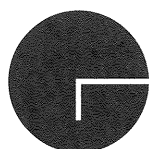


BETTER EARLY EDUCATION SOCIETY LIMITED
(LIMITED BY GUARANTEE)

REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 18 FEBRUARY 2016
(DATE OF INCORPORATION)
TO 31 MARCH 2017



ANTHONY LAM & CO.
Certified Public Accountants

BETTER EARLY EDUCATION SOCIETY LIMITED
(LIMITED BY GUARANTEE)
YEAR ENDED 31 MARCH 2017

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BETTER EARLY EDUCATION SOCIETY LIMITED

REPORT OF THE DIRECTORS

The directors present their first report and the financial statements for the period from 18 February 2016 (date of incorporation) to 31 March 2017.

Financial statements

The state of affairs of the Society as at 31 March 2017 are set out in the statement of financial position on page 6.

The operating results of the Society for the period from 18 February 2016 to 31 March 2017 are set out in the statement of comprehensive income on page 7.

The changes in members' funds for the period from 18 February 2016 to 31 March 2017 are set out in the statement of changes in members' fund on page 8.

The cash flows of the Society for the period from 18 February 2016 to 31 March 2017 are set out in the statement of cash flows on page 9.

Principal activities

The Society engages in provision of child education services.

Directors

The directors who held office during the year were:-

Chan Yee Hon Joseph	- appointed on 18 February 2016
Leung Oi Ping Detta	- appointed on 18 February 2016
Lui Mo Dock	- appointed on 18 February 2016 and resigned on 14 April 2017
Tay Pui Wan	- appointed on 18 February 2016
Tien Luk Sau Kuen Gloria	- appointed on 18 February 2016
Chu Hung Fei	- appointed on 16 July 2016
Lau Sze Hung	- appointed on 16 July 2016
Tse Po Man Terry	- appointed on 16 July 2016
Cheng Mun Wah Heidi	- appointed on 3 October 2017

In accordance with the Society's Articles of Society, those directors who were appointed on 18 February 2016 retire from office and, being eligible, offer themselves for re-election.

Business review

The Society falls within reporting exemption for the financial period. Accordingly, the Society is qualified for exemption from preparing a business review.

Permitted indemnity provision

A permitted indemnity provision (as defined in Section 469 of the Hong Kong Companies Ordinance) is currently in force and was in force throughout the period.

Directors' interests in contracts, transactions and arrangements

No contracts, transactions or arrangements of significance to which the Society was a party subsisted at the end of the year or at any time during the period in which any director had a material interest.



BETTER EARLY EDUCATION SOCIETY LIMITED
REPORT OF THE DIRECTORS

Auditor

The auditor, Anthony Lam & Co., retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Tay Pui Wan

Chairman

Hong Kong, 19 OCT 2017



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BETTER EARLY EDUCATION SOCIETY LIMITED**
(incorporated in Hong Kong with liability limited by guarantee)

Opinion

We have audited the financial statements of BETTER EARLY EDUCATION SOCIETY LIMITED ("the Society") set out on pages 10 to 12, which comprise the statement of financial position as at 31 March 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 18 February 2016 (date of incorporation) to 31 March 2017, 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 Society as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for PE") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' report set out on pages 1 to 2 and detailed income statement set out on page 13, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the 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 HKFRS for PE 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 Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Society 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. 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

ANTHONY LAM & Co.

CERTIFIED PUBLIC ACCOUNTANTS

Room 1502, 15th Floor,

No. 101 King's Road, North Point, Hong Kong

Tel: 2563 8012

Fax: 2562 6148

林智民會計師行

香港北角英皇道一零一號

十五樓一五零二室

電話: 2563 8012

傳真: 2562 6148

Auditor's Responsibilities for the Audit of the Financial Statements - Cont'd

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Anthony Lam & Co.

Certified Public Accountants

Hong Kong, 19 OCT 2017



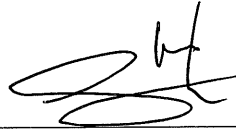
**BETTER EARLY EDUCATION SOCIETY LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	HK\$
Current assets	
Cash and bank balances	64,410.16
Current liabilities	
Accruals	(3,000.00)
NET ASSETS	<u>61,410.16</u>
ACCUMULATED SURPLUS	<u>61,410.16</u>

Approved by the Board on 19 OCT 2017
and signed on its behalf.



Tay Pui Wan
Director



Chu Hung Fei
Director

The notes on pages 10 to 12 form an integral part of these financial statements.



**BETTER EARLY EDUCATION SOCIETY LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 18 FEBRUARY 2016
(DATE OF INCORPORATION)
TO 31 MARCH 2017**

	Note	HK\$
Revenue	3	96,500.00
Administrative and other operating expenses		(35,090.00)
Surplus from operation	4	61,410.00
Finance revenue	6	0.16
Surplus for the period		61,410.16
Other comprehensive income		-
Total comprehensive income		61,410.16

The notes on pages 10 to 12 form an integral part of these financial statements.



**BETTER EARLY EDUCATION SOCIETY LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE PERIOD FROM 18 FEBRUARY 2016
(DATE OF INCORPORATION)
TO 31 MARCH 2017**

Members'
surplus
HK\$

Surplus and total comprehensive
income for the period

61,410.16

The notes on pages 10 to 12 form an integral part of these financial statements.



**BETTER EARLY EDUCATION SOCIETY LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 18 FEBRUARY 2016
(DATE OF INCORPORATION)
TO 31 MARCH 2017**

	HK\$
Cash flows from operating activities	
Surplus for the period	61,410.16
Adjustment for:	
Interest income	(0.16)
	<hr/>
Operating surplus before working capital changes	61,410.00
Increase in accruals	3,000.00
	<hr/>
<i>Net cash generated from operating activities</i>	64,410.00
	<hr/>
Cash flows from financing activities	
Interest income	0.16
	<hr/>
Increase in cash and cash equivalents and at end of the period	64,410.16
	<hr/> <hr/>
Analysis of the balance of cash and cash equivalents	
Cash and bank balances	64,410.16
	<hr/> <hr/>

The notes on pages 10 to 12 form an integral part of these financial statements.



**BETTER EARLY EDUCATION SOCIETY LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 18 FEBRUARY 2016
(DATE OF INCORPORATION)
TO 31 MARCH 2017**

1. Reporting entity

Better Early Education Society Limited is a Society incorporated in Hong Kong and limited by guarantee, such that under the provisions of the articles of Society, every member shall, in the event of the Society being wound up, contribute such amount as may be required to meet the liabilities of the Society, but not exceeding HK\$10.00 for each member. The Society's registered office is located at 13B Yee Fung Building, 209 Fa Yuen Street, Kowloon, Hong Kong. The principal activity of the Society is engages in provision of child education services.

2. Principal accounting policies

a) Basis of preparation of the financial statements

These financial statements have been prepared under the historical cost convention and in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("the HKFRS for PE") approved by the Council of the Hong Kong Institute of Certified Public Accountants.

b) Accounts and other receivables

Accounts and other receivables are initially recognised at fair value and thereafter measured at amortised cost using the effective interest rate method unless the effect of discounting would be immaterial, less impairment losses for bad and doubtful debts.

c) Impairment of assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased. If any such indications exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its net selling price and value in use. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An impairment loss is reversed if the estimate used results in an increase in the recoverable amount. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

d) Accounts and other payables

Accounts and other payables are initially recognised at fair value and thereafter measured at amortised cost using the effective interest rate method unless the effect of discounting would be immaterial.

**BETTER EARLY EDUCATION SOCIETY LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 18 FEBRUARY 2016
(DATE OF INCORPORATION)
TO 31 MARCH 2017**

2. Principal accounting policies

e) Revenue recognition

Revenue is recognised when it is probable that economic benefits will flow to the Society and the amount of revenue can be measured reliably, on the following bases:-

- i) Sponsorship income and membership fees are recognised as income when the Society has the right to receive money; and
- ii) Interest income on a time proportion basis taking into account the principal outstanding and the interest rate applicable

f) Cash equivalents

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

g) Provision and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Society has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value or the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. Revenue

	HK\$
Sponsorship income	95,500.00
Membership fee income	1,000.00
	96,500.00
	96,500.00

**BETTER EARLY EDUCATION SOCIETY LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 18 FEBRUARY 2016
(DATE OF INCORPORATION)
TO 31 MARCH 2017**

4. Surplus from operation

HK\$

The surplus from operation is stated after charging:-

Audit fee	3,000.00
Company formation fee	27,310.00
	<u> </u>

5. Directors' remuneration, loans and other material interests

- a) The directors received no remuneration for their services to the Society during the period from 18 February 2016 (date of incorporation) to 31 March 2017
- b) Neither loans, quasi-loans nor other dealings have been made in favour of the directors by the Society during or at the end of the financial period.
- c) In the opinion of the directors, the directors of the Society had no material interests in those significant transactions, arrangements or contracts in relation to the Society's operation entered into by the Society during or subsisted at the end of the financial period ended 31 March 2017.

6. Finance revenue

HK\$

Bank interest income	0.16
	<u> </u>

7. Taxation

The Society is an approved charitable institution which is exempt from tax under section 88 of the Inland Revenue Ordinance. As a result, no provision for Hong Kong Profits tax was made.

(For management purposes only)
BETTER EARLY EDUCATION SOCIETY LIMITED
DETAILED INCOME AND EXPENDITURE
FOR THE PERIOD FROM 18 FEBRUARY 2016
(DATE OF INCORPORATION)
TO 31 MARCH 2017

	HK\$
Revenue	
Sponsorship income	95,500.00
Membership fee income	1,000.00
	<hr/>
	96,500.00
	<hr/>
Less: Administrative and other operating expenses	
Audit fee	3,000.00
Bank charges	120.00
Company formation fee	27,310.00
Sundry expenses	4,660.00
	<hr/>
	35,090.00
	<hr/>
Surplus from operation	61,410.00
	<hr/>
Add: Finance revenue	
Bank interest income	0.16
	<hr/>
Surplus for the period	61,410.16
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