

RESILIENT AND RESOLUTE WE STAND

逆境同行 堅毅變通



ANNUAL REPORT 年報

2019/2020



香港財務策劃師學會
INSTITUTE OF FINANCIAL PLANNERS OF HONG KONG



VISION AND MISSIONS

理念與使命

Vision 理念

The leading organization in Hong Kong for advancing professional financial planning standards and promoting the importance of financial planning.

帶領本港的財務策劃業，提升行業的專業水平以及推廣財務策劃的重要性。

Missions 使命

To lead the development, promotion and enforcement of professional standards in financial planning industry.

在制訂財務策劃行業專業標準方面扮演領導角色，並致力推廣及執行有關標準。

To increase all external stakeholders' awareness of the importance of financial planning and advice from a financial planning professional.

提升公眾對財務策劃重要性的認識，並重視財務策劃師的專業建議。

To raise professional standards of financial planners through internationally-recognized certification.

通過廣獲國際認可的資格認證，提高財務策劃師的專業水平。

To influence corporate industry leaders to uphold high standards in financial planning industry.

推動各金融機構的領袖維持財務策劃業的最高標準。



CONTENTS 目錄

2

**Chairman and
CEO Message**
主席與行政總裁獻辭

5

Governance Structure
管治架構

7

Facts and Figures
資料及統計數字

9

**Policy and
Regulatory Affairs**
政策及監管事務

10

**Enhancing
Continuing Education**
加強持續進修

11

**IFPHK Financial Education
Leadership Awards 2020**
香港財務策劃師學會
理財教育領袖大獎2020

13

Members Activities
會員活動

16

**Consumer and
Community Events**
社區服務及消費者活動

20

Financial Statements
財務報告

CHAIRMAN & CEO MESSAGE

主席與行政總裁獻辭

Resilient and Resolute We Stand

逆境同行 堅毅變通

Dear Members,

On behalf of the IFPHK, we wish that this message finds you in the best of health and spirits. The last 12 months have been eventful for Hong Kong and the rest of the world, to say the least. The covid-19 pandemic, and the concomitant geopolitical and economic turmoil will continue to pose unprecedented challenges to our city and the wider world.

Closer to home, the IFPHK has been doing our level best to support our members through these difficult times. In view of the difficult local economic conditions that unfolded in the second half of 2019, the Board of Directors initiated a Financial Assistance Programme early this year to ease membership-fee burdens on those of us who have suffered economic hardship. In terms of pandemic prevention, apart from establishing protocols for social distancing at our office with minimal disruption to the provision of member services, we also made full use of our digital platform and available technology so that members may take part in CE programmes online in the safety and comfort of their own homes. Moreover, despite the March Certification Examinations being cancelled as we were in the throes of the pandemic, the June diet of the examinations took place as scheduled so that candidates could proceed on the path to CFP certification and AFP certification as usual.

Our Accomplishments

On a more uplifting note, as your professional body, we would like to share with you what we have achieved in the past year. We are proud to say that it has been a year of new milestones for the IFPHK despite the less than favourable circumstances.

With respect to public education, the past year has indeed been a busy one for us. Starting from late 2019, we had been partnering with the Hong Kong Economic Journal on a bi-weekly wealth management series published in the newspaper that focused on financial planning issues around the topic of emigration. Written by two of our Board members, the column received such an overwhelmingly positive response from readers that the series was extended into the second quarter of 2020.

As in previous years, we took part in MPF consultation services and public education seminars with our various partners and stakeholders. In addition to these, we took part in Television Broadcasts Limited's infotainment programme aimed at the silver-haired segment of society.

親愛的會員：

我們謹代表香港財務策劃師學會（學會）祝願大家身心安康。過去12個月對於香港以至整個世界來說，絕對是多事之秋。在2019冠狀病毒全球大流行、地緣政治及經濟動盪局勢的夾擊下，預計會持續地對本港及全球造成前所未見的挑戰。

現正值香港的困難時期，學會一直在不同層面盡力支援會員。本港經濟狀況在2019年下半年惡化，董事會因此於今年初落實推行財政援助計劃，協助有財政問題的會員減輕會費負擔。在疫情防控方面，我們一方面於辦事處實施保持社交距離規例並致力減少對會員服務的影響，另一方面我們盡量善用數碼平台及現有科技，讓會員能足不出戶仍可安全舒適地參與網上持續進修課程。雖然我們在疫情肆虐下取消了3月份的資格認證考試，但6月份的考試則如常舉行，確保CFP資格認證考試及AFP資格認證考試的考生能一如以往地向資格認證的路途邁進。

成果有目共睹

作為代表您們的專業團體，我們將於下文分享去年令人振奮的成果。縱然整體環境並非理想，但學會在多方面仍然取得里程碑的進展，成果讓我們感到相當鼓舞。

回顧過去一年，學會進行了既繁忙又充實的公眾教育工作。由2019年年底開始，我們與信報合作「財富管理——移民理財系列」專欄，由學會兩名董事會成員輪流撰稿，每兩星期供稿一次，目的是為有移民打算的讀者提供理財建議。該欄目好評如潮，合作已延長到2020年第二季。

一如以往，我們與各合作夥伴及持份者合作舉辦強積金諮詢服務及公眾教育研討會。我們亦應電視廣播有限公司的邀請，接受銀髮族節目「快樂長門人」訪問。學會的四名董事會成員

Four of our Board members took part in ten shows that aired and spoke on subject-matters that are of interest to seniors such as legacy preservation, financial planning for single seniors, and entrepreneurship for seniors.

Also, to further promote financial literacy to the public, last year we launched a Financial Planning Education Video Series. This consists of practical retirement planning advice presented interactively by two Member Services Committee members. The videos can be freely viewed on our social media platform.

We also continued our mission to promote professional standards in the financial planning industry. Titled "Harness the Future: Gear Up for Disruption", the IFPHK's Financial Planning Conference 2019 was held in late September, with 18 eminent industry speakers and almost 500 CFP professionals and industry practitioners in attendance. We covered fintech, opportunities in the Greater Bay Area, and how Hongkongers might plan for a smart retirement. Another major annual event of the IFPHK, the Financial Education Leadership Awards cum Accredited Professional Financial Planning Firm 2020 (the "FELA Awards") took place early this year. This iteration was supported by over a dozen partners that included key regulators and esteemed professional bodies in the financial services industry. The FELA Awards were officiated by Mr. Joseph Chan, J.P., Under Secretary for Financial Services and the Treasury. Various industry firms, together with well-known names from the non-financial sector, received accolades for their achievements.

With regard to advocacy and governance, in the year under review the IFPHK responded to two government consultation papers and conducted a public survey on the "Trio for Tax Deductibility". We also published a set of revised guidelines on the disclosure of members' personal details to enhance the transparency of disciplinary actions taken by the IFPHK.

Celebrating the IFPHK's 20th Anniversary

We have launched a new corporate logo to mark the 20th anniversary of the IFPHK this year. While maintaining the original concept that the IFPHK is the professional beacon in financial planning, our previous square logo has been refreshed for a more modern feel. The "IFPHK" acronym is now more prominent, as it is important for the name of our professional body to be clear and legible in both print and digital formats.

Apart from the new logo, we have kicked off our 20th anniversary celebrations with a one-time Special CE Programme. This comprises a three-hour face-to-face program and a two-hour online module that are both free-of-charge for a limited period. CFP certificants, AFP certificants and QRA holders who are IFPHK members will be entitled to use an electronic coupon for a three-hour face-to-face CE programme when they register. A step-by-step guide is available on the IFPHK website. The free two-hour online CE module will be rolled out in the third quarter of this year, so please stay tuned to IFPHK news so that you can take advantage of this Special CE Programme to fulfil your annual CE requirements.

先後擔任節目嘉賓，於十集節目中分享長者關心的理財話題，包括財富傳承、獨身長者理財及長者創業等。

與此同時，為提升公眾理財教育水平，學會於去年推出理財教育短片系列，由兩名會員服務委員會成員以輕鬆互動的方式，分享實用的退休策劃建議。公眾可於學會的社交媒體平台上免費觀看有關短片。

我們亦繼續堅定不移地貫徹使命：推動財務策劃行業的專業標準。學會於9月底舉行「財務策劃會議2019」，主題為「駕馭未來：為各種衝擊作好準備」，大會邀得18名業界重量級人士擔任講者，並錄得近500多名CFP專業人士及行業從業員到場參與。會議內容涵蓋金融科技、大灣區的最新機遇、以及港人如何能夠明智做好退休策劃等一系列議題。學會另一項年度盛事——「香港財務策劃師學會理財教育領袖大獎暨優質財策企業2020」頒獎典禮亦於今年初舉行，並獲十多間合作機構的鼎力支持，包括金融服務業的主要監管機構及具份量的專業團體。頒獎典禮由財經事務及庫務局副局長陳浩濂先生太平紳士擔任主禮嘉賓，亦有多家金融及非金融企業的知名代表親臨現場接受大會嘉勉，彰顯卓越成就。

在政策倡議及管治範疇方面，學會在去年就兩份政府諮詢文件作出回應，並以「扣稅三寶」為題進行一次民意調查。我們亦為披露會員個人資料方面制定一系列修訂指引，提高學會採取紀律行動時的透明度。

學會20週年紀念

為慶祝學會今年踏入20週年，我們推出了全新的會徽。有別以往正方形的標誌，新會徽換上富現代感的設計，同時保留學會作為財務策劃業專業「燈塔」的創會理念。新設計下「IFPHK」更為突出，不論在印刷品及數碼格式物件上，都能突顯學會作為專業團體的形象。

除全新標誌揭開20週年慶祝活動的序幕外，我們還為會員獻上一次持續進修課程特別優惠，即合資格的會員可於指定期限內免費參與一次3小時面授課程及一次2小時網上課程。CFP持證人、AFP持證人及核准退休顧問(QRA)持有人將獲贈一張電子優惠券，他們可按學會提供的使用指南於官方網站登記參加3小時面授課程一次；而免費的2小時持續進修課程亦會於今年第三季推出。請善用此特別優惠，密切留意學會的最新公佈，以滿足持續進修課程的年度規定。

More Resilient, More Resolute

The world has become a very different place in the last 20 years. Technology now dominates our personal and professional lives, something probably few of us could have conceived of all those years ago. The world's economic stage is also vastly different from what it was at the dawn of this millennium. Looking back, the IFPHK has remained steadfast in our vision: financial planning is for the betterment of the financial health of our society, enriching lives. The crises we have faced in the past year have only amplified the need that we remain unfaltering in our beliefs. Indeed, our annual survey of CFP certificants bears out the fact that our profession is still going strong in spite of the upheavals we have weathered.

We have had to forego a few of our signature events and celebrations for our 20th anniversary due to the pandemic, and for this we seek our members' understanding. It is your never-ending patience and unwavering support all these years that have bolstered the IFPHK's foundation from which we draw strength to help our community overcome adversities. There is no better time than now for us to convey our heartfelt gratitude to our Founding Members, our Advisory Council, our past and present Board of Directors, our previous and current Executive Committees, and our hardworking but often uncredited member-volunteers: the IFPHK is deeply indebted to you for your generosity and encouragement throughout the years.

Looking ahead, there will no doubt be trials that test our mettle, and hurdles that make us stumble. In the face of seemingly insurmountable hardship, we have strength in numbers, and wisdom as a collective. We pledge to work closer together with our members to become more resilient, more resolute, come what may. Let us forge ahead and reach new heights for the financial planning industry for many more anniversaries to come, because it is worth it.

堅定信念 逆境自強

過去20年世界急劇變化，科技主宰了我們的個人生活及專業發展，這些事情是我們始料不及。與千禧年相比，現時世界經濟舞台已徹底改變。回顧過去，學會的方針堅定不移：財務策劃旨在創造社會整體的財務健康，為市民帶來更豐盛的人生，而過去一年的危機更加突顯我們堅守信念的重要性。事實上，儘管受動盪局勢的衝擊，但我們的CFP持證人年度調查發現，財務策劃專業仍然在茁壯成長。

受疫情影響，學會迫於無奈取消部份的年度盛事及20週年紀念活動，在此希望會員諒解。過去多年來，會員給予無比的關愛及支持為學會打下良好的基礎，賦予我們能力幫助社會面對逆境和挑戰。我們現藉此向創會成員、諮詢委員會、過去和現在的董事會和執行委員會、以及為學會辛勤工作卻時被忽略的義工大使致以由衷的感謝，感激您們多年來的慷慨付出及無償貢獻。

毫無疑問，於未來我們仍然會面對各式各樣的考驗，測試我們的能力，當中更會遇到足以令我們絆倒的障礙物。面對難以克服的困難之時，我們依靠的是眾多會員賦予的強大力量及你們的集體智慧。學會承諾竭盡所能，與會員緊密地合作，堅毅強韌地邁步向前，帶領財務策劃業再勇闖高峰。



Steve Chiu 趙小寶

Chairman 主席
IFPHK 香港財務策劃師學會



Dennis Lau 劉振輝

CEO 行政總裁
IFPHK 香港財務策劃師學會

GOVERNANCE STRUCTURE

管治架構

The IFPHK is grateful for the efforts of our many senior representatives from the financial services industry who volunteer their time and effort on our board and various committees.

本會非常感激多位香港金融服務業的資深人士奉獻寶貴時間，擔任本會董事會及各委員會的職務。

Board of Directors 董事會

Mr. CHIU Siu Po, Steve	趙小寶先生	Chairman 主席
Mr. LEE Ching Hang, Ray	李澄幸先生	Vice Chairman (Development) 副主席(發展)
Mr. LEE Ming Gin, Gin	李明正先生	Vice Chairman (Finance and Administration) 副主席(財務及行政)
Mr. CHAN Kin Lok, Paul	陳健樂先生	
Mr. CHEUNG Yin Ming, Edwin	張言銘先生	
Mr. CHOY Chung Foo	蔡中虎先生	
Mr. HO Ka Kei, Michael	何家驥先生	
Mr. LAM Ching Wang, Perseus	林正宏先生	
Mr. MA Ying Mao, Andrew	馬英武先生	
Mr. TSE Yue Hong, Chris	謝汝康先生	
Ms. WU Mew May, May	胡妙媚女士	
Mr. YAU Shu Cheung, Gary	游樹祥先生	
Mr. YUNG Wing Hung, Dominic	翁永鴻先生	

Chief Executive Officer 行政總裁

Mr. LAU Chun Fai, Dennis	劉振輝先生
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Education Development Committee 教育發展委員會

Ms. WU Mew May, May	胡妙媚女士	Chairman 主席
Ms. CHAN Kit Man	陳潔文女士	
Ms. CHENG Yuen Yee, Ivy	鄭婉儀女士	
Ms. HODGES Claudia	韓文婉女士	
Mr. LAI Koon Yin, Ken	賴冠言先生	
Mr. LAM C S, Steven	林仲聲先生	
Mr. MAK Siu Cheung, Louie	麥兆祥先生	
Mr. YIM Shau Shun, Samson	嚴守信先生	

Member Services Committee 會員服務委員會

Mr. CHEUNG Yin Ming, Edwin	張言銘先生	Chairman 主席
Mr. CHEN, Gifford	程俊昌先生	
Mr. CHOY Tsz Kin, Ellesmere	蔡子建先生	
Mr. LEE Ching Hang, Ray	李澄幸先生	
Mr. LEE Ming Gin, Gin	李明正先生	
Mr. MA Ying Mao, Andrew	馬英武先生	
Ms. WONG Wai Yi, Rachel	黃惠儀女士	
Dr. YU Shek Hang, Keith	余碩衡博士	
Mr. YUNG Wing Hung, Dominic	翁永鴻先生	

Assessment and Compliance Committee 評估及監測委員會

Mr. LEE Ming Gin, Gin	李明正先生	Chairman 主席
Dr. CHAN Mou Fung	陳茂峰博士	
Mr. CHAN Yau Kei, Kevin	陳有基先生	
Mr. CHEUNG Tao Fai, Thom	張道輝先生	
Mr. SUNG Kwok On, Tony	宋國安先生	
Ms. WONG Lai Sheung, Cherie	黃麗嫦女士	
Mr. WU Kin Wing, Kenny	胡建榮先生	

Examination Committee 考試委員會

Mr. CHIU Siu Po, Steve	趙小寶先生	Chairman 主席
Dr. CHENG Tsz Wan, Louis	鄭子云博士	
Mrs. CHOW, Grace	周陳文婉女士	
Mr. FU Tak-wah	傅德華先生	
Ms. LAM Lai Ha, Juliana	林麗霞女士	
Dr. TONG Chong Sze	唐創時博士	
Mr. TSE Yue Hong, Chris	謝汝康先生	
Dr. TSE Kwok Sang, Maurice, J. P.	謝國生博士, 太平紳士	
Mr. WONG, Billy	王玉麟先生	
Mr. WONG Yuk Loi, James	黃鈺來先生	

Professional Ethics Review 專業操守檢討委員會

Mr. CHAN Dor Cheong, Petrus	陳代昌先生	Chairman 主席
Mr. CHAN Wan Fei, Adams	陳雲飛先生	Vice Chairman 副主席
Mr. CHAN Kin Lok, Paul	陳健樂先生	
Mr. BUNKER, Robert	彭家樂先生	
Mr. MAK Wing Kwong, Tony	麥永光先生	
Mr. PONG Po Lam, Paul	龐寶林先生	
Mr. SKRINE, Rupert	柯瑞栢先生	
Ms. WAN Yuen Yung, Eleanor	溫婉容女士	

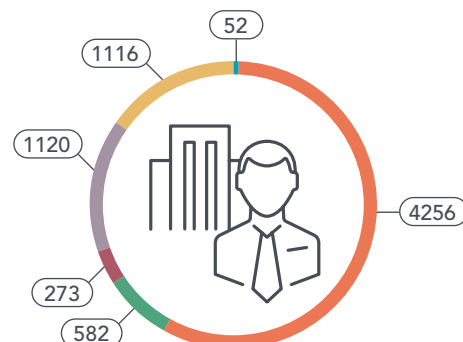
FACTS AND FIGURES

資料及統計數字

Number of Members 會員人數

as at 31 May, 2020 截至2020年5月31日

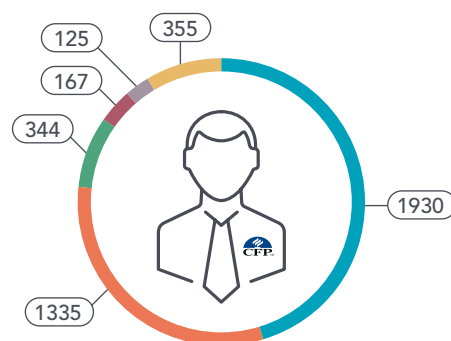
- Founding & Corporate Members
創會及機構會員
- AFP Certificants
AFP持證人
- QRA Holders
QRA持有人
- CFP Certificants
CFP持證人
- IFPHK/CII Joint Members
IFPHK / CII聯合會員
- Candidates
候證人



Composition of CFP Certificants CFP持證人的專業背景分析

as at 31 May, 2020 截至2020年5月31日

- Banking
銀行
- Independent Financial Advisor
獨立理財顧問
- Fund House/Securities Brokerage
基金公司 / 證券經紀
- Insurance
保險
- Asset Management
財富管理
- Others
其他



Number of Students Enrolled in Certification Education Programs 資格認證教育課程的報讀人數

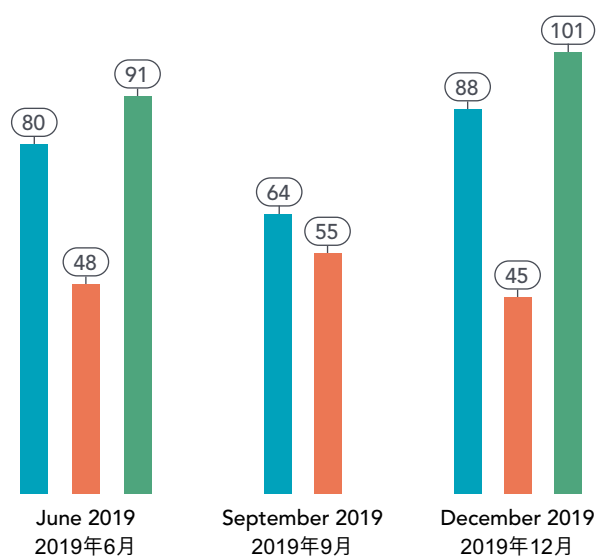
January – December 2019 由2019年1月至12月止

- AFP Certification Education Program (1st – 3rd Installment)
AFP 資格認證教育課程 (第一期至第三期)
- CFP Certification Education Program (Level 1): Course 1
CFP 資格認證教育課程 (第一階段) : 課程一
- CFP Certification Education Program (Level 1): Course 2
CFP 資格認證教育課程 (第一階段) : 課程二
- CFP Certification Education Program (Level 1): Course 3
CFP 資格認證教育課程 (第一階段) : 課程三
- CFP Certification Education Program (Level 2): Course 4
CFP 資格認證教育課程 (第二階段) : 課程四



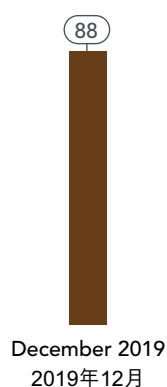
Number of Examinees Enrolled in the IFPHK Examinations 報考香港財務策劃師學會考試的考生人數

as at 31 May, 2020 截至2020年5月31日



CFP Certification
CFP資格認證

- CFP Certification Examination (Foundation Level)
CFP資格認證考試 (基礎階段)
- CFP Certification Examination (Level 1)
CFP資格認證考試 (第一階段)
- CFP Certification Examination (Level 2)
CFP資格認證考試 (第二階段)



Qualified Retirement Adviser (QRA)
核准退休顧問

- Examinees 考生人數

POLICY AND REGULATORY AFFAIRS

政策及監管事務

Advocacy 倡議行業權益

As the leading professional institute representing the interests of the financial planning industry, the IFPHK has a duty to respond to any consultation paper that may impact its members and their clients. The IFPHK strives to ensure that its and its members' voices are heard by the policymakers. Thus, considerable efforts have been made by the IFPHK to respond to consultation papers in a timely manner.

作為代表財務策劃業權益的首席專業機構，學會有責任就任何可對會員及其客戶構成影響的諮詢文件作出回應，亦盡力確保決策者能有效聽取學會和會員所提供的意見。以下為學會近期就政府相關諮詢文件作出的回應。

Consultation Issue 諮詢事項

Recipient 收件機構

Submission Period 遞交日期

Consultation Paper on the Eligibility of Weighted Voting Right Companies and Secondary-listed Companies for Inclusion in the Hang Seng Index
有關恒生指數應否納入同股不同權公司及第二上市公司諮詢

Hang Seng Indexes Company Limited
恒生指數有限公司

March 2020
2020年3月

Consultation Paper on the Task Force on Review of School Curriculum
學校課程檢討專責小組 — 諮詢文件

Education Development Bureau
教育局

October 2019
2019年10月

Revised Guideline to Disclose the Names of Certificants and Candidates Being Sanctioned 修訂指引以披露紀律處分的持證人及候證人的姓名

All CFP certificants, AFP certificants and candidates of the IFPHK have agreed to abide by and are subject to the IFPHK's Code of Ethics and Professional Responsibility (the "Code"), as well as the Disciplinary Rules and Procedures (the "Rules") adopted by the IFPHK for the purpose of enforcing the Code. To ensure that all financial planning professionals registered with the IFPHK uphold the principles and rules contained in the Code, the IFPHK has a formal process which enables complaints about financial planning professionals to be heard, evaluated and, where appropriate, disciplinary action to be taken. Following a finding of misconduct, the Hearing Panel or the Appeal Panel, as the case may be, may order one or a combination of disciplinary actions. The Rules empower the IFPHK to publish public disciplinary actions, which include a public letter of Admonition, Suspension or Revocation. To make the IFPHK's enforcement actions more effective, there is a guideline to disclose all public disciplinary actions (the "disclosure guideline") on the IFPHK's website in 2013. To enhance the effectiveness of the IFPHK's enforcement actions, the Professional Ethics Review Committee has decided to revise the disclosure guideline to disclose the name of the certificant being sanctioned. The revised disclosure guideline took effect on disciplinary actions decided after 1 April 2020.

所有CFP持證人、AFP持證人與候證人一律要遵守《專業操守和責任》(該「守則」)及學會為強制執行守則而採納的《紀律規則及程序》(該「規則」)。為確保經本會註冊成為財務策劃專業人士的任何人士都維護該守則內包含的原則及規則，本會設有一套正式的程序，接受社會人士對財務策劃專業人士的投訴、評估情況，以及在適當時採取紀律處分。證實當事人有行為失當後，聆訊委員會或上訴委員會(視情況而定)可以向違規人士實施一項或合併多項形式的紀律處分。該規則賦予學會權力去發表包括公開訓戒書、暫停牌照及撤銷牌照在內的公開紀律處分。為了令學會的紀律處分行動更為有效，學會於2013年網頁上已上載《披露指引》詳列紀律處分的內容。為了再提高學會紀律處分行動的效率，專業操守檢討委員決定修訂披露指引，以披露紀律處分的持證人及候證人的姓名。新指引已於2020年4月1日後實施。

ENHANCING CONTINUING EDUCATION

加強持續進修

Continuing Education continues to play a key role at the IFPHK. Although the COVID-19 pandemic has disrupted training operations since February 2020, the IFPHK has reacted promptly to meet the needs of the industry.

From June 2019 to May 2020, we introduced 191 CE programmes, of which 102 were conducted in-house. In total, 15,319 participants took part in the various programmes, of which 12,930 took part in the in-house programmes and 2,389 participated in the public programmes. With timely and apposite training, we equip CFP certificants, AFP certificants and QRA holders with the knowledge they need to stay abreast of the latest industry changes.

In an effort to contain the pandemic and address the training needs of the industry, the IFPHK has been offering CE programs via the ZOOM online platform since March, when the industry regulator approved the move for CPD activities providers to adopt suitable alternatives to face-to-face teaching arrangements, such as via the use of electronic media, in order to continue delivering CPD activities during the pandemic.

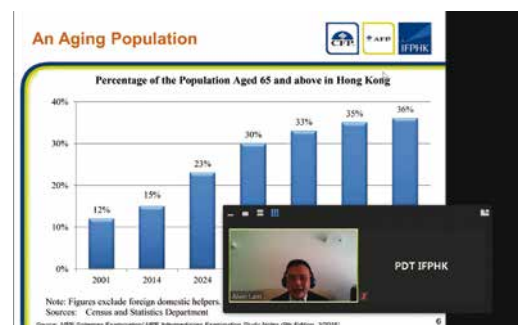
The IFPHK is satisfying individual and corporate training needs both online and in the classroom, and will continue to serve the industry in accordance with the latest regulations.

持續進修繼續在學會擔當重要的角色。雖然2020年2月起2019冠狀病毒肆虐並影響培訓工作，但是學會因持制宜迅速回應行業的培訓需求。

2019年6月至2020年5月期間，學會開辦了191項持續進修課程，其中102項是機構培訓課程。參加各種持續進修課程共有15,319人，其中12,930人來自機構培訓課程，其餘2,389人則是參加公開課程。為讓CFP持證人、AFP持證人及QRA持有人對日新月異的行業環境作更好準備，學會提供切合時代需要及高質素的培訓課程，供財務策劃從業員報讀。

此外，為配合防疫工作及支援業界的培訓需求，學會自3月起透過網上平台「ZOOM」進行網上視像持續進修課程。此舉是因應行業監管機構在疫情持續的情況下，批准持續進修培訓活動提供者可以就面對面的授課形式作出調整，讓它們可以透過電子媒體不間斷地授課。

學會將按最新法規，通過網上平台和面授方式繼續舉辦課程，以滿足個人和企業培訓需求，持續地為業界服務。



IFPHK FINANCIAL EDUCATION LEADERSHIP AWARDS CUM ACCREDITED PROFESSIONAL FINANCIAL PLANNING FIRM 2020

香港財務策劃師學會

理財教育領袖大獎暨優質財策企業2020



The Guest-of-Honor, presenters and corporate awardees' representatives gathered on stage.
主禮嘉賓、頒獎嘉賓與一眾獲獎機構代表於台上合照。

The IFPHK hosted one of its key signature events, the IFPHK Financial Education Leadership Awards cum Accredited Professional Financial Planning Firm 2020 (the "FELA Awards") at the Conrad Hotel in mid-January 2020. Mr. Joseph Chan, JP, Under Secretary for Financial Services and the Treasury, dignified the occasion as our Guest-of-Honor. Together with senior officials from the Financial Services Development Council, the Mandatory Provident Fund Schemes Authority, and the Securities and Futures Commission, over 170 distinguished guests attended the ceremony. Now in its third year, the FELA Awards give due recognition to corporate firms, non-governmental organizations, non-profit organizations and individuals who have taken part in pro bono financial education for the community. The FELA Awards entail three categories: 'Corporate Financial Education Leadership', 'Citizen Volunteer in Financial Education' and 'Corporate Volunteer Team in Financial Education'. A special category entitled "Corporate Financial Education for the Best Advocate" was added in 2020. This commendation is for efforts in educating the public about the various tax incentives introduced by the Government to encourage timely retirement planning. The judging panel consisted of IFPHK Board members and experienced CFP professionals. In 2020, 18 firms from various sectors were given accolades for advancing financial education in the community.

學會於2020年1月中假香港港麗酒店舉行其中一項年度盛會－「香港財務策劃師學會理財教育領袖大獎暨優質財策企業2020」（「理財教育領袖大獎2020」）頒獎典禮，由財經事務及庫務局副局長陳浩濂先生太平紳士擔任主禮嘉賓。此外，香港金融發展局、強制性公積金計劃管理局及證券及期貨事務監察委員會的高層行政人員亦撥冗出席，合共逾170名嘉賓參與盛事。「理財教育領袖大獎2020」已進入第三屆，目的是嘉許為公眾提供義務理財教育的商業機構、非政府組織、非牟利組織及社會人士。「理財教育領袖大獎2020」分為三類獎項，包括「企業理財教育領袖」、「理財教育公民」及「理財教育公民－企業團隊」。大會在2020年新增特別獎項「企業理財教育領袖－（積極推動大獎）」，以表揚企業在教育公眾認識政府各類稅務優惠的貢獻，並鼓勵公眾把握適當時機進行退休策劃。「理財教育領袖大獎2020」的評審團由學會董事會成員及資深的CFP專業人士組成，來自不同行業的18家企業獲大會表揚其在社會推廣理財教育的貢獻。

Since 2012, the IFPHK has been conferring the “Accredited Professional Financial Planning Firm” title to financial services firms as a nod to their commitment to professionalism in financial planning. Coming from the banking, insurance and independent financial advisory sectors, each firm must employ a minimum of 50 CFP professionals and/or AFP professionals. Firms with the title may display the award logos as a token of their dedication to financial planning expertise. In 2020, 10 firms from the banking, insurance, and independent financial advisory sectors received the accreditation.

The IFPHK was privileged to have the keen support of 14 organizations for the 2020 FELA Awards. Representing industry regulators and esteemed professional bodies, they are (in no particular order): the Insurance Authority, the Investor and Financial Education Council, the Mandatory Provident Fund Schemes Authority, the Financial Planning Standards Board, the Actuarial Society of Hong Kong, the ACCA Hong Kong, the Employers' Federation of Hong Kong, the Financial Services Development Council, the Hong Kong Association of Banks, the Hong Kong Institute of Certified Public Accountants, the Hong Kong Investment Funds Association, the Hong Kong Investor Relations Association, the Hong Kong Society of Financial Analysts, and the Kowloon Chamber of Commerce.

由2012年開始，學會每年頒發「優質財策企業」標誌，以表揚金融企業對提供專業理財服務的堅持。參加計劃的金融企業分為銀行、保險及獨立理財顧問三大財務策劃界別。凡符合聘用50名或以上CFP專業人士及／或AFP專業人士最低要求的合資格金融機構，便可獲學會頒發「優質財策企業」標誌，而有關企業可公開展示該標誌，以示對提供專業理財服務的貢獻。在2020年，共有10家來自銀行、保險及獨立理財顧問三大財務策劃界別企業獲學會頒發該標誌。

學會對於「理財教育領袖大獎2020」能夠獲得14家機構擔任支持機構，感到十分榮幸。這些支持機構涵蓋了金融服務業的監管機構及備受推崇的專業團體，分別為（排名不分先後）：保險業監管局、投資者及理財教育委員會、強制性公積金計劃管理局、美國財務策劃標準制定局、香港精算學會、特許公認會計師公會（ACCA）香港分會、香港僱主聯合會、香港金融發展局、香港銀行公會、香港會計師公會、香港投資基金公會、香港投資者關係協會、香港財經分析師學會和九龍總商會。



The presentation ceremony was well attended by over 170 guests. 頒獎禮出席嘉賓逾170人，場面熱鬧。



Group photo of awards presenters. 頒獎嘉賓合照。



The “Citizen Volunteer in Financial Education” awardees receiving their awards on stage. 「理財教育公民」得獎者於台上領取獎狀。



Guest-of-Honor Remarks by Mr. Joseph Chan, JP, Under Secretary for Financial Services and the Treasury of the HKSAR Government. 主禮嘉賓財經事務及庫務局副局長陳浩濂先生，太平紳士。



Welcome Speech by Mr. Steve Chiu, Chairman of the IFPHK. 香港財務策劃師學會主席趙小寶先生。

Best Corporate Financial Education Leadership of the Year 年度最佳企業理財領袖



AXA Hong Kong and Macau
AXA安盛



Nanyang Commercial Bank, Limited
南洋商業銀行



Prudential Hong Kong Limited
保誠保險有限公司

MEMBERS ACTIVITIES

會員活動

IFPHK Financial Planning Conference 2019

香港財務策劃師學會 財務策劃會議 2019

To help keep members and practitioners prepared for the opportunities ahead, the IFPHK's annual signature event, the "IFPHK Financial Planning Conference 2019" (the "Conference"), concluded successfully on 23 September 2019 at the Hong Kong Convention and Exhibition Centre. The Conference included 18 prominent speakers and welcomed the attendance of close to 500 CFP professionals and industry practitioners.

Themed "Harness the Future: Gear Up for Disruption", industry heavyweights, including regulators and financial experts, shared their insights on various aspects of the industry's future. The Conference was highly informative and enlightening, and enjoyed by all present.

為了讓會員及從業員捉緊未來的發展機遇，學會一年一度的盛事——「財務策劃會議2019」，於2019年9月23日假香港會議展覽中心順利舉行。今年會議得到18位業界翹楚分享真知灼見，吸引了近500名CFP認可財務策劃師及金融從業員參與。

今年會議以「駕馭未來：為各種衝擊作好準備」為主題，會上多位重量級人物，包括監管機構代表及業界精英對行業未來作出精闢獨到的分享，會議在一片歡笑聲中圓滿結束。



Close to 500 CFP professionals and industry practitioners attended the Conference.

會議吸引近500名從業員，場面熱鬧。



Two of the attending regulators, pictured with a guest speaker, and the IFPHK's CEO and board members.

兩位監管機構代表、講者與學會行政總裁及董事會成員合照。



"Industry Dialogue – Paving the Way to Smart Retirement" forum speakers, pictured with IFPHK Chairman Steve Chiu and IFPHK board members.

「業界對話——為至醒的退休鋪路」論壇四位講者與學會主席趙小寶和董事會成員合照。



The "High-level Roundtable – How FinTech is Shaping Hong Kong's Financial Services" Forum.

「圓桌論壇－金融科技重塑本地金融業面貌」論壇。

2019 IFPHK Presentation Ceremony

2019年度香港財務策劃師學會頒授典禮

To recognize and celebrate its members' hard work and achievements, the IFPHK held its annual presentation ceremony on 10 November 2019 at the Hong Kong Convention and Exhibition Centre. Andrew Wan, the Chief Financial Officer of the Securities and Futures Commission, attended the ceremony as the Guest-of-Honour, and Damian Yip, the Head of Marketing and Programmes of the Investor and Financial Education Council, gave the opening remarks.

At the ceremony, Mr. Wan, Mr. Yip, IFPHK Chairman Steve Chiu, Vice Chairman (Finance and Administration) Gin Lee and CEO Dennis Lau presented IFPHK awards to the new CFP certificants, new AFP certificants, new QRA holders, top scorers and meritors.



The Guest-of-Honour, Andrew Wan, the Chief Financial Officer of the Securities and Futures Commission.
證券及期貨事務監察委員會首席財務總監溫志遙擔任主禮嘉賓。



Damian Yip, the Head of Marketing and Programmes of the Investor and Financial Education Council, gave the opening remarks.
投資者及理財教育委員會教育計劃及統籌主管葉卓明致辭。

為表揚會員的傑出成就及嘉許他們背後付出的努力，學會於2019年11月10日假香港會議展覽中心舉行一年一度的嘉許儀式。典禮由證券及期貨事務監察委員會首席財務總監溫志遙擔任主禮嘉賓；並由投資者及理財教育委員會教育計劃及統籌主管葉卓明致辭。

嘉許儀式上，溫先生、葉先生、學會主席趙小寶、副主席（財務及行政）李明正與行政總裁劉振輝於儀式中向新一屆的CFP持證人、AFP持證人、QRA持有人、傑出成績考生及優異成績考生頒發證書。



The new CFP certificants, AFP certificants and QRA holders at the Ceremony.
獲頒授證書的新一批CFP持證人、AFP持證人和QRA持有人。

IFPHK Accredited Professional Financial Planning Firm 2020

香港財務策劃師學會 優質財策企業2020

With the mission to uphold the highest standards in the financial planning industry and to assist corporates in their pursuit of this excellence, the IFPHK launched the "IFPHK Accredited Professional Financial Planning Firm" award scheme to encourage corporates to hire more CFP professionals and AFP professionals. The awards serve to recognize the commitment of financial planning firms to provide top-notch financial planning services to the public. Awarded firms are entitled to display the award logos as a hallmark of their professionalism.

In 2020, 10 financial planning firms from the banking, insurance and independent financial advisory sectors were award recipients.

學會一直致力推動金融機構的領袖維持財務策劃業的最高標準。為此，學會舉辦名為「優質財策企業」計劃，旨在鼓勵本地金融機構聘用更多擁有CFP資格認證及AFP資格認證的財務策劃師，並表揚它們在維護公眾利益所付出的努力，從而為市民提供專業理財服務。獲獎機構可獲學會頒發優質企業標誌，以彰顯它們對專業財務策劃的堅持。

今年，共有10間來自銀行、保險及獨立理財顧問三大財務策劃行業的金融企業獲頒發是項標誌。

Members' Event x Webinar – "QE Infinity and the Black Swan: Investment Strategies in the Gold, Stock, Property and FX Markets"

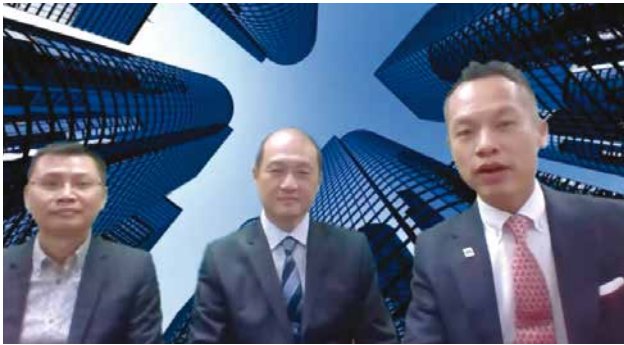
會員活動 X 網絡研討會 – 「無限QE與『黑天鵝』：金股樓匯如何配置？」

The IFPHK's seminars update members on the changing financial environment and help them to respond to ever-evolving business demands. The IFPHK organized its first members' event of 2020, themed "QE Infinity and the Black Swan: Investment Strategies in the Gold, Stock, Property and FX Markets", on the evening of 18 May 2020. The live webinar was hosted by IFPHK Board Member Edwin Cheung, and featured Jacky Luk, the Senior Managing Editor (Investment and Property) of Ming Pao, and Benny Lau, Securities Analyst cum Feng Shui Master, as guests.

At the webinar, Mr. Luk and Mr. Lau shed light on the latest trends in the gold, stock, property and FX markets, and their thoughtful analysis was followed by an interactive Q&A session. The highly interesting, enjoyable and informative event was attended by close to 80 members.

研討會是會員吸收市場最新資訊的重要橋樑，有助他們應對不斷提升的市場要求。學會於2020年5月18日黃昏舉辦首個會員活動——「無限QE與『黑天鵝』：金股樓匯如何配置？」網絡研討會。研討會邀得明報投資及地產版資深主編陸振球，以及證券分析師兼玄學家劉宏業為嘉賓，並由學會董事會成員張言銘擔任主持。

於網絡研討會中，陸先生及劉先生不但為會員全面剖析金股樓匯未來走勢，更即席解答各位會員的提問。該趣味與資訊性兼備的研討會於熱鬧的氣氛下結束，共吸引近80名會員參與。



The IFPHK's first members' webinar was well attended and received.

學會首個會員網絡研討會氣氛輕鬆愉快，會員反應踴躍。



(From left) On behalf of the IFPHK, Edwin Cheung, Chair of the IFPHK's Member Services Committee, presented souvenirs to guest speakers Jacky Luk and Benny Lau.

(左起) 會員服務委員會主席張言銘代表學會向嘉賓講者陸振球及劉宏業致送紀念品。

15th Anniversary Appreciation Gifts for CFP Certificants

CFP持證人15週年感謝狀

The generous support of our long-serving members is the most valuable asset of the IFPHK. To express the IFPHK's gratitude to their continuous support, an appreciation certificate and logo pin were presented to recognize IFPHK members who have been CFP professionals for 15 years or more.

會員的長期支持是學會穩健發展的基石。為答謝會員多年來的支持，學會特別制作了精美的感謝狀及紀念襟章，送贈予持有CFP資格認證逾15年的會員。



COMMUNITY AND CONSUMER EVENTS

社區服務及消費者活動

Tax-Deductible Tools (QDAP & TVC) Public Education Seminar 合資格延期年金及可扣稅強積金自願性供款教育講座

The IFPHK is devoted to raising public financial literacy and keeping the public abreast of the latest market updates. On 20 July and 24 August 2019, IFPHK Board Member Chris Tse spoke at the "Tax-Deductible Tools (QDAP & TVC) Public Education Seminar" on these products' tax-deduction features, arrangement and suitability. The event was jointly organized by the Insurance Authority and the Investor and Financial Education Council, with the IFPHK participating as one of the event's supporting organizations.

學會一直致力提升公眾的理財知識水平，協助他們緊貼市場最新發展。於2019年7月20日和8月24日，學會董事會成員謝汝康出席「合資格延期年金及可扣稅強積金自願性供款教育講座」，與在場人士分享各項扣稅安排、產品特點及其合適性。是次活動由保險業監管局和投資者及理財教育委員會合辦，學會為講座的支持機構之一。



IFPHK Board Member Chris Tse spoke at the Seminar.
學會董事會成員謝汝康擔任活動講者

IFPHK Financial Planning Education Video Series 「好生活·講理財」短片



The IFPHK explores all options in delivering its mission to raise public financial literacy. Since October 2019, the IFPHK has launched a series of videos on Facebook to educate the public about financial planning and retirement planning concepts. Hosted by IFPHK Vice Chairman (Development) Ray Lee and Members Service Committee Member Gifford Chen, the videos explain common retirement planning concepts in a lively and interactive manner.

學會一直不遺餘力從多角度提升公眾理財水平。由2019年10月開始，學會便推出一系列名為「好生活·講理財」短片，教育公眾基本財務策劃概念。影片由學會副主席（發展）李澄幸及會員服務委員會成員程俊昌主持，以輕鬆互動的形式講解退休概念及策劃要點。

The IFPHK's financial planning education videos hosted by Vice Chairman (Development) Ray Lee and Members Service Committee Member Gifford Chen.

學會副主席（發展）李澄幸及會員服務委員會成員程俊昌為學會錄製「好生活·講理財」短片。

Support for the Mandatory Provident Fund Schemes Authority (MPFA): Retirement Planning Workshop and One-on-One MPF Consultation Services

支持積金局：「退休策劃DIY」工作坊及一對一強積金諮詢服務

In keeping with its obligation to raise public awareness on financial planning and CFP certification, the IFPHK has remained committed to providing wider access to professional financial planning advice. In this endeavour, the IFPHK is privileged to have had CFP professionals volunteer as ambassadors to provide financial education for the public. On 19 October 2019, eight CFP professionals were invited to give pro bono MPF advice during the consultation session of the MPFA's Retirement Planning Workshop. The ambassadors provided independent and professional analysis on MPF investment and retirement planning to the attendees, all of whom were happy and grateful for their valuable input.

學會一直以推廣財務策劃和CFP資格認證的認識為己任，務求令更多人士獲得專業的理財建議。學會榮幸地得到一群CFP專業人士的支持，身體力行組成學會義工大使團隊為市民服務。2019年10月19日，一支由8名CFP專業人士組成的團隊，浩浩蕩蕩參與積金局舉辦的「退休策劃DIY」工作坊，為參加者就強積金投資及退休策劃提供中立、免費及專業的分析。是項一對一的強積金諮詢服務反應踴躍，獲得參與者的一致好評。



The IFPHK's eight ambassadors formed by CFP professionals.
8名CFP專業人士組成了學會大使團隊。



The team of ambassadors provided MPF advice to the workshop participants.
學會大使為參與者提供強積金意見。

University Students Promotional Campaign 大學生推廣活動

To help promote the CFP certification designation to the younger generation, the IFPHK is planning to launch a special student-priced programme for university students to enroll as candidates and register for examinations. A series of videos and e-blasts have been specially made for the promotion. The promotional videos, hosted by IFPHK board member Edwin Cheung with corporate member AXA's Jason Wat as a guest speaker. The videos highlight various topics on financial planning, including financial planning concepts and career paths, an introduction to CFP certification, and the certification process.

學會致力將CFP資格認證推廣至年輕人層面，特別籌劃大學生專享優惠，讓合資格的大學生可以學生價一併過成為學會候選人及參加CFP資格認證考試。學會已製作宣傳短片及電子章程，並由學會董事會成員張言銘擔任短片的主持。此外，學會更邀得機構會員AXA安盛的屈偉民擔任嘉賓。影片主要是講解財務策劃的基礎概念和職業生涯規劃，同時簡介CFP資格認證及認證過程。



AXA Hong Kong Chief Agency Officer Jason Wat appeared on the videos as guest speaker.
AXA安盛首席經銷業務總監屈偉民擔任短片嘉賓。



IFPHK board member Edwin Cheung.
學會董事會成員張言銘。

Elderly Well-being Programmes 《快樂長門人》

《快樂長門人》長者節目

The IFPHK engages proactively with TVB's elderly well-being programme "快樂長門人". Since February 2019, the IFPHK has been invited regularly to share practical financial planning tips that help raise the financial well-being of the elderly. To date, IFPHK Chairman Steve Chiu, Vice Chairman (Finance and Administration) Gin Lee, Vice Chairman (Development) Ray Lee and Board Member Chris Tse have been on the show respectively, as guest speakers. In the 10 episodes in which they collectively appeared, they shared insights on financial planning topics that were of particular interest to the elderly, including entrepreneurship for the elderly, wealth management for single elderly people, and legacy preservation.

學會積極參與無線電視翡翠台的長者理財節目「快樂長門人」。自2019年2月起，學會應邀分享財務策劃的知識，以提升銀髮族的理財能力。學會主席趙小寶、副主席（財務及行政）李明正、副主席（發展）李澄幸及董事會成員謝汝康分別應邀擔任節目嘉賓，於十集節目中暢談長者關注的理財話題，包括長者創業、獨身長者理財須知及財富傳承等。



IFPHK board members sharing financial planning insights on "快樂長門人".
學會董事會成員分別於《快樂長門人》分享長者實用的理財技巧。



Hong Kong Economic Journal – Wealth Management Series

信報專欄：財富管理 – 移民理財系列

Migrating abroad is currently a topic of great interest to many people in Hong Kong. In this regard, the IFPHK has partnered with the Hong Kong Economic Journal on a series of editorials focusing on migration and the financial planning associated with it. Since November 2019, two seasoned professionals, IFPHK Vice Chairman (Development) Ray Lee and Vice Chairman (Finance and Administration) Gin Lee, have robustly supported this partnership by providing a full spectrum of financial planning advice on migration every two weeks. The partnership has received an overwhelmingly positive response from readers, and it has continued into the 2nd Quarter of 2020.

移民再次成為熱門話題。正因如此，學會2019年11月獲信報邀請，由兩位學會副主席李澄幸（發展）及李明正（財務及行政）隔星期輪流撰稿，提供一系列專業實用的理財資訊及建議，協助有移民念頭的讀者作透徹的財務準備。由於讀者反應熱烈，兩位副主席於2020年第二季會繼續為信報撰稿。

ICAC's Hong Kong Business Ethics Development Centre – “Integrity for Success” Ethics Promotion Campaign for the Insurance Industry 廉政公署香港商業道德發展中心 – 「誠信創未來」保險業道德推廣計劃

The IFPHK has been reinforcing the ethical compliance and gold standard of CFP professionals. In 2019, the Hong Kong Business Ethics Development Centre, established by the ICAC, launched the “Integrity for Success” Ethics Promotion Campaign for the Insurance Industry in collaboration with the Insurance Authority and 12 industry organizations.

The campaign aims to promote professional ethics among insurance practitioners and entrench the probity culture in the industry. The IFPHK is one of the 12 supporting organizations of the campaign.

學會一直致力恪守財務策劃師必備的專業操守及CFP資格認證的黃金標準。於2019年，廉政公署轄下的香港商業道德發展中心與保險業監管局及學會在內的12個業內團體攜手合作，推出「誠信創未來」保險業道德推廣計劃，旨在向保險從業員推廣專業操守，鞏固業界的誠信文化。



IFPHK Chairman Steve Chiu gives a presentation during the “Integrity for Success” Ethics Promotion Campaign for the Insurance Industry. 學會主席趙小寶亮相於「誠信創未來」保險業道德推廣計劃的宣傳短片。



The campaign includes a Continuing Professional Development (CPD) module on anti-corruption laws and professional ethics for insurance intermediaries.

推廣計劃包括為保險中介人製作一套有關防貪法例以及專業道德的網上持續專業培訓單元。



The IFPHK is one of the 12 supporting organizations of the campaign. 學會為12間支持機構之一。

FINANCIAL STATEMENTS

財務報告

Directors' Report

The directors submit herewith their report and audited financial statements of The Institute of Financial Planners of Hong Kong Limited (the "Institute") for the year ended 31 December 2019.

Limitation of liabilities

The Institute is a company limited by guarantee of not exceeding HK\$50 per member of the Institute.

Principal activities

The principal activities of the Institute are the promotion of personal financial planning and the certification of the CERTIFIED FINANCIAL PLANNER^{CM} and CFP^{CM} certification marks in Hong Kong.

Results

The results of the Institute for the year ended 31 December 2019 are set out in the statement of comprehensive income on page 24.

Directors

The directors who held office during the year or during the period from the end of the year to the date of this report were:

Chan Kin Lok, Paul

Cheung Yin Ming, Edwin

Chiu Siu Po, Steve (re-elected on 5 September 2019)

Choy Chung Foo

Ho Ka Kei, Michael

Lam Ching Wang

Lee Ching Hang (re-elected on 5 September 2019)

Lee Ming Gin

Ma Ying Mao, Andrew (re-elected on 5 September 2019)

Tse Yue Hong, Chris

Wu Mew May (re-elected on 5 September 2019)

Yau Shu Cheung

Yung Wing Hung, Dominic

Chan Lai Kwan (resigned on 20 November 2019)

Pong Po Lam, Paul (retired on 5 September 2019)

Arrangement for acquisition of shares or debentures

At no time during the year was the Institute a party to any arrangements to enable the directors of the Institute to acquire benefits by means of the acquisition of shares in, or debenture of, the Institute.

Management contracts

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

Equity-linked agreements

No equity-linked agreements into which the Institute entered subsisted at any time during the year.

Permitted indemnity provisions

No permitted indemnity provision was in force during the year, or is in force at the date of this report, for the benefit of a then director or a director of the Institute (whether made by the Institute or otherwise).

Auditor

A resolution will be submitted to the annual general meeting to re-appoint Mazars CPA Limited, *Certified Public Accountants*, as auditor of the Institute.

Approved by the Board of Directors and signed on its behalf by



Chiu Siu Po Steve

Chairman

3 August 2020

Independent Auditor's Report

To the members of

The Institute of Financial Planners of Hong Kong Limited

(incorporated in Hong Kong with liability limited by guarantee)

Opinion

We have audited the financial statements of The Institute of Financial Planners of Hong Kong Limited (the "Institute") set out on pages 24 to 48, which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, the statement of changes in funds and the 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 Institute as at 31 December 2019, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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") 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 Institute 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 directors of the Institute are responsible for the other information. The other information comprises the directors' report.

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 Directors 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 HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors 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 directors are responsible for assessing the Institute'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 Institute or to cease operations, or have no realistic alternative but to do so.

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 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 HKSA's 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 HKSA's, 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 Institute's internal control.
- 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 Institute'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 Institute 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 directors 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.



Certified Public Accountants
Hong Kong, 3 August 2020

The engagement director on the audit resulting in this independent auditor's report is:

Or Ming Chiu

Practising Certificate number: P04786

Statement of Comprehensive Income

Year ended 31 December 2019

		2019	2018
	Note	HK\$	HK\$
Income from certification & membership		14,752,418	13,822,859
Income from examinations		1,395,550	1,253,650
Income from annual events		1,083,030	1,037,236
Income from registered programs		440,000	415,500
Income from seminars & conferences		9,759,551	10,967,830
Income from sales of textbook		263,700	222,160
Interest income		790,694	485,529
Sponsorship income		270,000	336,000
Transcript review income		700	500
Other income		21,158	79,999
		28,776,801	28,621,263
Depreciation	3	(3,326,501)	(47,055)
Staff costs		(14,350,149)	(14,087,482)
Other operating expenses		(7,953,418)	(11,413,559)
Finance costs	3	(153,606)	-
Surplus before tax	3	2,993,127	3,073,167
Taxation	4	-	-
Surplus for the year		2,993,127	3,073,167
Other comprehensive income for the year		-	-
Total comprehensive income for the year and transferred to General Fund		2,993,127	3,073,167

Statement of Financial Position

At 31 December 2019

		2019	2018
	Note	HK\$	HK\$
Non-current assets			
Property, plant and equipment	5	131,274	108,714
Right-of-use assets	6	1,285,958	-
		<u>1,417,232</u>	<u>108,714</u>
Current assets			
Inventories	7	257,586	372,971
Registered program fees receivable	8	-	91,000
Deposits, prepayments and other debtors		1,861,480	2,376,819
Pledged deposits	14	1,042,200	1,042,200
Bank balances and cash		47,698,050	44,035,810
		<u>50,859,316</u>	<u>47,918,800</u>
Current liabilities			
Certification and license fees payable		1,144,550	1,189,545
Accrued charges and other payables		1,718,769	1,997,815
Contract liabilities	9	11,228,030	11,598,195
Lease liabilities		1,194,301	-
		<u>15,285,650</u>	<u>14,785,555</u>
Net current assets		<u>35,573,666</u>	<u>33,133,245</u>
Total assets less current liabilities		<u>36,990,898</u>	<u>33,241,959</u>

		2019	2018
	Note	HK\$	HK\$
Non-current liabilities			
Lease liabilities		18,294	-
NET ASSETS		36,972,604	33,241,959
Funds			
Building Fund		20,504,986	19,767,468
General Fund		16,467,618	13,474,491
TOTAL FUNDS		36,972,604	33,241,959

These financial statements on pages 24 to 48 were approved and authorised for issue by the Board of Directors on 3 August 2020 and signed on its behalf by



Chiu Siu Po Steve
Chairman



Lee Ming Gin
Vice Chairman (Finance & Administration)

Statement of Changes in Funds

Year ended 31 December 2019

	Building Fund	General Fund	Total
	HK\$ (Note)	HK\$	HK\$
At 1 January 2018	19,071,552	10,401,324	29,472,876
Surplus for the year and total comprehensive income for the year	-	3,073,167	3,073,167
Transaction with members			
<i>Contributions and distributions</i>			
Contributions to Building Fund	695,916	-	695,916
At 31 December 2018	<u>19,767,468</u>	<u>13,474,491</u>	<u>33,241,959</u>
At 1 January 2019	19,767,468	13,474,491	33,241,959
Surplus for the year and total comprehensive income for the year	-	2,993,127	2,993,127
Transaction with members			
<i>Contributions and distributions</i>			
Contributions to Building Fund	737,518	-	737,518
At 31 December 2019	<u>20,504,986</u>	<u>16,467,618</u>	<u>36,972,604</u>

Note: The Building Fund shall be used by the Institute for the sole purpose of purchase of real property for the use of the Institute and all incidental costs of fitting, equipping, renovating and improving the real property purchased.

Statement of Cash Flows

Year ended 31 December 2019

		2019	2018
	Note	HK\$	HK\$
OPERATING ACTIVITIES			
Cash generated from operating activities	11(a)	5,818,202	3,871,714
Interest paid		(153,606)	-
Net cash from operating activities		5,664,596	3,871,714
INVESTING ACTIVITIES			
Interest received		682,550	485,529
Purchase of property, plant and equipment		(100,680)	(86,800)
Net cash from investing activities		581,870	398,729
FINANCING ACTIVITIES			
Contributions to Building Fund received		737,518	695,916
Repayments of lease liabilities	11(b)	(3,321,744)	-
Net cash (used in) from financing activities		(2,584,226)	695,916
Net increase in cash and cash equivalents		3,662,240	4,966,359
Cash and cash equivalents at beginning of year		44,035,810	39,069,451
Cash and cash equivalents at end of year, represented by bank balances and cash		47,698,050	44,035,810

Notes to Financial Statements

Year ended 31 December 2019

CORPORATE INFORMATION

The Institute of Financial Planners of Hong Kong Limited is a professional self-regulatory organisation incorporated in Hong Kong. The Institute's registered office is located at 13th Floor, Causeway Bay Plaza 2, 463-483 Lockhart Road, Hong Kong. The principal activities of the Institute are the promotion of personal financial planning and the certification of the CERTIFIED FINANCIAL PLANNER^{CM} and CFP^{CM} certification marks in Hong Kong.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2018 financial statements except for the adoption of the following new / revised HKFRSs that are relevant to the Institute and effective from the current year. A summary of the principal accounting policies adopted by the Institute is set out below.

Adoption of new / revised HKFRSs

Annual Improvements Project – 2015-2017 Cycle

HKAS 12: Income tax consequences of payments on financial instruments classified as equity

The amendments clarify that (a) the income tax consequences of dividends are recognised in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated the distributable profits were originally recognised and (b) these requirements apply to all income tax consequences of dividends as defined in HKFRS 9.

The adoption of the amendments does not have any significant impact on the financial statements.

HK(IFRIC)-Int 23: Uncertainty over Income Tax Treatment

The Interpretation supports the requirements in HKAS 12 Income Taxes by specifying how to reflect the effects of uncertainty in accounting for income taxes.

The adoption of the Interpretation does not have any significant impact on the financial statements.

Amendments to HKFRS 9: Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income ("FVOCI") instead of at fair value through profit or loss ("FVPL") if specified conditions are met.

The adoption of the amendments does not have any significant impact on the financial statements.

HKFRS 16: Leases

HKFRS 16 replaces HKAS 17 and related Interpretations for annual periods beginning on or after 1 January 2019. It significantly changes, among others, the lessee accounting by replacing the dual-model under HKAS 17 with a single model which requires a lessee to recognise right-of-use assets and lease liabilities for the rights and obligations created by all leases with a term of more than 12 months, unless the underlying asset is of low value. HKFRS 16 also requires enhanced disclosures to be provided by lessees and lessors.

In accordance with the transitional provisions, the Institute has applied HKFRS 16 for the first time at 1 January 2019 (i.e. the date of initial application, the "DIA") using the modified retrospective approach in which comparative information has not been restated. Instead, the Institute recognised the cumulative effect of initially applying HKFRS 16 as an adjustment to the balance of accumulated profits or other component of equity, where appropriate, at the DIA.

The Institute also elected to use the transition practical expedient not to reassess whether a contract was, or contained, a lease at the DIA and the Institute applied HKFRS 16 only to contracts that were previously identified as leases applying HKAS 17 and to contracts entered into or changed on or after the DIA that are identified as leases applying HKFRS 16.

As lessee

Before the adoption of HKFRS 16, lease contracts were classified as operating or finance lease in accordance with the Institute's accounting policies applicable prior to the DIA.

Upon adoption of HKFRS 16, the Institute accounted for the leases in accordance with the transition provisions of HKFRS 16 and the Institute's accounting policies applicable from the DIA.

As lessee - leases previously classified as operating leases

The Institute recognised right-of-use assets and lease liabilities for leases previously classified as operating leases at the DIA, except for leases for which the underlying asset is of low value, and the Institute applied the following practical expedients on a lease-by-lease basis.

- (a) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- (b) Adjusted the right-of-use assets at the DIA by the provision for onerous leases recognised immediately before the DIA by applying HKAS 37, as an alternative to performing an impairment review at the DIA.
- (c) Did not recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the DIA.

At the DIA, right-of-use assets were, on a lease-by-lease basis, measured at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised immediately before the DIA.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the DIA. The weighted average incremental borrowing rate applied to the lease liabilities at the DIA is 5.125%.

Reconciliation of operating lease commitments disclosed applying HKAS 17 at 31 December 2018 and lease liabilities recognised at the DIA is as follows.

	HK\$
Operating lease commitments at 31 December 2018	<u>4,575,903</u>
Discounted using the lessee's incremental borrowing rate at the DIA	4,414,835
Less: Short-term leases and other leases with remaining lease term ending on or before 31 December 2019	<u>(20,500)</u>
Lease liabilities at 1 January 2019	<u>4,494,335</u>

At the DIA, all right-of-use assets were presented within the line item "right-of-use assets" on the statement of financial position. Besides, lease liabilities are shown separately on the statement of financial position.

Basis of measurement

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

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to the profit or loss during the year in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method, at the following rates per annum. Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis and depreciated separately:

Office equipment	33 1/3%
Computer equipment	33 1/3%
Leasehold improvement	Over the existing office lease term
Furniture and fixtures	Over the existing office lease term

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Institute becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Institute's contractual rights to future cash flows from the financial asset expire or (ii) the Institute transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

Classification and measurement

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income ("Mandatory FVOCI"); (iii) equity investment measured at fair value through other comprehensive income ("Designated FVOCI"); or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Institute's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Institute changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model (the "reclassification date").

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Institute's financial assets at amortised cost include bank balances and cash, pledged deposits and trade and other receivables.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Institute becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are direct attributable to the issue of the financial liabilities.

The Institute's financial liabilities include trade and other payables, contract liabilities and lease liabilities. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets

The Institute recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Institute measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Institute measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

- (i) past due information
- (ii) nature of instrument
- (iii) nature of collateral
- (iv) industry of debtors
- (v) geographical location of debtors
- (vi) external credit risk ratings

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

Definition of default

The Institute considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Institute may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

- (i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Institute, in full (without taking into account any collaterals held by the Institute); or
- (ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Institute considers that default has occurred when a financial asset is more than 90 days past due unless the Institute has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Institute compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Institute considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Institute presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Institute has reasonable and supportable information that demonstrates otherwise.

Notwithstanding the foregoing, the Institute assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Low credit risk

A financial instrument is determined to have low credit risk if:

- (i) it has a low risk of default;
- (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Simplified approach of ECL

For trade receivables, the Institute applies a simplified approach in calculating ECL. The Institute will recognise a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower.
- (b) a breach of contract, such as a default or past due event.
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Institute writes off a financial asset when the Institute has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Institute expects no significant recovery from the amount written off based on historical experience of recoveries of similar assets. The Institute expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Institute's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Cash equivalents

For the purpose of statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Revenue recognition

Revenue from contracts with customers within HKFRS 15

Nature of goods and services

The nature of the goods or services provided by the Institute is as follows:

- (a) provision of certification and membership.
- (b) provision of registered programs.
- (c) provision of seminars, conferences, examinations and annual events.
- (d) sales of textbook.

Identification of performance obligations

At contract inception, the Institute assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct good or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

- (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
- (b) the Institute's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Institute satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Institute transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Institute's performance as the Institute performs;
- (b) the Institute's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (c) the Institute's performance does not create an asset with an alternative use to the Institute and the Institute has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Institute satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Institute considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Income from certification is recognised at a point in time on completion of certification services.

Income from membership is recognised over time over the membership period.

Income from registered programs, seminars, conferences, examinations and annual events is recognised over time when the activities are held.

Sale of textbook is recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Contract assets and contract liabilities

If the Institute performs by transferring services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Institute has a right to an amount of consideration that is unconditional, before the Institute transfers a service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Institute's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

Foreign currency translation

Items included in the Institute's financial statements are measured using the currency of the primary economic environment in which the Institute operates ("functional currency").

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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, cost of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the first in, first out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs.

Impairment of non-financial assets

At each end of the reporting period, the Institute reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment and right-of-use assets may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Institute estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense in profit or loss immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as an income in profit or loss immediately.

Leases

Applicable from 1 January 2019

The Institute assesses whether a contract is, or contains, a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Institute applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Institute has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

The Institute accounts for each lease component within a lease contract as a lease separately. The Institute allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component.

Amounts payable by the Institute that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Institute recognises a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the Institute; and
- (d) an estimate of costs to be incurred by the Institute in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset (unless the lease transfers ownership of the underlying asset to the Institute by the end of the lease term or if the cost of the right-of-use asset reflects that the Institute will exercise a purchase option – in which case depreciation is provided over the estimated useful life of the underlying asset) as follows:

Office premise and warehouse	2-3 years
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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate;
- (c) amounts expected to be payable under residual value guarantees;
- (d) exercise price of a purchase option if the Institute is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the Institute exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Institute will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Institute remeasures the lease liability using a revised discount rate.

The Institute recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Institute recognises any remaining amount of the remeasurement in profit or loss.

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

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

Lease incentives are recognised in the profit or loss as an integral part of the net consideration agreed for the use of the leased asset. Contingent rentals are recognised as expenses in the accounting period in which they are incurred.

Employee Benefits

Short term 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.

Defined contribution plan

The obligations for contributions to defined contribution retirement scheme are recognised as an expense in the profit or loss as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior the contributions are vested fully in those employees. The assets of the scheme are held separately from those of Institute in independently administered funds.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Related parties

A related party is a person or entity that is related to the Institute.

- (a) A person or a close member of that person's family is related to the Institute if that person:
 - (i) has control or joint control over the Institute;
 - (ii) has significant influence over the Institute; or
 - (iii) is a member of the key management personnel of the Institute or of the parent of the Institute.
- (b) An entity is related to the Institute if any of the following conditions applies:
 - (i) The entity and the Institute 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 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 Institute or an entity related to the Institute. If the Institute is itself such a plan, the sponsoring employers are also related to the Institute.
 - (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 Institute or to the parent of the Institute.

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 and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Future changes in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of new / revised HKFRSs that are not yet effective for the current year, which the Institute has not early adopted. The directors do not anticipate that the adoption of the new / revised HKFRSs in future periods will have any material impact on the results of the Institute.

2. REVENUE

	2019	2018
	HK\$	HK\$
<u>Revenue from contracts with customers within HKFRS 15</u>		
Income from certification & membership	14,752,418	13,822,859
Income from examinations	1,395,550	1,253,650
Income from annual events	1,083,030	1,037,236
Income from registered programs	440,000	415,500
Income from seminars & conferences	9,759,551	10,967,830
Income from sales of textbook	263,700	222,160
	<u>27,694,249</u>	<u>27,719,235</u>

3. SURPLUS BEFORE TAX

	2019	2018
This is stated after charging:	HK\$	HK\$
Finance costs		
Interest on lease liabilities	153,606	-
Other items		
Auditor's remuneration	80,000	77,000
Contributions to a defined contribution plan	749,897	675,987
Cost of inventories	151,036	111,655
Depreciation expenses		
Property, plant and equipment	78,120	47,055
Right-of-use assets	3,248,381	-
Lease payments:		
Short-term lease	55,750	-
Operating lease payments	-	3,487,080

4. TAXATION

Hong Kong Profits Tax for current year has not been provided as the Institute's estimated assessable profits for the year are wholly absorbed by unrelieved tax losses brought forward from previous years.

Reconciliation of tax expense

	2019	2018
	HK\$	HK\$
Surplus before tax	2,993,127	3,073,167
Income tax at applicable tax rate of 16.5% (2018: 16.5%)	493,866	507,073
Tax exempt revenue	(130,464)	(80,112)
Utilisation of previously unrecognised tax losses	(339,546)	(411,818)
Unrecognised temporary differences	(23,856)	(15,143)
Tax expense for the year	-	-

5. PROPERTY, PLANT AND EQUIPMENT

	Office equipment	Computer equipment	Leasehold improvement	Furniture and fixtures	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
Reconciliation of carrying amount – year ended 31 December 2018					
At beginning of year	15,411	53,558	-	-	68,969
Additions	15,188	71,612	-	-	86,800
Depreciation	(11,064)	(35,991)	-	-	(47,055)
At end of the reporting period	<u>19,535</u>	<u>89,179</u>	<u>-</u>	<u>-</u>	<u>108,714</u>
Reconciliation of carrying amount – year ended 31 December 2019					
At beginning of year	19,535	89,179	-	-	108,714
Additions	-	100,680	-	-	100,680
Depreciation	(9,696)	(68,424)	-	-	(78,120)
At end of the reporting period	<u>9,839</u>	<u>121,435</u>	<u>-</u>	<u>-</u>	<u>131,274</u>
At 1 January 2019					
Cost	70,438	517,850	1,363,787	356,915	2,308,990
Accumulated depreciation	(50,903)	(428,671)	(1,363,787)	(356,915)	(2,200,276)
	<u>19,535</u>	<u>89,179</u>	<u>-</u>	<u>-</u>	<u>108,714</u>
At 31 December 2019					
Cost	70,438	618,530	1,363,787	356,915	2,409,670
Accumulated depreciation	(60,599)	(497,095)	(1,363,787)	(356,915)	(2,278,396)
	<u>9,839</u>	<u>121,435</u>	<u>-</u>	<u>-</u>	<u>131,274</u>

6. RIGHT-OF-USE ASSETS

The Institute as lessee

Office premise and warehouse

HK\$

Reconciliation of carrying amount – year ended 31 December 2019

At beginning of the reporting period – upon adoption of HKFRS 16	4,394,335
Additions	140,004
Depreciation	(3,248,381)
At the end of the reporting period	<u>1,285,958</u>

At 31 December 2019

Cost	4,534,339
Accumulated depreciation	(3,248,381)
Net carrying amount	<u>1,285,958</u>

The Institute leases office premise and warehouse for its daily operations. Lease terms range from 2 to 3 years.

Restrictions or covenants

The leases impose a restriction that, unless the approval is obtained from the lessor, the right-of-use asset can only be used by the Institute and the Institute is prohibited from selling or pledging the underlying assets.

For leases of properties, the Institute is required to keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

Commitments

At 31 December 2018, the Institute had total future minimum lease payments under non-cancellable operating leases, which are payable as follows:

	HK\$
Within one year	3,440,500
In the second to fifth years inclusive	1,135,403
	<u>4,575,903</u>

7. INVENTORIES

	2019	2018
	HK\$	HK\$
Souvenirs and textbooks for sale	<u>257,586</u>	<u>372,971</u>

All inventories, excluding those fully provided for with nil carrying value, are stated at cost.

8. REGISTERED PROGRAM FEES RECEIVABLE

	2019	2018
	HK\$	HK\$
Registered program fees receivable	-	91,000

Information about the Institute's exposure to credit risks and loss allowance for trade receivables is included in note 12.

Included in the balances are the trade receivables from contracts with customers within HKFRS 15 of HK\$Nil as at 31 December 2019 (1 January 2019: HK\$91,000).

9. CONTRACT LIABILITIES

The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the year are as follows.

	2019	2018
	HK\$	HK\$
At beginning of the year	11,598,195	9,923,730
Recognised as revenue	(11,598,195)	(9,923,730)
Receipt of advances or recognition of receivables	11,228,030	11,598,195
At the end of the reporting period	11,228,030	11,598,195

At 31 December 2019, no contract liabilities are expected to be settled after more than 12 months.

10. DEFERRED TAXATION

Unrecognised deferred tax assets arising from

	2019	2018
	HK\$	HK\$
Deductible temporary differences	65,529	89,385
Tax losses	2,912,868	3,252,414
At the end of the reporting period	2,978,397	3,341,799

Both the tax losses and the deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Institute can utilise the benefits therefrom.

11. CASH FLOWS INFORMATION

11(a) Cash generated from operations

	2019	2018
	HK\$	HK\$
Surplus before tax	2,993,127	3,073,167
Depreciation	3,326,501	47,055
Interest income	(790,694)	(485,529)
Interest expenses	153,606	-
Changes in working capital:		
Inventories	115,385	(80,123)
Registered program fees receivable	91,000	(41,000)
Deposits, prepayments and other debtors	623,483	(655,012)
Certification and license fees payable	(44,995)	6,113
Accrued charges and other payables	(279,046)	332,578
Contract liabilities	(370,165)	1,674,465
Cash generated from operating activities	5,818,202	3,871,714

11(b) Changes in liabilities arising from financing activities

Details of the changes in the Company's liabilities from financing activities are as follows:

2019	Lease liabilities
	HK\$
At beginning of the year – upon adoption of HKFRS 16	4,394,335
Net cash flows	(3,312,744)
Non-cash changes	
New lease	140,004
At end of the reporting period	1,221,595

During the year ended 31 December 2019, the Company acquired right-of-use assets by means of lease arrangements in respect of office premise and warehouse with a total capital value of HK\$4,534,339 at the inception of the leases.

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Institute's principal financial instruments comprise fees receivables and payables, cash and bank deposits. The main purpose of these financial instruments is to raise and maintain finance for the Institute's operations.

The main risk arising from the Institute's financial instruments is liquidity risk and credit risk. The Institute does not have any written risk management policies and guidelines. However, the directors generally adopt conservative strategies on its risk management and limit the Institute's exposure to these risks to a minimum.

Liquidity risk

The Institute's objective is to maintain a balance between continuity of funding and flexibility. The maturity profile of the Institute financial liabilities at the end of the reporting period based on contractual undiscounted payments are summarised below:

	On demand or within 1 year	Over 1 year but within 2 years	Total
	HK\$	HK\$	HK\$
Year ended 31 December 2019			
Certification and license fees payable	1,144,500	-	1,144,500
Accrued charges and other payables	1,718,769	-	1,718,769
Lease liabilities	1,351,703	18,450	1,370,153
	4,214,972	18,450	4,233,422
	On demand or within 1 year	Over 1 year but within 2 years	Total
	HK\$	HK\$	HK\$
Year ended 31 December 2018			
Certification and license fees payable	1,189,545	-	1,189,545
Accrued charges and other payables	1,997,815	-	1,997,815
	3,187,360	-	3,187,360

Credit risk

The carrying amount of financial assets recognised on the statement of financial position, which is net of impairment losses, represents the Institute's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

Trade receivables

The Institute deals only with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the Institute's exposure to credit risk is not significant.

The Institute's exposure to credit risk is influenced mainly by the individual characteristics of each counter party. At the end of the reporting period, the Institute did not have a concentration of credit risk (2018: 9% of the total receivables was due from the Institute's two largest customers).

The Institute applies a simplified approach in calculating ECL for trade receivables and recognises a loss allowance based on lifetime ECL at each reporting date and has estimated a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected loss rate used in the provision matrix is calculated for each category based on past due information over the past two years and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Institute's estimate on future economic conditions over the expected lives of the receivables. There was no change in the estimation techniques or significant assumptions made during the year.

The information about the exposure to credit risk and ECL for trade receivables using a provision matrix is summarised below.

As at 31 December 2019

	Expected loss rate	Gross carrying amount	Loss allowance	Credit- impaired
	%	HK\$	HK\$	
Not past due	-	-	-	No
1-30 days past due	-	-	-	No
		<u>-</u>	<u>-</u>	

As at 31 December 2018

	Expected loss rate	Gross carrying amount	Loss allowance	Credit- impaired
	%	HK\$	HK\$	
Not past due	-	17,000	-	No
1-30 days past due	-	74,000	-	No
		<u>91,000</u>	<u>-</u>	

The Institute does not hold any collateral over trade receivables as at 31 December 2019 (2018: Nil).

Other receivables

The Institute considers its other receivables are subject to low credit risk and the ECL of these other receivables is insignificant after taking into account the financial position and credit quality of the counter party.

Bank balances and time deposits

All of the Institute's bank balances and time deposits were deposited with creditworthy financial institutions in Hong Kong, which the Institute considers they do not have significant credit risk.

Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2019 and 2018.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Institute for similar financial instruments.

13. FUND MANAGEMENT

The total funds of the Institute comprise the Building Fund and the General Fund. The objectives of the Institute's capital management are to safeguard the Institute's ability to continue as a going concern in promoting the CFP certification and reinforcing the standards in financial planning. No changes were made in the objectives, policies or processes of fund management during the years ended 31 December 2019 and 2018.

14. PLEDGE OF ASSETS

The Institute has pledged its bank deposits with a net book value of approximately HK\$1,042,200 (2018: HK\$1,042,200) for procuring a continuous bank guarantee in favour of the landlord in respect of a tenancy agreement for the existing office premises signed with the landlord.

15. EVENTS AFTER THE REPORTING PERIOD

COVID-19 outbreak in Hong Kong since the beginning of year 2020 is a fluid and challenging situation affecting all industries and businesses. The Institute will continue to pay close attention to the development of the COVID-19 outbreak, evaluate and proactively respond to its impact on the Institute's financial position and operation.

16. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

The following disclosures are presented pursuant to section 383 of the Hong Kong Companies Ordinance.

a) Directors' remuneration

There was no directors' remuneration for the year (2018: Nil).

b) Loans, quasi-loans and other dealings in favour of directors

There were no loans, quasi-loans or other dealings in favour of the directors of the Institute, or in favour of companies controlled by and entities connected with these directors, that were entered into or subsisted during the year (2018: Nil).

c) Directors' material interests in transactions, arrangements or contracts

After consideration, the directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Institute's business to which the Institute was a party and in which a director of the Institute had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2018: Nil).



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