

FOODSERVICE CONSULTANTS SOCIETY INTERNATIONAL – ASIA PACIFIC

國際膳食顧問協會 - 亞太區

REPORTS AND AUDITED FINANCIAL STATEMENTS

31 DECEMBER 2020

進高會計師事務所有限公司
JK & PARTNERS CPA LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
Hong Kong

FOODSERVICE CONSULTANTS SOCIETY INTERNATIONAL – ASIA PACIFIC

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FOODSERVICE CONSULTANTS SOCIETY INTERNATIONAL – ASIA PACIFIC (“FCSI”)

Report of the Chairman

The chairman submits herewith the report and audited financial statements for the year ended 31 December 2020.

Principal activities

The principal activities of the Society are engaged in promoting the professionalism in foodservice and hospitality consulting to the benefit of Society members, their clients and the foodservice and hospitality industry.

Results

The results of the Society for the year ended 31 December 2020 and the state of the Society’s affairs as at the end thereof are set out in the annexed financial statements.

Members of the Society

The members of society during the year and up to the date of this report were:

Toni Clarke	(Chairman)
Pi, Clara Ming	(Past Chairman)
Wasko Dimitroff	(Treasurer/Secretary)

Interests of members

No contracts of significance to which the Society was a party and in which a member of the Society had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Auditor

The financial statements have been audited by JK & Partners CPA Limited, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Toni Clarke
Chairman

JK & PARTNERS CPA LIMITED

CERTIFIED PUBLIC ACCOUNTANTS, Hong Kong.

進高會計師事務所有限公司

Room 1112, 11th Floor, Hollywood Plaza,

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOODSERVICE CONSULTANTS SOCIETY INTERNATIONAL – ASIA PACIFIC (“FCSI”) (Registered in Hong Kong under the Societies Ordinance)

Opinion

We have audited the financial statements of FCSI set out on pages 5 to 10 which comprise the statement of financial position as at 31 December 2020, and statement of income and accumulated surplus 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 FCSI's affairs as at 31 December 2020, and its surplus and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities (“HKFRS for Private Entities”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Societies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society 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 executive committee is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the report of the chairman, 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 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOODSERVICE CONSULTANTS SOCIETY INTERNATIONAL – ASIA PACIFIC (“FCSI”) (Registered in Hong Kong under the Societies Ordinance)

Responsibilities of Executive Committee for the Financial Statements

The executive committee is responsible for the preparation of these financial statements in accordance with the HKFRS for Private Entities issued by the HKICPA and the Hong Kong Societies Ordinance, and for such internal control as the executive committee 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 executive committee responsible for assessing the Society'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 intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

The executive committee is responsible for overseeing the Society'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. The 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 judgement 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committees.

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Auditor's responsibilities for the Audit of the Financial Statements (cont'd)

- 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 Society'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 Society 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 the executive committee 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.

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JK & Partners CPA Limited
Certified Public Accountants
Hong Kong

Kun Mo Kit
Practising Certificate No.: P03734

FOODSERVICE CONSULTANTS SOCIETY INTERNATIONAL – ASIA PACIFIC (“FCSI”)**Statement of Income and Accumulated Surplus**

For the year ended 31 December 2020

	<u>Note</u>	2020 HK\$	2019 HK\$
Income	3	47,659	511,235
Other income	3	20,345	12,438
		68,004	523,673
Administrative expenses			
Accounting fee		26,400	26,400
Auditor’s remuneration		9,200	9,200
Bank charges and interest		102	3,142
Boardroom expense		-	1,500
Conference expenses		-	105,936
Donation		7,500	7,500
Office rent		47,860	58,260
Postage and courier		8,260	4,354
Printing and stationery		1,575	3,997
Secretary fee		24,240	153,866
		(125,137)	(374,155)
Surplus before tax		(57,133)	149,518
Income tax expense	4	-	-
(Deficit) / Surplus for the year		(57,133)	149,518
Accumulated Surplus at start of year		446,667	297,149
Accumulated Surplus at end of year		389,534	446,667

The notes on pages 8 to 10 form part of these financial statements.

FOODSERVICE CONSULTANTS SOCIETY INTERNATIONAL – ASIA PACIFIC (“FCSI”)

Statement of Financial Position

At 31 December 2020

		2020	2019
		HK\$	HK\$
ASSETS			
<u>Current assets</u>			
Cash and cash equivalents	5	389,654	491,511
Other receivable and deposit		10,000	10,000
Total assets		399,654	501,511
LIABILITIES AND RESERVE			
<u>Current liabilities</u>			
Other payables and deposit		10,120	54,844
		10,120	54,844
Total liabilities		10,120	54,844
<u>Reserve</u>			
Accumulated surplus		389,534	446,667
Total liabilities and reserve		399,654	501,511

The financial statements on pages 5 to 10 were approved and authorised for issue by the executive committee on

Toni Clarke
Chairman

Wasko Dimitroff
Treasurer

The notes on pages 8 to 10 form part of these financial statements.

FOODSERVICE CONSULTANTS SOCIETY INTERNATIONAL – ASIA PACIFIC (“FCSI”)**Statement of Cash Flows**

For the year ended 31 December 2020

	2020	2019
	HK\$	HK\$
Cash flows from operating activities		
(Deficit) / Surplus before tax	(57,133)	149,518
Interest income	(39)	(217)
Operating profit before changes in working capital	(57,172)	149,301
Changes in other payables	(44,724)	(23,121)
Net cash (used in) / generated from operating activities	(101,896)	126,180
Cash flows from investing activities		
Interest received	39	217
Net cash generated from investing activities	39	217
Net changes in cash and cash equivalents	(101,857)	126,397
Cash and cash equivalents at the beginning of the year	491,511	365,114
Cash and cash equivalents at the ending of the year	389,654	491,511

FOODSERVICE CONSULTANTS SOCIETY INTERNATIONAL – ASIA PACIFIC (“FCSI”)

Accounting Policies and Explanatory Notes to the Financial Statements

For the year ended 31 December 2020

1. SOCIETY INFORMATION

The Society was registered under Societies Ordinance in Hong Kong. Its registered office is located at Flat 12, 6/F, Kornhill (Block C), Nos. 21 - 23 Hong Shing Street, Hong Kong. During the year, the Society was principally engaged in promoting the professionalism in foodservice and hospitality consulting to the benefit of Society members, their clients and the foodservice and hospitality industry.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Societies Ordinance.

The measurement basis used in the preparation of these financial statements is historical cost convention.

Revenue recognition

Revenues are recognised upon membership and sponsorship fee received. Conference income is recognized when services are rendered. Interest income is recognized as it accrues using the effective method.

Taxation

The Society is entitled to exemption under section 24 (1) of the Inland Revenue Ordinance, and is, therefore, exempted from all tax payable under the ordinance.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the FCSI is measured using the currency of the primary economic environment in which the entity operates (the functional currency). These financial statements are presented in Hong Kong Dollars, which is the FCSI's functional and the presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within "finance costs". All other foreign exchange gains and losses are presented in profit or loss within "other income" or "other expenses".

FOODSERVICE CONSULTANTS SOCIETY INTERNATIONAL – ASIA PACIFIC (“FCSI”)

Accounting Policies and Explanatory Notes to the Financial Statements

For the year ended 31 December 2020

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUES)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

Leases

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

Rights to assets held under finance leases are recognised as assets of the Society at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

3. REVENUE

Revenue represents:

	2020	2019
	HK\$	HK\$
Income		
Membership fee	47,659	410,903
Sponsorships income	-	100,332
	<u>47,659</u>	<u>511,235</u>
Other income		
Admission income	-	12,180
Interest received	39	217
Exchange gain	20,306	41
	<u>20,345</u>	<u>12,438</u>

FOODSERVICE CONSULTANTS SOCIETY INTERNATIONAL – ASIA PACIFIC (“FCSI”)

Accounting Policies and Explanatory Notes to the Financial Statements

For the year ended 31 December 2020

4. INCOME TAX EXPENSE

The Society is deemed not to carry on a business and the receipt of mutual profits was not taxable.
(2019: Nil)

Deferred tax is not recognized in this respect.

5. CASH AND CASH EQUIVALENTS

	2020	2019
	HK\$	HK\$
Cash at bank	<u>389,654</u>	<u>491,511</u>
	<u>389,654</u>	<u>491,511</u>