



Pearson Fearn & Co.

Certified Public Accountants

THE LION ROCK INSTITUTE (HK) LIMITED

獅子山學會(香港)有限公司

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2021

THE LION ROCK INSTITUTE (HK) LIMITED
獅子山學會(香港)有限公司

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DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of The Lion Rock Institute (HK) Limited 獅子山學會(香港)有限公司 ("the Company"), for the year ended 31st December 2021.

PRINCIPAL ACTIVITY

The Company is a private company limited by guarantee and incorporated in Hong Kong. Its registered office and principal place of business is located at 18/F, 299 QRC, 299 Queen's Road Central, Sheung Wan, Hong Kong. The Company is a non-profit making organization which promotes free market or acts of related charity.

PLANT AND EQUIPMENT

Movements in plant and equipment during the year are set out in Note 5 to the financial statements.

RESULTS

The results of the Company for the year ended 31st December 2021 and the state of the Company's affairs at that date are set out on pages 6 to 13.

The Company is prohibited from distributing funds to members in accordance with its Memorandum of Association.

DIRECTORS

The names of the persons who acted as directors during the year and to the date of this report are:

Gavin Andrew Work

William John Stacey

Nicolas Stephan KOEHL

Shuen Pak Man Andrew

Wong Yee Wai

(Appointed on 15th October 2021)

(Resigned on 29th September 2021)

(Resigned on 29th September 2021)

In accordance with the Company's Articles of Association, all directors retire but, being eligible, offer themselves for re-election.

PERMITTED INDEMNITY PROVISIONS

At no time during the year and up to the date of this report was there a permitted indemnity provision in force for the benefit of the directors of the Company.

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獅子山學會(香港)有限公司

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DIRECTORS' REPORT (CONTINUED)

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Except for the transactions as disclosed elsewhere in the financial statements, no other transactions, arrangements or contracts of significance in relation to the Company's business to which the Company was a party, and in which the directors of the Company had a material interest, whether directly or indirectly, existed at the end of the year or at any time during the year.

DIRECTORS' INTEREST IN DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY

The directors are also the members of the Company. Except as aforesaid, at no time during the year was the Company a party to any arrangement to enable the directors of the Company to hold any debentures of, the Company or its specified undertakings.

BUSSINESS REVIEW

The Company does not need to prepare the Business Review according to Section 388(3)(a) of the Hong Kong Companies Ordinance as the Company falls within the reporting exemption for the financial year.

MANAGEMENT CONTRACTS

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

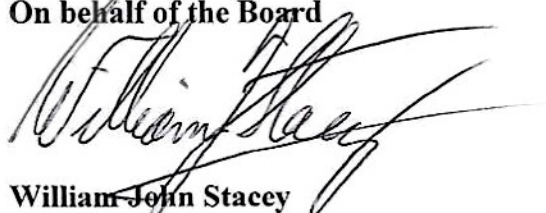
NON-ADJUSTING EVENTS AFTER THE FINANCIAL REPORTING DATE

The Company has no significant non-adjusting events occurring after the financial reporting date.

AUDITOR

The financial statements have been audited by Pearson Fearn & Co. who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board



William John Stacey
Chairman
Hong Kong, 6th May 2022



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE LION ROCK INSTITUTE (HK) LIMITED**

獅子山學會(香港)有限公司

(INCORPORATED IN HONG KONG WITH LIABILITY LIMITED BY GUARANTEE AND NOT
HAVING A SHARE CAPITAL)

Opinion

We have audited the financial statements of The Lion Rock Institute (HK) Limited 獅子山學會 (香港)有限公司 ("the Company") set out on pages 6 to 13, which comprise the statement of financial position as at 31st December 2021, and statement of income and retained earnings 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 Company as at 31st December 2021, and of its financial performance 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 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 Company 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 directors are responsible for the other information. The other information comprises all the information included in the directors' report, 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.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF THE LION ROCK INSTITUTE (HK) LIMITED

獅子山學會(香港)有限公司

(INCORPORATED IN HONG KONG WITH LIABILITY LIMITED BY GUARANTEE AND NOT
HAVING A SHARE CAPITAL)

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

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

Those charged with governance are responsible for overseeing the Company'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, 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 Company's internal control.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF THE LION ROCK INSTITUTE (HK) LIMITED

獅子山學會(香港)有限公司

(INCORPORATED IN HONG KONG WITH LIABILITY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company 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.

The engagement leader on the audit resulting in this independent auditor's report is Shiu Cheuk Kwan.

PEARSON FEARN & CO.
Certified Public Accountants

Hong Kong, 6th May 2022

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獅子山學會(香港)有限公司

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STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31ST DECEMBER 2021 (Expressed in Hong Kong Dollars)

	<u>Notes</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
Revenue	2 & 4	279,660	345,604
Other income			
Amount due to a related company written off		--	115,476
Bank interest income	2	2	1
Exchange gain		186	33
		----- 279,848	----- 461,114
Expenses			
Auditor's remuneration		11,000	11,000
Depreciation	2 & 5	--	1,718
MPF contribution	2	12,000	20,785
Salaries and allowances	2	240,000	449,681
Rental payments under operating leases	2 & 7	91,820	117,406
Project and event expenses		13,155	12,369
Other operating expenses		33,052	40,533
		----- 401,027	----- 653,492
(Deficit) for the year		(121,179)	(192,378)
Accumulated surplus at the beginning of the year		390,363	582,741
Accumulated surplus at the end of the year		=====	=====
		269,184	390,363

THE LION ROCK INSTITUTE (HK) LIMITED

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STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2021

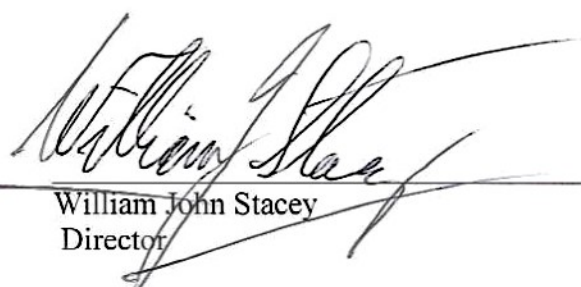
(Expressed in Hong Kong Dollars)

	Notes	2021 HK\$	2020 HK\$
ASSETS AND LIABILITIES			
Non-Current Asset			
Plant and equipment	2 & 5	--	--
Current Assets			
Prepayments		5,412	7,524
Deposits		23,800	20,160
Cash and cash equivalents	2	258,952	382,664
		288,164	410,348
Current Liabilities			
Accrued expenses	2	18,980	19,985
Net Current Assets		269,184	390,363
NET ASSETS		269,184	390,363
RESERVES			
Accumulated surplus		269,184	390,363

The financial statements set out on pages 6 to 13 were approved by the Board of Directors on 6th May 2022 and are signed on its behalf by:



Gavin Andrew Work
Director



William John Stacey
Director

THE LION ROCK INSTITUTE (HK) LIMITED**獅子山學會(香港)有限公司****Page 8****STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED 31ST DECEMBER 2021
(Expressed in Hong Kong Dollars)

	<u>2021</u> HK\$	<u>2020</u> HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit) for the year	(121,179)	(192,378)
Adjustments for:		
Amount due to a related company written off	--	(115,476)
Bank interest income	(2)	(1)
Depreciation	--	1,718
	-----	-----
Operating (deficit) before working capital changes	(121,181)	(306,137)
Movements in working capital elements		
Prepayments	2,112	97,421
Deposits	(3,640)	43,300
Accrued expenses	(1,005)	(1,995)
Amount due to a related company	--	(2,606)
	-----	-----
Cash (used in) operating activities	(123,714)	(170,017)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITY		
Bank interest received	2	1
	-----	-----
Cash generated from investing activity	2	1
	-----	-----
Net (decrease) in cash and cash equivalents	(123,712)	(170,016)
Cash and cash equivalents at the beginning of the year	382,664	552,680
	-----	-----
Cash and cash equivalents at the end of the year	258,952	382,664
	=====	=====

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ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021
(Expressed in Hong Kong Dollars)

1. GENERAL INFORMATION

The Lion Rock Institute (HK) Limited (“The Company”) is a private company limited by guarantee and incorporated in Hong Kong. Its registered office and principal place of business is located at 18/F, 299 QRC, 299 Queen’s Road Central, Sheung Wan, Hong Kong. The Company is a non-profit making organization which promotes free market or acts of related charity.

The liability of each member is limited to HK\$100 in the event of the Company being wound up while he/she is a member, or within one year after he/she ceases to be a member.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards for Private Entities (“HKFRS for Private Entities”) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. The account has been prepared under the historical cost convention.

Reporting currency

The financial statements are presented in Hong Kong Dollars, the currency in which the majority of material transactions are denominated.

Foreign currency translation

(a) Functional and presentation currency

The financial statements are presented in Hong Kong Dollars, which is the Company’s functional and presentation currency.

(b) Transactions and balances

Transactions in foreign currencies during the year are translated at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the reporting period. Gains or losses arising on exchange are dealt with in the statement of income and retained earnings.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated at the rates of exchange ruling at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the rates of exchange ruling at the dates the fair value was measured.

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獅子山學會(香港)有限公司

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ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021
(Expressed in Hong Kong Dollars)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any provisions for impairment losses.

Depreciation is calculated to write off the cost of plant and equipment in equal annual installments over their estimated useful lives as follows:

Furniture and fittings	- 5 years
Computer equipment	- 5 years

The gain or loss arising from the sale or retirement of plant and equipment, representing the difference between the actual or estimated disposal proceeds and the carrying amount of the asset, is recognized in the income statement.

Other receivables

Other receivables are initially recognized at transaction price and thereafter stated at amortized cost less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Other payables

Other payables are initially recognized at transaction price and thereafter stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the income statement over the lease terms

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ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021
(Expressed in Hong Kong Dollars)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is recognised in the statement of income and retained earnings, provided it is probable that economic benefits will flow to the Company and the revenue and costs, and if applicable, can be measured reliably, as follows:

- (a) Donations are recognised when donations are received.
- (b) Course and event income are recognised when the course and event were rendered.
- (c) Interest income is recognised on a time apportionment basis.

Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The Company jointed a Mandatory Provident Fund Scheme (the “MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by any defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HKD30,000. Contribution to the plan vest immediately.

Related parties

A party is considered to be related to the Company if: -

- (a) the party is a person or a close member of that person’s family and that person
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.

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ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021
(Expressed in Hong Kong Dollars)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

- (b) the party is an entity where any of the following conditions applies: -
- (i) the entity and the Company are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Company 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 Company or an entity related to the Company;
 - (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); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

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

3. APPLICATION OF THE HKFRS FOR PRIVATE ENTITIES

These financial statements for the year ended 31st December 2021 are prepared under the accounting policies that comply with the HKFRS for Private Entities.

The Company has applied all the mandatory exceptions and certain of the optional exemptions from full retrospective application of the HKFRS for Private Entities when preparing these financial statements in according with the HKFRS for Private Entities.

4. REVENUE

Revenue for the year comprised the following:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Course and event income	10,671	12,856
Donation income	268,989	332,748
	-----	-----
	279,660	345,604
	=====	=====

THE LION ROCK INSTITUTE (HK) LIMITED

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ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2021

(Expressed in Hong Kong Dollars)

5. PLANT AND EQUIPMENT

	<u>Furniture & fittings</u> HK\$	<u>Computer equipment</u> HK\$	<u>Total</u> HK\$
<u>Cost</u>			
At 1 st January 2021 and at 31 st December 2021	58,751	33,783	92,534
<u>Accumulated Depreciation</u>			
At 1 st January 2021 and at 31 st December 2021	58,751	33,783	92,534
<u>Net Book Value</u>			
At 31 st December 2021	--	--	--
At 31 st December 2020	--	--	--

6. TAXATION

No provision for Hong Kong profits tax is made in the financial statements as the Company is a charity organization which is exempted from tax assessment under Section 88 of the Inland Revenue Ordinance.

7. OPERATING LEASE COMMITMENTS

At the financial year end the Company had the following future minimum rental commitments under non-cancelable operating lease:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Operating lease payments which expire:		
Within one year	--	99,800

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OTHER OPERATING EXPENSES FOR THE YEAR ENDED 31ST DECEMBER 2021

(Expressed in Hong Kong Dollars)

	<u>2021</u> HK\$	<u>2020</u> HK\$
Accounting fee	5,000	5,000
Advertising fee	--	500
Bank charges	1,014	1,210
Course, study fee and newspaper	555	10
Computer expenses and website	8,529	20,472
Entertainment	--	1,978
Insurance	1,109	2,806
Legal and professional fee	11,650	5,000
Printing, stationery and courier	1,047	283
Storage	2,728	--
Sundry expenses	1,120	3,274
Transportation	300	--
	-----	-----
	<u>33,052</u>	<u>40,533</u>

**THIS ACCOUNT HAS BEEN PREPARED FOR MANAGEMENT PURPOSES ONLY
AND DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS.**