

THE HONG KONG CREDIT AND COLLECTION MANAGEMENT ASSOCIATION LIMITED  
(LIMITED BY GUARANTEE)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

PRISM CPA LIMITED

CERTIFIED PUBLIC ACCOUNTANTS

HONG KONG

THE HONG KONG CREDIT AND COLLECTION MANAGEMENT ASSOCIATION LIMITED  
(LIMITED BY GUARANTEE)

REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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**THE HONG KONG CREDIT AND COLLECTION MANAGEMENT ASSOCIATION  
LIMITED  
(LIMITED BY GUARANTEE)  
REPORT OF THE BOARD OF GOVERNORS**

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The Board of Governors submit the report together with the audited financial statements of The Hong Kong Credit and Collection Management Association Limited (the “Association”) for the year ended 31 December 2020 (the “year”).

**PRINCIPAL ACTIVITY**

The principal activities of the Association continued to advance the education of the public concerning credit management and to encourage the study thereof.

**RESULTS AND APPROPRIATIONS**

The results of the Association for the year and the state of affairs of the Association as at that date are set out in the financial statements on pages 5 to 10.

**BOARD OF GOVERNORS**

The Board of Governors of the Association during the year and up to the date of this report were:

Mr. Bobby Roberto Rozario	
Mr. Wong Chi Kwong, Benedict	
Mr. Heng Teik Kok, Germany	
Ms. So Yat Ting	(Appointed on 1 October 2020 and subsequently resigned on 23 February 2021)
Mr. Cheng Hiu Tung Anthony	(Appointed on 1 October 2020)
Mr. Resta Vincenzo	(Appointed on 1 October 2020)
Mr. Wong Peter Ying Kit	(Appointed on 1 October 2020)

In accordance with the provisions of the Association’s Articles of Association, one third of the Board of Governors retire and being eligible, offer themselves for re-election.

**MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Association were entered into or existed during the year.

**BUSINESS REVIEW**

The Association falls within reporting exemption for the year. Accordingly, the Association is exempted from preparing a business review.

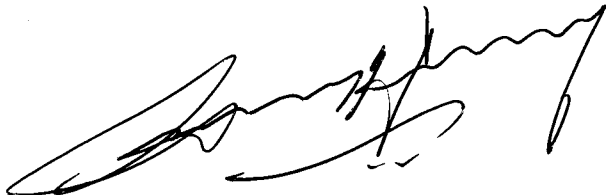
**THE HONG KONG CREDIT AND COLLECTION MANAGEMENT ASSOCIATION  
LIMITED  
(LIMITED BY GUARANTEE)  
REPORT OF THE BOARD OF GOVERNORS (CONTINUED)**

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AUDITOR

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

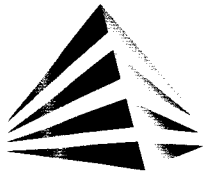
On behalf of the Board of Governors



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Mr. Heng Teik Kok, Germany  
Vice Chairman

Hong Kong, 16 SEP 2021



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
THE HONG KONG CREDIT AND COLLECTION MANAGEMENT ASSOCIATION  
LIMITED  
(LIMITED BY GUARANTEE)  
(incorporated in Hong Kong with limited liability)**

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**Opinion**

We have audited the financial statements of The Hong Kong Credit and Collection Management Association Limited ("the Association") set out on pages 5 to 10, which comprise the statement of financial position as at 31 December 2020, the income statement and the statement of changes in fund for the year ended 31 December 2020 (the "year"), 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 (the "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 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 Board of Governors are responsible for the other information. The other information comprises all the information included in the reports and financial statements other than 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.

**Responsibilities of Board of Governors and those charged with governance for the financial statements**

The Board of Governors 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 Board of Governors 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 Board of Governors 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 Board of Governors 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.



**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF**  
**THE HONG KONG CREDIT AND COLLECTION MANAGEMENT ASSOCIATION**  
**LIMITED**  
**(LIMITED BY GUARANTEE)**  
**(incorporated in Hong Kong with limited liability)**

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**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. We report our opinion 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 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.
- 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 Board of Governors.
- Conclude on the appropriateness of the Board of Governors' 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.

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.

*Prism CPA Limited*

Prism CPA Limited  
Certified Public Accountants  
Lee Kwok Lun  
Practising certificate number: P06294

Hong Kong, 16 SEP 2021

**THE HONG KONG CREDIT AND COLLECTION MANAGEMENT ASSOCIATION  
LIMITED  
(LIMITED BY GUARANTEE)  
INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	<u>NOTES</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
Revenue	5	59,280	110,329
Administrative expenses		<u>(22,855)</u>	<u>(59,068)</u>
Surplus before tax	6	36,425	51,261
Income tax expense	7	<u>-</u>	<u>-</u>
Surplus for the year		<u>36,425</u>	<u>51,261</u>

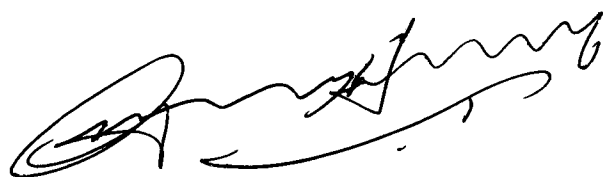
The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

**THE HONG KONG CREDIT AND COLLECTION MANAGEMENT ASSOCIATION  
LIMITED  
(LIMITED BY GUARANTEE)  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

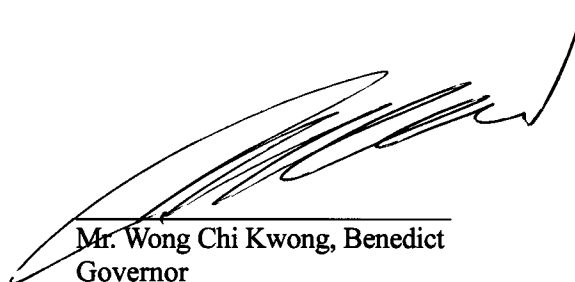
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	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
<b>Current assets</b>		
Prepayments	5,095	2,986
Bank balance and cash in hand	<u>101,478</u>	<u>72,267</u>
	<u>106,573</u>	<u>75,253</u>
<b>Current liabilities</b>		
Accruals	<u>(3,395)</u>	<u>(8,500)</u>
<b>Net assets</b>	<u>103,178</u>	<u>66,753</u>
<b>Equity</b>		
Accumulated surplus	<u>103,178</u>	<u>66,753</u>

Approved on behalf of the Board of Governors by:



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Mr. Heng Teik Kok, Germany  
Vice Chairman



\_\_\_\_\_  
Mr. Wong Chi Kwong, Benedict  
Governor

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



**THE HONG KONG CREDIT AND COLLECTION MANAGEMENT ASSOCIATION  
LIMITED  
(LIMITED BY GUARANTEE)  
STATEMENT OF CHANGES IN FUND  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	<u>Accumulated Surplus</u> HK\$
At 1 January 2019	15,492
Surplus for the year	<u>51,261</u>
At 31 December 2019 and at 1 January 2020	66,753
Surplus for the year	<u>36,425</u>
At 31 December 2020	<u>103,178</u>

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

**THE HONG KONG CREDIT AND COLLECTION MANAGEMENT ASSOCIATION  
LIMITED  
(LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. REPORTING ENTITY**

The Hong Kong Credit and Collection Management Association Limited (the “Association”) is a company incorporated in Hong Kong with limited liability by guarantee. The address of the registered office of the Association is Room 806, Empress Plaza, 17-19 Chatham Road South, Tsim Sha Tsui, Kowloon.

The principal activities of the Association continued to advance the education of the public concerning credit management and to encourage the study thereof.

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Association qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore 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.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

**Revenue recognition**

- (i) Revenue is recognised when the members’ subscription fee and sponsorship income received and receivable during the year in which such service is rendered.
- (ii) Bank interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest rate applicable.
- (iii) Sundry income is recognised on an accrual basis.

**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.

**THE HONG KONG CREDIT AND COLLECTION MANAGEMENT ASSOCIATION  
LIMITED  
(LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Foreign exchange**

The reporting currency of the Association is Hong Kong Dollars, which is the currency of the primary economic environment in which the Association operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting year. Gains and losses on foreign exchange are recognised in the income statement.

**Related parties**

A related party is a person or entity that is related to the Association that is preparing its financial statements, as follows:

- (a) 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 the Association's parent .
  
- (b) 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 entities are joint ventures of the same third entity.
  - (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 (a).
  - (vii) a person identified in (a)(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 Association's parent.

Close members of the family of person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

**4. LIMITED BY GUARANTEE**

Under Clause 6 of the Memorandum of Association, every member shall, in the event of the Association being wound up, contribute such amount as may be required to meet the liabilities of the Association but not exceeding HK\$1,000 each.

**THE HONG KONG CREDIT AND COLLECTION MANAGEMENT ASSOCIATION  
LIMITED  
(LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**5. REVENUE**

Revenue represents the subscription fee income and other income received during the year:

	2020	2019
	HK\$	HK\$
<u>Revenue</u>		
Members' subscription fee income	41,175	93,755
Sponsorship income	-	12,000
Examination income	3,800	-
Sundry income	14,304	4,498
Bank interest income	1	76
	59,280	110,329

**6. SURPLUS BEFORE TAX**

Surplus before tax has been arrived at after charging:

	2020	2019
	HK\$	HK\$
Auditor's remuneration	8,500	8,000
Exchange losses, net	29	26
	8,529	8,026

**7. INCOME TAX EXPENSE**

The Association is exempted from Hong Kong profits tax in accordance with Section 24 of the Inland Revenue Ordinance.

**8. BOARD OF GOVERNORS' REMUNERATION**

Neither fees nor remuneration have been paid or payable to the Board of Governors for services in the current year (2019: Nil).

**9. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue by the Association's Board of Governors on **16 SEP 2021**.

**CONTENTS:**

**Schedule**

**PROFITS TAX COMPUTATION**

**1**

**DETAILED INCOME STATEMENT**

**Appendix A**

**Schedule 1**

Basis Period: Year ended 31 December 2020

Profit per accounts	Assessable profit for the year	<u>36,425</u>
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The Company has the tax exemption under section 24 of the Hong Kong Inland Revenue Ordinance. The subscription fee of the Company is more than 50% of the total revenue. Therefore, the company shall be deemed not to carry on a business which is exempted for Hong Kong profits tax.

**THE HONG KONG CREDIT AND COLLECTION MANAGEMENT ASSOCIATION LIMITED**  
**(LIMITED BY GUARANTEE)**

**DETAILED INCOME STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**THE HONG KONG CREDIT AND COLLECTION MANAGEMENT ASSOCIATION  
LIMITED  
(LIMITED BY GUARANTEE)  
DETAILED INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
<b>Revenue</b>		
Members subscription income	41,175	93,755
Sponsorship income	-	12,000
Examination income	3,800	-
Sundry income	14,304	4,498
Bank interest income	1	76
	<u>59,280</u>	<u>110,329</u>
<b>Administrative expenses</b>		
Auditor's remuneration	(8,500)	(8,500)
Bank charge	(65)	-
Bank overdraft interest	-	(11)
Business registration fee	(250)	(2,250)
Conference and meeting expenses	-	(29,036)
Examination fee	(1,976)	(1,599)
Exchange losses, net	(29)	(26)
Internet and web hosting fee	(5,335)	(5,232)
Miscellaneous	(4,500)	(5,056)
Postage and courier	(680)	(809)
Printing and stationery	(1,100)	(724)
Secretarial fee	-	(5,105)
Telecommunication	(420)	(720)
	<u>(22,855)</u>	<u>(59,068)</u>
<b>Surplus before tax</b>	<u>36,425</u>	<u>51,261</u>

**Note:**

The financial information relating to the year ended 31 December 2020 is not the Association's statutory annual financial statements for that year. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Association is a private company. The Association is not required by the relevant regulations to deliver its financial statements to the Registrar of Companies and has not done so.

The Association's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.