

**(b) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Hong Kong dollars which is the Association's functional and presentation currency.

**(c) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits held at call with banks.

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**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(d) Revenues recognition**

- (i) Membership fee income is recognised on a straight-line basis over the membership period.
- (ii) Application fees are recognised at a point in time on completion of assessment services by granting the status to the applicants.
- (iii) Activity income is recognised upon the completion of the activity.

**3. FINANCIAL RISK MANAGEMENT**

The Association's activities do not expose it to significant financial risks (including credit risk and liquidity risk). The Association minimises liquidity risk by maintaining sufficient cash to meet current and expected liquidity so as to enable it to meet its liabilities as and when they fall due.

**4. REVENUE AND OTHER INCOME**

	Period from 1.10.2019 to 31.12.2020 HK\$	Year ended 30.9.2019 HK\$
Membership and application fee income	46,309	44,078
Income from activities	12,360	5,043
Other income	1,796	-
	<u>60,465</u>	<u>49,121</u>

**5. INCOME TAX**

No Hong Kong profits tax has been provided as the Association have more than half of its receipts from its members and thus is exempted from Hong Kong profits tax (2019: Nil).

**6. CASH AND CASH EQUIVALENTS**

	As at 31.12.2020 HK\$	As at 30.9.2019 HK\$
Cash at bank and on hand	<u>-</u>	<u>316,609</u>

All cash and cash equivalents are denominated in HK dollar.

**7. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by Executive Committee on 8 April 2021.