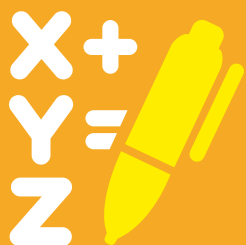


**FIRMLY
ON THE
ROAD TO
RECOVERY**
堅定迎向復甦之路



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。

- 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 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 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 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。



MISSIONS 使命

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CHAIRMAN & CEO MESSAGE

主席與行政總裁獻辭

Firmly on the Road to Recovery

堅定迎向復甦之路

Dear Members,

First of all, we would like to extend our very warm greetings to you. We hope that you have all fared well in the continuing COVID-19 pandemic. Like you, the IFPHK had also been striving to adapt to the new normal in the past year, and our heartfelt gratitude goes to you for your patience and support throughout this process of gradual transformation.

Our Ongoing and New Initiatives

Despite the pandemic throwing many spanners in the works of the IFPHK's operations, we have nonetheless been working in earnest to ensure that we continue to offer the usual suite of services to our members, while accommodating members' needs in the evolving work environment. We would like to take this opportunity to highlight some of our new and ongoing projects.

- Members' Financial Assistance Scheme – We have continued to support members in need with this scheme to ease their CFP certification membership fee burden.
- Development of the Qualified Retirement Adviser (QRA) Education Programme – As part of the Financial Incentive Scheme for Professional Training of the Pilot Programme to Enhance Talent Training for the Asset and Wealth Management Sector, the scheme allows students to claim reimbursement for up to 80% of the QRA Education Programme fee. This has helped drive up numbers, with a total of almost 500 examinees sitting the QRA examinations held in December 2020 and May 2021. There were 1,077 holders of the QRA designation as of 31 May 2021.
- Members' events – To comply with public health measures, we migrated online, and held two large-scale members' webinars in February and June 2021 in which a total of 140 attendees participated. In the second half of 2021, we will also host our annual signature event, the Financial Planning Conference. In addition, our annual industry event, the Financial Education Leadership Awards, has been launched in a new format this year.

親愛的會員：

在此，我們先向大家問候祝好，期望您們在新型冠狀病毒疫情期間一切安穩妥當。香港財務策劃師學會（學會）與大家一樣，在過去一年致力適應新常態，在這個逐步轉型的過程中，衷心感謝您們對學會的耐心及支持。

進行中的計劃及新猷

雖然疫情對學會的運作造成多重打擊，但我們仍然謹守工作崗位，以確保學會能向會員提供恆常的服務，並在不斷演變的工作環境中配合會員的需要。以下是學會一些全新及持續推行的項目：

- 會員財政援助計劃：繼續支援有需要的會員，透過計劃減輕他們的CFP資格認證會費負擔。
- 核准退休顧問（QRA）教育課程最新發展：作為「提升資產財富管理業人才培訓先導計劃」下，專業培訓資助計劃其中一項合資格的課程，核准退休顧問教育課程的合資格學員可獲發還最高為學費80%的金額。相關補助刺激報讀人數上升，在2020年12月及2021年5月舉辦的核准退休顧問考試中，便獲得合共近500名考生應考。截至2021年5月31日止，持有核准退休顧問資格的人數為1,077名。
- 會員活動：為配合衛生防疫措施，學會活動轉戰網上，分別於2021年2月及6月舉辦兩次大型會員網上研討會，合共有140名會員參與。在2021年下半年，我們會再度舉辦學會年度盛事「財務策劃會議」，而另一學會的行業年度盛會「理財教育領袖大獎」今年亦會以嶄新的模式舉行。

- Digital badges and e-certificates for members – To enhance accessibility to and portability of members' credentials with the IFPHK, we have partnered with digital credentialing platform Accredible to roll out cryptographically-signed and tamper-proof digital badges and e-certificates for all members. We are pleased to say that from June 2021, members will have additional means to promote their specific certifications and qualifications held with the IFPHK. You will be able to hold your digital badges and e-certificates securely in your own mobile wallets, enabling their sharing through various social media platforms.

Two Key Surveys for the Financial Planning Industry

In the year under review, the IFPHK conducted two important surveys, the first was a more inward-looking study into the industry by looking at the impact of the pandemic on CFP professionals and their clients.

- COVID-19 Survey – The IFPHK conducted the "Survey on the Impact of COVID-19" in June 2020. This was one amongst similar surveys of CFP professionals carried out by other FPSB affiliates, including those in the US, the UK and Canada. In the wake of the pandemic, 45% of CFP professionals in Hong Kong agreed that more clients would seek financial planning or professional financial advice, which was almost three times those who disagreed. However, nearly half of the CFP professionals surveyed saw a drop in new clients, with only a quarter seeing an increase. Unsurprisingly, over three-quarters of Hong Kong CFP professionals said that the general stress level of their clients was high. The most common primary recommendations that CFP professionals have made for clients were the following: "review and update short- and long-term goals" (26%), "rebalance portfolio" (25%), and "sit tight and wait to make any major financial decisions until volatility decreases" (18%). Meanwhile, the top two challenges that Hong Kong CFP professionals faced in their practice was "maintaining more frequent communications with clients and prospects" (21%) and "planning in anticipation of possible economic recession" (19%). These findings will be a good reference point for financial planning practitioners in the future if their clients experience similar major events.

The second survey that the IFPHK carried out looked into a crucial aspect of financial planning: retirement expenses for retirees in Hong Kong.

- Retirement Expenses Survey and Index – The retirement expenses survey was conducted in mid-2020 by the Nielsen Company in partnership with the IFPHK. Unlike most other retirement surveys, this survey zoomed in on retirees' actual expenses instead of projecting what they might be. The survey found that the average monthly expenses of a retiree in Hong Kong were about HK\$11,500 in 2020, with the highest spending on food, both eating at home and eating out. As for the most common source of retirement funding, the top two nest eggs were passive income (96%) and personal assets (90%). Of some concern is that close to half of the

- 會員數碼徽章及電子證書：為簡化核實學會會員的資格憑證及提高推廣資格認證的靈活性，學會與數碼憑證平台Accredible合作，為所有會員提供經加密簽署及防篡改資料的數碼徽章及電子證書。我們欣然宣佈，由2021年6月開始，會員可透過額外途徑推廣個人在學會所取得的認證及資格。您們將可在流動錢包內妥善保存數碼徽章及電子證書，隨時隨地在各個社交平台上作出分享。

兩項關鍵的財務策劃業意見調查

在過去一個年度，學會進行了兩項重要的意見調查。第一項調查的焦點在於研究財務策劃行業狀況，探討新型冠狀病毒疫情對CFP專業人士及客戶所構成的衝擊。

- 新型冠狀病毒疫情意見調查：學會在2020年6月進行「新型冠狀病毒疫情造成的衝擊」意見調查，與此同時，美國財務策劃標準制定局在美國、英國及加拿大等地的聯屬機構亦同步進行是項調查。調查結果顯示，受疫情影響，香港45%的CFP專業人士同意有更多客戶尋求財務策劃或專業理財意見，比率幾乎是表示不同意的三倍。然而，近一半受訪的CFP專業人士指新客戶數目減少，只有四分之一表示增加。一如所料，超過四分之三的本港CFP專業人士表示客戶普遍承受的壓力水平偏高，而CFP專業人士向客戶作出最常見的基本建議是：「覆核及更新短期和長期目標」（26%）、「重組投資組合」（25%）及「靜觀其變，在市場波動性減少時才作出重大理財決定」（18%）。與此同時，本港CFP專業人士在執業時面對的兩項最大挑戰是「與客戶及準客戶維持較頻密的溝通」（21%）及「為預期可能出現的經濟衰退做好策劃」（19%）。調查結果可作為財務策劃從業員的理想參考，從而協助客戶於未來發生同樣重大的事件時渡過難關。

第二項意見調查是建基於財務策劃的關鍵因素：香港已退休人士的退休開支。

- 退休生活開支及指數：學會於2020年年中委託尼爾森公司進行「真實退休生活開支」意見調查。是項調查聚焦於已退休人士的實質開支，與坊間一般退休生活開支估算的調查不同。調查結果顯示，香港每名已退休人士於2020年的平均每月基本真實開支為港幣\$11,500，並以食物佔最大開支，包括在家及外出用膳。在支持退休生活開支的最主要收入來源方面，兩大來源分別為被動收入（96%）及個人資產（90%）。令人關注的是

retirees surveyed did not rely on investment returns as a source of their monthly spending, and 71% relied on family support, which contributed to about a third of retirees' expenses. Most worryingly, only 14% of retirees felt safe about their financial status for the rest of their retirement.

From the results, the IFPHK was able to draw some insights. One of the key insights is that retirees must have an appropriate decumulation strategy during the retirement phase, and actively carry out financial planning during retirement, especially in the creation of passive income streams. We also made some key recommendations, such as the expansion of information channels for retirees, as three-quarters of them asked friends and family for information on financial planning and wealth management, likely missing out on reliable and professional official sources. Furthermore, we recommended that the government might increase the breadth of tax incentives, as the take-up rate of retirement products, such as annuities, was only around the 30% mark. The annual Retirement Expenses Index was created out of the survey results, and will be a major indicator for financial planners when doing retirement planning for clients. The Index requires a survey of retirees' expenses to be done annually, which will also track retirement trends in Hong Kong.

Dedicated to Achieving Our Goals

In the past year, we all continued to experience many restrictions in our ability to interact with each other in real life. Despite these setbacks, the IFPHK has endeavoured to provide digital means and online channels for members to stay connected with as much ease and convenience as possible. We remain indebted to our members through these tough times, as our various achievements in the past year would not have been possible without your support. At the same time, we must extend our sincere thanks to the Board of Directors, the various committees, and IFPHK volunteers for their encouragement and guidance in leading the IFPHK. There are some signs of recovery, but the path may still be fraught with roadblocks. We hope you will continue to join hands with us on the long journey ahead, unwavering in our mission to raise the bar in financial planning.

接近一半受訪的已退休人士並非依賴投資回報來支持每月開支，71%是依賴家人供養，金額平均佔他們的日常生活開支約三分之一。最令人憂慮的是，只有14%的已退休人士對退休階段的財政穩健狀況感到安全。

從調查結果中，學會總結了一些見解，其中一項重要觀點是已退休人士必須為退休階段制定適當的提領（decumulation）策略，並在退休階段積極進行財務策劃，特別是在創造被動收入來源方面。我們亦作出一些主要建議，包括擴闊已退休人士接收資訊的渠道，因為四分之三的已退休人士向家人或朋友查詢財務策劃及財富管理資訊，很可能錯過可靠及專業的正式資訊。此外，由於如年金等退休產品的滲透率只有約30%，我們建議政府擴大相關的稅務誘因。學會根據調查結果制定香港退休生活消費物價指數，今後將每年公佈一次，作為財務策劃師為客戶制定退休計劃的主要參考指標。學會將每年進行一次已退休人士開支調查，從而緊貼香港的退休趨勢，並編制該項指數。

堅定不移 實現目標

在過去一年，因環境及措施所限而減低了我們的互動能力。儘管遇上重重障礙，學會仍然竭力透過數碼方式及網上渠道，盡量簡化並與會員保持緊密聯繫。在這個艱難時期，我們必須要向各會員致以衷心謝意，因為若沒有您們的支持，學會在過去一年便無法取得各項成果。與此同時，我們要衷心感謝董事會、各委員會及學會義工的鼓勵及指導，讓學會可以邁步向前。現今經濟已呈現復甦之象，但前路仍然充滿挑戰。在這條漫長的道路上，期望會員能夠與我們攜手合作，堅定不移地履行提高財務策劃標準的使命。



Ray Lee 李澄幸

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. LEE Ching Hang, Ray	李澄幸先生	Chairman 主席
Mr. CHEUNG Yin Ming, Edwin	張言銘先生	Vice Chairman (Development) 副主席（發展）
Ms. WU Mew May, May	胡妙媚女士	Vice Chairman (Finance and Administration) 副主席（財務及行政）
Mr. CHAN Kin Lok, Paul	陳健樂先生	
Mr. CHEN, Gifford	程俊昌先生	
Mr. CHIU Siu Po, Steve	趙小寶先生	
Mr. CHOY Chung Foo	蔡中虎先生	
Mr. FUNG Man Kei, Pete	馮文基先生	
Mr. HO Ka Kei, Michael	何家驥先生	
Mr. MA Ying Mao, Andrew	馬英武先生	
Mr. PONG Po Lam, Paul	龐寶林先生	
Mr. TSE Yue Hong, Chris	謝汝康先生	
Ms. WONG Wai Yi, Rachel	黃惠儀女士	
Mr. YAU Shu Cheung, Gary	游樹祥先生	
Dr. YU Shek Hang, Keith	余碩衡博士	

Chief Executive Officer 行政總裁

Mr. LAU Chun Fai, Dennis	劉振輝先生
--------------------------	-------

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

Dr. YU Shek Hang, Keith	余碩衡博士	Chairman 主席
Mr. CHEN, Gifford	程俊昌先生	
Mr. CHEUNG Yin Ming, Edwin	張言銘先生	
Dr. CHOY Tsz Kin, Ellesmere	蔡子建博士	
Mr. LAI, David	黎天任先生	
Mr. LEE Ming Gin, Gin	李明正先生	
Mr. MA Ying Mao, Andrew	馬英武先生	
Ms. NG, Joanna	伍慧敏女士	
Ms. WONG Wai Yi, Rachel	黃惠儀女士	

Assessment and Compliance Committee 評估及監測委員會

Mr. CHEUNG Yin Ming, Edwin	張言銘先生	Chairman 主席
Mr. CHAN Mou Fung	陳茂峰先生	
Mr. CHAN Yau Kei, Kevin	陳有基先生	
Mr. CHEUNG Tao Fai, Thom	張道輝先生	
Mr. KWONG, Jason Tsz Huen	鄺梓暄先生	
Mr. LEE Ming Gin, Gin	李明正先生	
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	周陳文琬女士	
Mr. FU Tak-wah	傅德華先生	
Ms. LAM Lai Ha, Juliana	林麗霞女士	
Mr. LEE Ming Gin, Gin	李明正先生	
Dr. TONG Chong Sze	唐創時博士	
Dr. TSE Kwok Sang, Maurice	謝國生博士	
Mr. WONG, Billy	王玉麟先生	
Mr. WONG Yuk Loi, James	黃鈺來先生	

Professional Ethics Review Committee 專業操守檢討委員會

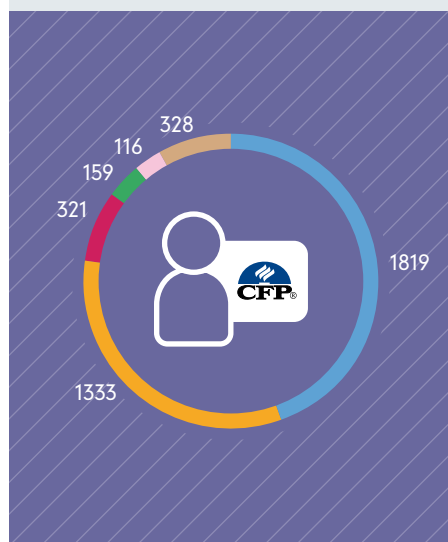
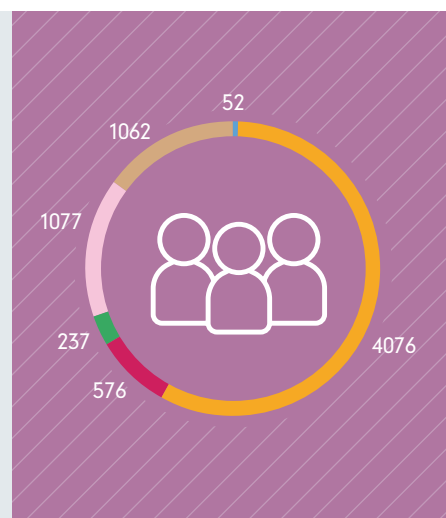
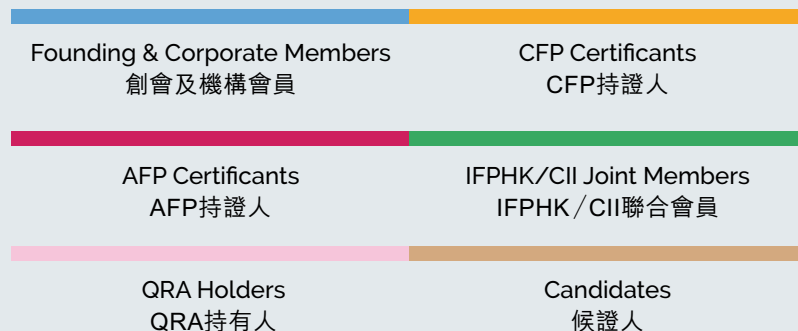
Mr. CHAN Dor Cheong, Petrus	陳代昌先生	Chairman 主席
Mr. CHAN Wan Fei, Adams	陳雲飛先生	Vice Chairman 副主席
Mr. CHAN Kin Lok, Paul	陳健樂先生	
Mr. BUNKER, Robert	彭家樂先生	
Mr. MAK Wing Kwong, Tony	麥永光先生	
Mr. PONG Po Lam, Paul	龐寶林先生	
Mr. SKRINE, Rupert	柯瑞栢先生	
Ms. WAN Yuen Yung, Eleanor	溫婉容女士	

FACTS AND FIGURES

資料及統計數字

Number of Members 會員人數

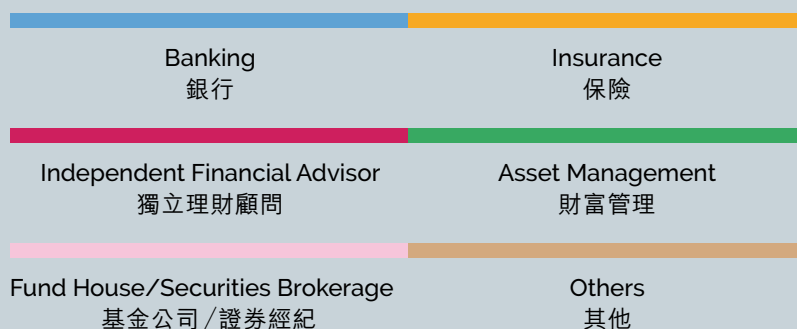
as at 31 May, 2021 截至2021年5月31日



Composition of CFP Certificants

CFP持證人的專業背景分析

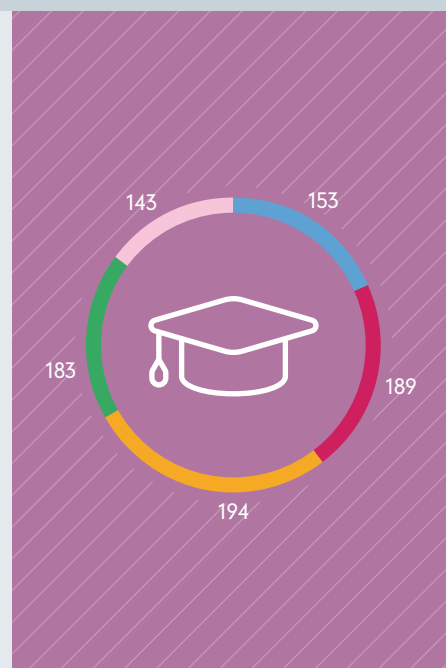
as at 31 May, 2021 截至2021年5月31日



Number of Students Enrolled in Certification Education Programs

資格認證教育課程的報讀人數

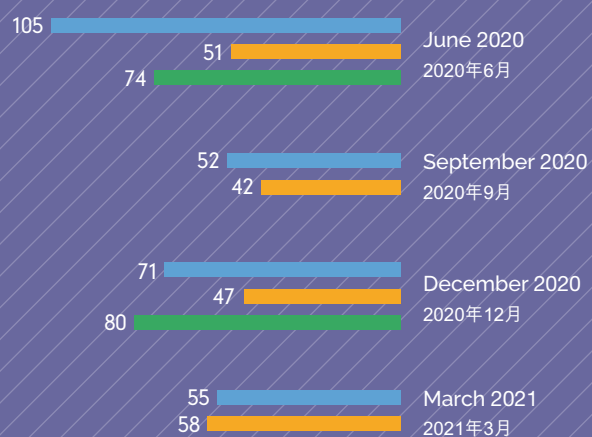
January – December 2020 由2020年1月至12月止



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, 2021 截至2021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

December 2020
2020年12月 152

May 2021
2021年5月 335

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 policy makers. Considerable efforts have been placed by the IFPHK to respond to consultation papers such as the one mentioned below.

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 Proposed Enhancements to the Competency Framework for Intermediaries and Individual Practitioners 有關建議優化適用於中介人及個人從業員的勝任能力框架的諮詢文件	Securities and Futures Commission 證券及期貨事務監察委員會	February 2021 2021年2月

Protection of Trademarks 商標保護

Over the past few years, the IFPHK has taken a series of joint actions with the FPSB to protect and strengthen our trademarks.

在過往數年，學會與財務策劃標準制定局採取了一系列聯合行動來增強商標保護。

a | Announcements on the protection of the trademarks 商標保護公告

The FPSB published announcements to defend the CFP marks and CFP certification ownership in July and August 2020, respectively, in the Hong Kong Economic Journal. The two announcements were stated to be "important declarations regarding the institutions authorized to provide CFP certification and classes" and "winning decisions and confirmation of our trademark rights".

財務策劃標準制定局在2020年7月和8月在《信報》刊登捍衛CFP商標和CFP資格認證所有權的公告。這兩個公告分別為【有關授權提供CFP資格認證及教育課程的機構的重要聲明】及【多場商標勝訴】。

b | Use of Marks Guide updated to strengthen the protection of the trademarks 全新商標使用指南以加強商標保護

To further strengthen the usage of the marks, the FPSB has recommended updating all the marks by using the ® symbol. The benefit of using the ® symbol is that it provides notice to the public that these marks are registered and that the trademark owner is claiming a monopoly on these marks for the underlying goods and services. The updated "Guide to Use of the CFP Marks" and "Guide to Use of the AFP Marks" have been officially in effect since 1 January 2021. Both CFP certificants and AFP certificants will be required to use the new marks with full compliance by 31 December 2021, according to the updated "Guide to Use of the CFP Marks" and "Guide to Use of the AFP Marks".

為了進一步加強商標的用途，財務策劃標準制定局建議更新所有商標為®符號。使用®符號的好處在於向公眾註明這些商標已註冊，並且聲明商標持有人對這些商標下的商品和服務的獨有權。新修訂的《CFP商標使用法指南》和《AFP商標使用法指南》已於2021年1月1日正式生效。CFP持證人及AFP持證人以及其他持份者將有足夠的時間來更新商標使用。CFP持證人及AFP持證人必需按照新修訂的《CFP商標使用法指南》或《AFP商標使用法指南》，於2021年12月31日前正確使用全新的標誌。

The IFPHK mandates the proper use of the marks in its "Code of Ethics and Professional Responsibility" and carefully monitors all usage of the marks in order to ensure its integrity. We view unauthorized use of the marks as an extremely serious matter and will take all necessary action to protect them.

學會在《專業操守及責任》中列明這些標誌的用法必須正確。我們會密切監察，確保這些標誌的用法正確。若有任何人士在未經授權的情況下使用這些標誌，本會一定嚴肅處理，採取一切可行的步驟來維護這些標誌。

ENHANCING CONTINUING EDUCATION

加強持續進修

The IFPHK's Continuing Education Programme continues to offer a wide range of training to satisfy the needs of the financial planning industry. From June 2020 to May 2021, we organized 114 CE programmes, of which 30 were conducted in-house. In total, close to 5,000 participants took part in the programmes during the period, of which half were from in-house programmes and half were from public programmes.

While the majority of the programmes were offered via online platforms, with the COVID-19 pandemic restrictions slowly beginning to ease, some face-to-face classes have also been arranged.

The Qualified Retirement Adviser (QRA) Education Programme has seen very promising growth during the period since it was included under the Financial Incentive Scheme for Professional Training (FIS) of the Pilot Programme to Enhance Talent Training for Asset and Wealth Management (WAM). The QRA Education Programme was officially included under the FIS in 2020, and the first class held under this scheme was in August 2020. The FIS allows participants of a shortlist of recognized training programmes to have up to 80% of their programme fees reimbursed, subject to attendance requirements. A total of eight classes were held between June 2020 and May 2021, involving over 500 participants. This classes help add to the growing crowd of QRA holders, which currently stands at over 1,000 individuals, and they will continue to form a growing base that is steadily marching towards CFP certification.

學會的持續進修一如既往，提供不同種類培訓課程以滿足業界的需要。由2020年6月至2021年5月，學會開辦了114個持續進修課程，其中30個是機構培訓課程。近五千名參加者出席了本會舉辦的各種持續進修課程，其中一半參加者來自機構培訓課程，另一半則出席了公開課程。

期內，大部份的課程是透過網上平台所進行的。而鑑於新冠病毒疫情有所紓緩，本會亦得以安排部份課程以面授形式進行。

核准退休顧問（QRA）教育課程正式被納入「提升資產財富管理業人才培訓先導計劃」，成為其轄下「專業培訓資助計劃」的認可課程，促成課程參與人數錄得可觀增長。本課程於2020年被納入計劃內，並於2020年8月首次舉辦獲「資助計劃」認可之課程。「資助計劃」允許課程的參加者修畢認可課程並滿足課程的出席率要求後，透過該計劃申請發還最高八成學費的資助。由2020年6月至2021年5月，本會一共舉辦了八次QRA教育課程，並有超過500名參加者完成課程。QRA持有人現時已超過1,000人，並受惠於「資助計劃」人數持續攀升。學會期待QRA持有人繼續向CFP資格認證邁進，並成為CFP資格認證持續壯大的基石。

各種資產及常見理財工具

Institute of Financial Planners of Hong Kong
IFPHK 香港財務策劃師學會

重建保險組合的思考點總結

- 香港和移民地保費比較優勢
- 香港和移民地保險類型、保障範圍比較（例如澳洲基本上只有定期壽險，沒有終身壽險；醫療保險欠缺海外就醫保障等）
- 重新投保時，會否面臨核保困難及更高的保費（包括個人健康、移民地人口結構因素）
- 香港和移民地保險公司的理賠及行政效率
- 居住地點變更後，現時持有保單受影響程度（包括保障範圍、保費、保障金額等）
- 移民地對該保單收益（及理賠）潛在的個人所得稅、增值稅及遺產稅等問題
- 保險在移民地相對於其他資產的稅務優勢（例如理賠免稅、靈活選擇提取時機，稅後收入最大化等）
- 應比較稅後保單收益
- 是否需要利用壽險準備應付遺產稅的現金流
- 分散貨幣風險



"Practices of retirement migration" webinar, conducted by Gin Lee, 26 Nov 2020.

網上研討會「退休移民要識「理」」，李明正主講，2020年11月26日。

"新經濟制霸戰-新經濟投資趨勢及2021下半年展望", conducted by Paul Pong, 27 May 2021.

「新經濟制霸戰-新經濟投資趨勢及2021下半年展望」，龐寶林主講，2021年5月27日。

MEMBERS ACTIVITIES

會員活動



IFPHK Hong Kong Retirees' Actual Expenses Survey 香港財務策劃師學會 港人退休真實開支調查

The IFPHK is dedicated to leading the development of professional standards in the financial planning industry. To address the realistic scenario of the retiring population and provide reference for the industry and the public, the IFPHK commissioned The Nielsen Company to conduct the "Hong Kong Retirees' Actual Expenses Survey" in the summer of 2020. Being the first-ever survey of this kind in Hong Kong, the results will also be used to create the "Hong Kong Retirement Expense Index" to help track this important indicator.

Findings of the survey were released at a press conference on 13 April 2021. The press conference saw IFPHK Chairman Ray Lee, IFPHK Board Member Chris Tse and The Nielsen Company (HK) Limited Associate Director Chloe Wong elaborating on the survey findings, and sharing insights and recommendations to the press.

The survey showed that the average monthly expenses of retirees were about HK\$11,500 in 2020. Close to 80% of the retirees had support from family members, whose contributions funded on average a third of retirees' expenses.

The IFPHK responded to the survey by suggesting four major recommendations, including expanding information channels, improving investor education, staying alert to the financial needs of retirees, and increasing tax incentives.

The press conference was well received by the attendance of over 20 media representatives, and it generated over 30 items of media coverage.

學會在制訂財務策劃行業專業標準方面扮演領導角色。為了剖析退休人士的真實退休情況並提供具體的數據供業界和市民參考，學會委託尼爾森公司於2020年夏季進行「港人退休真實開支調查」。作為本港歷來首項同類型的調查，調查結果亦會被用於編製全港首創的「香港退休開支指數」，以緊貼這個重要指標的變動。

學會於2021年4月13日舉行記者發佈會發表調查結果，出席者包括學會主席李澄幸、學會董事會成員謝汝康及尼爾森（香港）有限公司金融行業研究副總監黃沛盈。席上，他們與傳媒全面剖析調查結果及分享專業建議。

調查結果顯示，受訪者在2020年的平均每月開支約為11,500港元。接近八成的退休人士有家人供養，金額平均佔他們的日常生活開支的三分之一。

對於調查結果，學會作出了四項建議，包括擴大資訊渠道、加強投資者教育、注意退休人士的財政需要及增加稅務誘因。

發佈會反應踴躍，共吸引了20多名媒體代表出席，並獲超過30篇傳媒報導。



The IFPHK released the first "Hong Kong Retirees' Actual Expenses Survey".
學會發佈首份「港人退休真實開支調查」。



IFPHK RETIREMENT STUDY 2020

March 2021



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The presentation and infographics of the survey results. 學會發佈調查結果的重點。



The survey results received extensive media coverage. 調查結果獲得傳媒廣泛報導。



The IFPHK Accredited Professional Financial Planning Firm 2021

香港財務策劃師學會 優質財策企業2021

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 2021, 13 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領袖維護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資格認證的專業人士，並表揚它們在維護公眾利益所付出的努力，市民亦因此而獲得專業的理財服務。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。

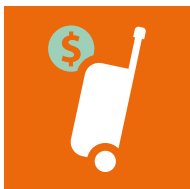
今年，共有13間來自銀行、保險及獨立理財顧問三大財務策劃行業的金融企業獲頒發是項標誌。



INSTITUTE OF FINANCIAL PLANNERS OF HONG KONG
**ACCREDITED PROFESSIONAL
FINANCIAL PLANNING FIRM**
2021



香港財務策劃師學會
優質財策企業
2021



Members' Webinar – "A Call for Financial Planners Riding the Waves of Migration"

會員網絡研討會 - 「移民潮產生的理財商機」

The IFPHK is dedicated to keeping members' up to date with the latest industry trends and the opportunities that lie within these developments. On 30 October 2020, a members' webinar was held with the theme of "A Call for Financial Planners Riding the Waves of Migration", featuring Connie Yeung, a seasoned family trust professional, as guest speaker, and Keith Yu, Chairman of the IFPHK's Member Services Committee, as host. The webinar began with the topic of the wealth management opportunities arising as a result of the newest waves of migration, including common migration pitfalls and the sharing of cases of BNO-passport holder migration to the UK. It concluded with a Q&A session that saw enthusiastic discussion among all those present. The webinar was attended by over 60 members.

學會一直致力協助會員緊貼行業發展及抓緊最新的發展機遇。於2020年10月30日，學會舉辦了會員網絡研討會 - 「移民潮產生的理財商機」。是項會員講座邀得信託顧問專家楊頌雅為嘉賓講者，並由會員服務委員會主席余碩衡擔任主持。講座以移民潮引發的種種理財商機展開序幕，隨後有大家關心的常見移民財務陷阱及持BNO移居英國的個案分享。該活動以問答環節作為終結，嘉賓及會員積極交流，氣氛熾熱。是次講座吸引了60多名會員參與。

(From left) The Members' Webinar had family trust expert Connie Yeung as guest speaker and Keith Yu, Chairman of the IFPHK's Member Services Committee, as host.

(左起) 會員網絡研討會上，信託顧問專家楊頌雅與會員服務委員會主席余碩衡分別擔任嘉賓講者和主持。





Members' Webinar on Feng Shui – "Economic Outlook and Boosting Your Luck in 2021" 玄學會員講座 - 「2021經濟展望與開運秘笈」

To celebrate the arrival of the Chinese New Year and to further foster member relationships, the IFPHK organized a members' webinar on Feng Shui themed "Economic Outlook and Boosting Your Luck in 2021" in the evening of 24 February 2021. The Webinar invited Feng Shui Master Ken Lee to speak on the economic outlook and tips to boosting luck in the Year of the Ox, with Keith Yu, the Chairman of the Member Services Committee of the IFPHK, serving as the host of the event.

The event began with new year greetings from IFPHK Chairman Ray Lee and Keith Yu. Then Master Lee shed light on the new year's Feng Shui and economic forecast, followed by an enthusiastic Q&A session seeing queries from over 50 members. The event was concluded successfully with a souvenir exchange session.

為慶祝農曆新年的來臨及加強與會員之間的關係，學會於2021年2月24日黃昏舉辦名為「2021經濟展望與開運秘笈」的玄學會員講座。講座邀得堪輿命理顧問李衛銘師傅分享牛年經濟展望與開運秘笈，並由學會會員服務委員會主席余碩衡擔任主持。

講座開始前，學會主席李澄幸與余碩衡，率先與一眾會員拜年。李衛銘師傅隨即分析新一年的風水和經濟走勢，50多名會員則在答問時間踴躍向李師傅提問。講座後，學會代表與李師傅交換紀念品，活動在一片愉快的氣氛中結束。



The event had Feng Shui Master Ken Lee as guest speaker, and IFPHK Chairman Ray Lee and Member Services Committee Chairman Keith Yu as IFPHK representatives.

活動上，堪輿命理顧問李衛銘師傅擔任嘉賓講者，學會主席李澄幸與學會會員服務委員會主席余碩衡為學會代表。



15th Anniversary Appreciation Gifts for CFP Certificants CFP持證人15週年感謝狀

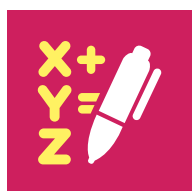
The generous support of our long-serving members is the most valuable asset of the IFPHK. To express the IFPHK's gratitude to their continuous support, an appreciation certificate and logo pin were presented to recognize IFPHK members who have been CFP professionals for 15 years or more.

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



World Financial Planning Day 2020

世界財務策劃日2020

In support of the FPSB and International Organization of Securities Commissions' World Investor Week, the IFPHK hosted the "World Financial Planning Day 2020" (WFPD) for Hong Kong on 7 October 2020, aiming to promote consumer awareness and the understanding of financial planning.

On the day of the event, the IFPHK released the results of a public awareness survey on the "COVID-19 Impact on Retirement Planning" that was conducted from 11 to 17 September 2020. The survey looked at the changes to the public's attitude on retirement planning before and after the start of the pandemic. Participation in the survey was made open to members of the public. Specifically, respondents were invited to complete an online survey, receiving free coffee coupons in return.

The survey results were presented in various ways, including being broadcast on the IFPHK's Facebook page, and through the use of press releases and infographics. The survey results were widely report by about 15 media outlets in total.

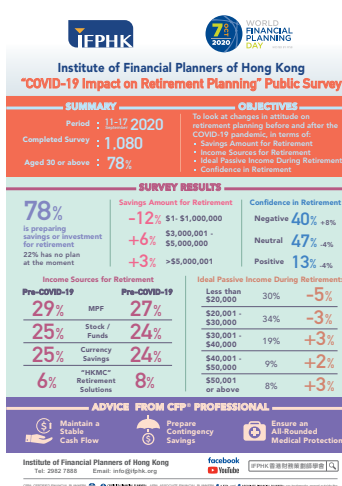
為全力支持美國財務策劃標準制定局及國際證監會組織「世界投資者週」，學會於2020年10月7日於香港舉辦「世界財務策劃日2020」，旨在提高消費者的財務策劃議題意識及水平。

學會於「世界財務策劃日」當日發表了「疫情前後退休理財態度變化」意見調查結果。調查於2020年9月11至17日進行，目的是了解疫情前後市民退休策劃態度的變化。市民在完成簡單問卷後有機會獲得咖啡券一張。

學會於當日以多個形式發佈調查結果，包括在Facebook頻道內發放短片，以及透過不同渠道發佈新聞稿及資訊圖表。調查結果獲15家媒體機構廣泛報導。



(From left) IFPHK Board member and Member Services Committee Chairman Keith Yu and Board member Rachel Wong elaborate on the results of the survey via the IFPHK's Facebook page.
(左起) 學會董事會成員及會員服務委員會主席余碩衡和董事會成員黃惠儀透過學會Facebook 解讀調查結果。



The IFPHK's infographics of the survey results.
學會發佈調查結果的重點。

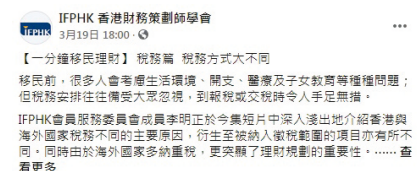
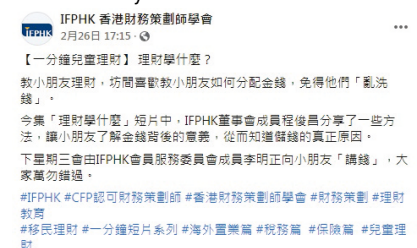


Hong Kong Money Month 2021 – "One-minute Financial Planning" Financial Education Video Series

香港理財月2021 - 「一分鐘理財」理財教育影片

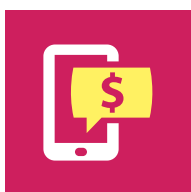
The IFPHK is dedicated to raising financial literacy at the community level and has been one of the supporting organizations of Hong Kong Money Month 2021 since its inception. From February to April 2021, the IFPHK launched the "One-minute Financial Planning" Financial Education Video Series on its Facebook page to provide impartial financial planning insights in a simple and easy to understand way. The series consisted of a total of 20 videos and featured topics on "Financial Planning for Migration" and "Financial Planning for Kids". IFPHK Board members Ray Lee, Gifford Chen, Keith Yu and Member Services Committee members Gin Lee and Ellesmere Choy spoke about a wide range of topics, such as how to use pocket money smartly, learning financial planning through games, and insurance and tax planning for migration.

學會一直致力在社會層面提升市民的理財知識，每年均擔任香港理財月2021的支持機構之一。由2021年2月至4月，學會於其Facebook特別推出「一分鐘理財」理財教育短片，以淺白角度解釋不偏不倚的理財觀點。學會主席李添幸、董事會成員程俊昌、余碩衡及會員服務委員會成員李明正和蔡子建於一連20集的短片系列中，探討「移民理財」及「兒童理財」兩大主題，並就利是錢的應用、遊戲學理財、移民稅務安排及移民保險安排等多個主題分享建議。



IFPHK representatives sharing financial planning tips in the "One-minute Financial Planning" Financial Education Video Series.

學會代表於「一分鐘理財」理財教育短片中分享財務策劃知識。



100 Women in Finance Webinar – "Do Women Get Worse Financial Advice?"

100 WOMEN IN FINANCE 網絡研討會 - 「女性是否被給予較差的財務建議？」

As the leading professional institute representing the financial planning industry, the IFPHK has always been invited to speak and comment on the latest trends and issues. On 24 February 2021, IFPHK Board member Edwin Cheung attended the "Do Women Get Worse Financial Advice?" webinar organized by 100 Women in Finance, where he spoke about the measurements carried out through the CFP designation to tackle any gender-related discrimination or mis-selling.

作為代表財務策劃業的首席專業機構，學會不時應邀就社會熱門議題及事項發表意見。學會董事會成員張言銘於2021年2月24日參與由機構「100 Women in Finance」主辦之「女性是否被給予較差的財務建議？」網絡研討會，分享CFP專業人士對保障女性消費者及相關的不當銷售行為提出意見。

IFPHK Board member Edwin Cheung spoke at the webinar.
學會董事會成員張言銘擔任網絡研討會講者。





IFPHK Media Coverage on TV Shows

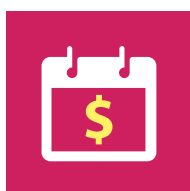
學會電視媒體訪問

The IFPHK continues its mission in engaging the media on educating the public on financial planning. From June 2020 to April 2021, IFPHK Board members Ray Lee, May Wu, Edwin Cheung, Chris Tse, Keith Yu and former board member Gin Lee appeared on various TV shows on TVB, RTHK and Yahoo! TV to educate the audience on financial planning on investment, wealth management, migration, financial planning for the elderly, and financial education for children.

學會一直以推廣財務策劃為己任，並積極與傳媒合作以提高公眾的財務策劃水平。由2020年6月至2021年4月，學會董事會成員李澄幸、胡妙媚、張言銘、謝汝康、余碩衡以及前董事會成員李明正分別應邀擔任電視節目的嘉賓，於無線電視台、香港電台及Yahoo! 電視的節目中暢談投資、財富管理、移民理財、長者理財及兒童理財等話題。



IFPHK Board members sharing financial planning insights on various TV shows.
學會董事會成員於電視節目上分享財務策劃知識。

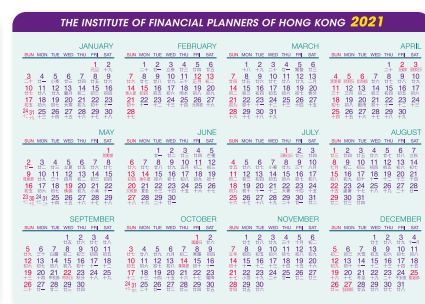
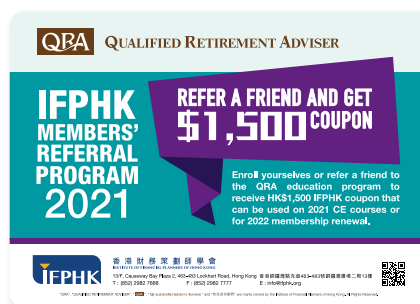


IFPHK 2021 Calendar Card

IFPHK 2021 年曆卡

In November 2020, the IFPHK printed an attractive 2021 calendar card for promotion use.

於本年11月，學會特別印製2021年年曆卡作為推廣之用。



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 2020.

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® and CFP® certification marks in Hong Kong.

Results

The results of the Institute for the year ended 31 December 2020 are set out in the statement of comprehensive income on page 22.

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	
Chen Gifford	(elected on 3 September 2020)
Cheung Yin Ming, Edwin	
Chiu Siu Po, Steve	
Choy Chung Foo	
Fung Man Kei, Pete	(elected on 3 September 2020)
Ho Ka Kei, Michael	
Lee Ching Hang	
Ma Ying Mao, Andrew	
Pong Po Lam, Paul	(elected on 3 September 2020)
Tse Yue Hong, Chris	
Wong Wai Yi, Rachel	(elected on 3 September 2020)
Wu Mew May	
Yau Shu Cheung	
Yu Shek Hang, Keith	(elected on 3 September 2020)
Lam Ching Wang	(retired on 3 September 2020)
Lee Ming Gin	(retired on 3 September 2020)
Yung Wing Hung, Dominic	(retired on 3 September 2020)

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

A handwritten signature in black ink, appearing to read 'L. Ching Hang'.

Lee Ching Hang

Chairman

9 August 2021

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 22 to 43, which comprise the statement of financial position as at 31 December 2020, 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 2020, 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 ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, 9 August 2021

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 2020

		2020	2019
	Note	HK\$	HK\$
Income from certification & membership		14,051,242	14,752,418
Income from examinations		1,038,580	1,395,550
Income from annual events		794,100	1,083,030
Income from registered programs		426,500	440,000
Income from seminars & conferences		3,329,915	9,759,551
Income from sales of textbook		251,110	263,700
Interest income		647,547	790,694
Sponsorship income		-	270,000
Transcript review income		700	700
Other income		12,646	21,158
		20,552,340	28,776,801
Depreciation	3	(3,275,205)	(3,326,501)
Staff costs		(12,349,139)	(14,350,149)
Other operating expenses		(6,593,676)	(7,953,418)
Finance costs	3	(274,957)	(153,606)
(Deficit) Surplus before tax	3	(1,940,637)	2,993,127
Taxation	4	-	-
(Deficit) Surplus for the year		(1,940,637)	2,993,127
Other comprehensive income for the year		-	-
Total comprehensive (loss) income for the year and transferred to General Fund		(1,940,637)	2,993,127

Statement of Financial Position

At 31 December 2020

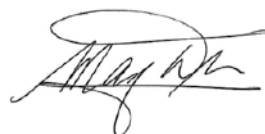
		2020	2019
	Note	HK\$	HK\$
Non-current assets			
Property, plant and equipment	5	81,225	131,274
Right-of-use assets	6	7,351,381	1,285,958
		7,432,606	1,417,232
Current assets			
Inventories	7	185,804	257,586
Deposits, prepayments and other debtors		1,693,164	1,861,480
Pledged deposits	13	1,051,500	1,042,200
Bank balances and cash		47,448,699	47,698,050
		50,379,167	50,859,316
Current liabilities			
Certification and license fees payable		1,217,486	1,144,550
Accrued charges and other payables		2,688,156	1,718,769
Contract liabilities	8	10,470,314	11,228,030
Lease liabilities		3,139,865	1,194,301
		17,515,821	15,285,650
Net current assets		32,863,346	35,573,666
Total assets less current liabilities		40,295,952	36,990,898

		2020	2019
	Note	HK\$	HK\$
Non-current liabilities			
Lease liabilities		4,549,830	18,294
NET ASSETS		35,746,122	36,972,604
Funds			
Building Fund		21,219,141	20,504,986
General Fund		14,526,981	16,467,618
TOTAL FUNDS		35,746,122	36,972,604

These financial statements on pages 22 to 43 were approved and authorised for issue by the Board of Directors on 9 August 2021 and signed on its behalf by



Lee Ching Hang
Chairman



Wu Mew May
Vice Chairman (Finance & Administration)

Statement of Changes in Funds

Year ended 31 December 2020

	Building Fund	General Fund	Total
	HK\$ (Note)	HK\$	HK\$
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>
At 1 January 2020	20,504,986	16,467,618	36,972,604
Deficit for the year and total comprehensive loss for the year	-	(1,940,637)	(1,940,637)
Transaction with members			
<i>Contributions and distributions</i>			
Contributions to Building Fund	714,155	-	714,155
At 31 December 2020	<u>21,219,141</u>	<u>14,526,981</u>	<u>35,746,122</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 2020

		2020	2019
	Note	HK\$	HK\$
OPERATING ACTIVITIES			
Cash generated from operating activities	10(a)	1,353,657	5,818,202
Interest paid		(274,957)	(153,606)
Net cash from operating activities		1,078,700	5,664,596
INVESTING ACTIVITIES			
Interest received		771,273	682,550
Purchase of property, plant and equipment		(26,733)	(100,680)
Net cash from investing activities		744,540	581,870
FINANCING ACTIVITIES			
Contributions to Building Fund received		714,155	737,518
Repayments of lease liabilities	10(b)	(2,786,746)	(3,321,744)
Net cash used in financing activities		(2,072,591)	(2,584,226)
Net (decrease) increase in cash and cash equivalents		(249,351)	3,662,240
Cash and cash equivalents at beginning of year		47,698,050	44,035,810
Cash and cash equivalents at end of year, represented by bank balances and cash		47,448,699	47,698,050

Notes to the Financial Statements

Year ended 31 December 2020

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[®] and CFP[®] 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 2019 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

Amendments to HKASs 1 and 8: Definition of Material

The amendments clarify the definition of material and align the definition used across HKFRSs.

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

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 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.

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.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Leases

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.

A lease modification is accounted for as a separate lease if

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

- (a) the Institute allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.
- (b) the Institute determines the lease term of the modified contract.
- (c) the Institute remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.
- (d) for lease modifications that decrease the scope of the lease, the Institute accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.
- (e) for all other lease modifications, the Institute accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

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

	2020	2019
	HK\$	HK\$
<u>Revenue from contracts with customers within HKFRS 15</u>		
Income from certification & membership	14,051,242	14,752,418
Income from examinations	1,038,580	1,395,550
Income from annual events	794,100	1,083,030
Income from registered programs	426,500	440,000
Income from seminars & conferences	3,329,915	9,759,551
Income from sales of textbook	251,110	263,700
	<u>19,891,447</u>	<u>27,694,249</u>

3. (DEFICIT) SURPLUS BEFORE TAX

	2020	2019
This is stated after charging (crediting):	HK\$	HK\$
Finance costs		
Interest on lease liabilities	274,957	153,606
Other items		
Auditor's remuneration	80,000	80,000
Contributions to a defined contribution plan	783,095	749,897
Cost of inventories	153,092	151,036
Depreciation expenses		
Property, plant and equipment	76,782	78,120
Right-of-use assets	3,198,423	3,248,381
Government subsidy (included in staff costs) (Note)	(1,296,000)	-
Lease payments:		
Short-term leases	170,963	55,750

Note: The government subsidy represented grant received from the Employment Support Scheme under the Anti-epidemic Fund of the Government of the HKSAR which aims to retain employment.

4. TAXATION

Hong Kong Profits Tax for the year ended 31 December 2020 has not been provided as the Institute incurred a loss for taxation purposes. Hong Kong Profits Tax for the year ended 31 December 2019 had not been provided as the Institute's estimated assessable profits for the year were wholly absorbed by unrelieved tax losses brought forward from previous years.

Reconciliation of tax expense

	2020	2019
	HK\$	HK\$
(Deficit) Surplus before tax	(1,940,637)	2,993,127
Income tax at applicable tax rate of 16.5% (2019: 16.5%)	(320,205)	493,866
Tax exempt revenue	(106,845)	(130,464)
Unrecognised tax losses	426,747	-
Utilisation of previously unrecognised tax losses	-	(339,546)
Unrecognised temporary differences	253	(23,856)
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 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>
Reconciliation of carrying amount – year ended 31 December 2020					
At beginning of year	9,839	121,435	-	-	131,274
Additions	-	26,733	-	-	26,733
Depreciation	(8,152)	(68,630)	-	-	(76,782)
At end of the reporting period	<u>1,687</u>	<u>79,538</u>	<u>-</u>	<u>-</u>	<u>81,225</u>
At 1 January 2020					
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>
At 31 December 2020					
Cost	70,438	645,263	1,363,787	356,915	2,436,403
Accumulated depreciation	(68,751)	(565,725)	(1,363,787)	(356,915)	(2,355,178)
	<u>1,687</u>	<u>79,538</u>	<u>-</u>	<u>-</u>	<u>81,225</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	4,394,335
Additions	140,004
Depreciation	(3,248,381)
At the end of the reporting period	<u>1,285,958</u>
Reconciliation of carrying amount – year ended 31 December 2020	
At beginning of the reporting period	1,285,958
Lease modification	9,263,846
Depreciation	(3,198,423)
At the end of the reporting period	<u>7,351,381</u>
At 31 December 2019	
Cost	4,534,339
Accumulated depreciation	(3,248,381)
Net carrying amount	<u>1,285,958</u>
At 31 December 2020	
Cost	13,798,185
Accumulated depreciation	(6,446,804)
Net carrying amount	<u>7,351,381</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.

7. INVENTORIES

	2020	2019
	HK\$	HK\$
Souvenirs and textbooks for sale	185,804	257,586

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

8. 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.

	2020	2019
	HK\$	HK\$
At beginning of the year	11,228,030	11,598,195
Recognised as revenue	(11,228,030)	(11,598,195)
Receipt of advances or recognition of receivables	10,470,314	11,228,030
At end of the reporting period	10,470,314	11,228,030

At 31 December 2020, no contract liabilities are expected to be settled after more than 12 months.

9. DEFERRED TAXATION

Unrecognised deferred tax assets arising from

	2020	2019
	HK\$	HK\$
Deductible temporary differences	76,944	65,529
Tax losses	3,328,504	2,912,868
At the end of the reporting period	3,405,447	2,978,397

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.

10. CASH FLOWS INFORMATION

10(a) Cash generated from operations

	2020	2019
	HK\$	HK\$
(Deficit) Surplus before tax	(1,940,637)	2,993,127
Depreciation	3,275,205	3,326,501
Interest income	(647,547)	(790,694)
Interest expenses	274,957	153,606
Changes in working capital:		
Inventories	71,782	115,385
Registered program fees receivable	-	91,000
Deposits, prepayments and other debtors	44,590	623,483
Pledged deposits	(9,300)	-
Certification and license fees payable	72,936	(44,995)
Accrued charges and other payables	969,387	(279,046)
Contract liabilities	(757,716)	(370,165)
Cash generated from operating activities	1,353,657	5,818,202

10(b) Changes in liabilities arising from financing activities

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

	Lease liabilities	
	2020	2019
	HK\$	HK\$
At beginning of the year	1,212,595	4,394,335
Net cash flows	(2,786,746)	(3,321,744)
Non-cash changes		
New lease	-	140,004
Contract modification	9,263,846	-
At end of the reporting period	7,689,695	1,212,595

During the year ended 31 December 2020, the Company extended the lease term of its right-of-use assets by means of lease modification in respect of the office premise and warehouse with a total capital value of HK\$9,263,846 at the date of lease modification.

11. 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 2020			
Certification and license fees payable	1,217,486	-	1,217,486
Accrued charges and other payables	2,688,156	-	2,688,156
Lease liabilities	3,438,450	4,697,903	8,136,353
	7,344,092	4,697,903	12,041,995

	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

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.

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 2020 and 2019.

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.

12. 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 2020 and 2019.

13. PLEDGE OF ASSETS

The Institute has pledged its bank deposits with a net book value of approximately HK\$1,051,500 (2019: 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.

14. 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 (2019: 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 (2019: 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 (2019: Nil).



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