

THE HONG KONG PHILATELIC SOCIETY
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

POON SUK CHING

CERTIFIED PUBLIC ACCOUNTANT

THE HONG KONG PHILATELIC SOCIETY

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THE HONG KONG PHILATELIC SOCIETY
REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee present their report and the annual financial statements of the Hong Kong Philatelic Society ("the Society") for the financial year ended 31 August 2025.

PRINCIPAL ACTIVITY

The principal activity of the Society is engaged in promoting general philately in Hong Kong.

RESULTS AND APPROPRIATIONS

The deficit of the Society for the year ended 31 August 2025 and the state of affairs of the Society as at that date are set out in the annexed financial statements.

EXECUTIVE COMMITTEE MEMBERS

The name of the persons who were the Executive Committee members of the Society during the financial year and up to the date of this report are as follows:

Chan Man Wai Anthony
Chan Tsan Yan Stephen
Cheung Chuk Ping Tony
Cheung Man Tak Andrew
Hammersley Malcolm
Pang Kam Tuen Pamela
Shaw Pang Chui
Szeto Fook Tim Daniel
Tang Man Chung John
Yue Tung Fong

PERMITTED INDEMNITY PROVISIONS

According to Article 87 of the Society's Articles of Society, permitted indemnity provisions is in force during the financial year and at the time of approval of this report.

THE HONG KONG PHILATELIC SOCIETY
REPORT OF THE EXECUTIVE COMMITTEE (Continued)

MANAGEMENT CONTRACTS

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

MEMBERS' INTERESTS

All Executive Committee members declared to the committee that they have no interest in any material contracts, whether directly or indirectly, entered into by the Society during the year.

BUSINESS REVIEW

The Society falls within reporting exemption for the year ended 31 August 2025 pursuant to sections 359(1)(a) of the Hong Kong Companies Ordinance (Cap.622). Accordingly, the Society is exempted from preparing a business review.

AUDITOR

The financial statements have been audited by Poon Suk Ching Certified Public Accountant who retire and, being eligible, offer herself for re-appointment.

On behalf of the Board



Chairman

Hong Kong, 17 April 2026

Poon Suk Ching

**Certified Public Accountant
Hong Kong**

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HONG KONG PHILATELIC SOCIETY (incorporated in Hong Kong and limited by guarantee)

I have audited the financial statements of the Hong Kong Philatelic Society ("the Society") set out on pages 5 to 11, which comprise the statement of financial position as at 31 August 2025, and the income statement for the year ended 31 August 2025 and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of the Society are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

I conducted my audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised) *Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard* issued by the HKICPA. My responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

OTHER INFORMATION

The executive committee members are responsible for the other information. The other information comprises the information included in the report of the executive committee set out in pages 1 to 2 but does not include the financial statements and my auditor's report thereon.

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

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

EXECUTIVE COMMITTEE MEMBERS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The executive committee members are responsible for the preparation of financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, for such internal control as the executive committee members 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 executive committee members 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 executive committee members either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (Cont'd)
TO THE MEMBERS OF THE HONG KONG PHILATELIC SOCIETY
(incorporated in Hong Kong and limited by guarantee)

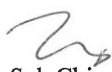
AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

It is my responsibility to form an independent opinion, based on my audit, on those financial statements and to report my opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. I do not assume responsibility towards or accept liability to any other person for the contents of this report. My objective is 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

I 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 I identify during my audit.



Poon Suk Ching
Certified Public Accountant (Practising Certificate No P03159)
Hong Kong, 17 April 2026


THE HONG KONG PHILATELIC SOCIETY
STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2025

	Notes	2025 HK\$	2024 HK\$
Property, plant and equipment	7	-	-
Current assets			
Accounts receivables		54,295	104,480
Deposits and prepayments		16,711	15,013
Cash and cash equivalents	8	602,222	641,169
		<u>673,228</u>	<u>760,662</u>
Current Liabilities			
Accruals		17,200	15,009
Receipt in advance		75,531	75,781
		<u>92,731</u>	<u>90,790</u>
		580,497	669,872
Net Current Assets		<u>580,497</u>	<u>669,872</u>
Total Assets		<u>580,497</u>	<u>669,872</u>
Representing by :-			
Funds			
Accumulated Fund	9	580,497	669,872
		<u>580,497</u>	<u>669,872</u>

The financial statements were approved by the Executive Committee on 17 April 2026.



Director



Director

The annexed notes form an integral part of the financial statements.

THE HONG KONG PHILATELIC SOCIETY
INCOME STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025 HK\$	2024 HK\$
INCOME			
Subscriptions received from ordinary members		27,276	21,757
Bank interest income		17,302	26,244
Auction income		22,290	9,800
Donation received		-	1,000
Exchange difference		-	288
Other income		30,000	-
TOTAL INCOME	4	<u>96,868</u>	<u>59,089</u>
EXPENDITURE			
Administrative expenses		92,105	87,975
Bad debts written off		41,500	-
Deficit on activities		23,376	1,865
Deficit on printing of journal		28,690	21,060
Exchange difference		572	-
Finance cost		-	1
		<u>186,243</u>	<u>110,901</u>
(DEFICIT) BEFORE TAX		(89,375)	(51,812)
TAXATION	5	-	-
(DEFICIT) FOR THE YEAR	9	<u>(89,375)</u>	<u>(51,812)</u>

The annexed notes form an integral part of the financial statements.

THE HONG KONG PHILATELIC SOCIETY
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1. GENERAL INFORMATION

The Hong Kong Philatelic Society is a company limited by guarantee and not having a share capital incorporated under the Companies Ordinance. The address of its registered office is located at 25/F., Jardine House, 1 Connaught Place, Central, Hong Kong. The principal activity of the Society is promoting general philately in Hong Kong.

Under the provisions of the Society's Memorandum and 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 \$100 per member.

Unless stated otherwise, all currency figures in these financial statements are presented in Hong Kong Dollars (HK\$), which are the same as the functional currency of the Society.

2 BASIS OF PREPARATION

a. Statement of compliance

These financial statements comply with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") and have been prepared under the accrual basis of accounting and on the basis that the Society is a going concern.

b. Historical cost convention

The measurement base adopted is the historical cost convention.

c. Basis of measurement

The measurement bases used in preparing these financial statements are set out in note 3 to the financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Society qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its annual financial statements in accordance with SME-FRS. These financial statements have been prepared in accordance with the Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

THE HONG KONG PHILATELIC SOCIETY
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements.

a. Revenue recognition

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

- (i) revenue arising from membership fee is recognised when the cash is received;
- (ii) donations and contributions are recognised as income on cash basis;
- (iii) sale of goods is recognised when the goods are delivered and the risks and rewards of ownership have passed to the customer;
- (iv) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

b. Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses, if any.

Depreciation of fixed assets is calculated to write off the cost of assets over their estimated useful lives, on the straight line basis, at the following annual rates:

Office equipment and books	10%
Computer equipment	25%

The gain or loss on disposal or retirement of a fixed asset recognised in the income statement is the difference between the net sales proceeds and the carrying amount of the relevant asset.

c. Impairment of assets

An assessment is made at the end of the reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the income statement. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset in prior years.

THE HONG KONG PHILATELIC SOCIETY
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Taxation

Current tax is recognised as income or expense, except to the extent that the tax arises from a transaction or event that is recognised other than in the income statement, based on estimated taxable profit using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Current tax for current and prior reporting periods is, to the extent unpaid (or refundable), recognised as a liability (or an asset).

Deferred tax is not recognised.

e. Foreign exchange

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

f. Trade and other receivables

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and taken in the income statement.

g. Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4 REVENUE

An analysis of the society's revenue is as follows:

	2025 HK\$	2024 HK\$
Subscriptions received from ordinary members	26,276	21,757
Bank interest income	17,302	26,244
Auction income	22,290	9,800
Donation received	1,000	1,000
Exchange difference	-	288
Sundry income	30,000	-
	<hr/>	<hr/>
	96,868	59,089
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THE HONG KONG PHILATELIC SOCIETY
 ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2025

5 INCOME TAX EXPENSE

Hong Kong profits tax has not been provided as the Society has incurred loss during the year (2024: Nil).

6 EXECUTIVE COMMITTEE MEMBERS' EMOLUMENTS

Emoluments of the executive committee members of the Society disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:

The Executive Committee members received no emoluments for their services during the year (2024: Nil).

Loans, quasi-loans and other dealings in favour of committee member of the society disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

None of the committee member has made loans, quasi-loans or other dealings during the year (2024: Nil).

7 PROPERTY, PLANT AND EQUIPMENT

	Office equipment and books HK\$	Computer equipment HK\$	Total HK\$
COST			
At 1 September 2024 & 31 August 2025	2,009	12,468	14,477
ACCUMULATED DEPRECIATION			
At 1 September 2024 & 31 August 2025	2,009	12,468	14,477
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NET BOOK VALUE			
At 31 August 2025	-	-	-
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At 31 August 2024	-	-	-
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THE HONG KONG PHILATELIC SOCIETY
 ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2025

8 CASH AND CASH EQUIVALENTS

	2025 HK\$	2024 HK\$
Deposits with banks	602,222	641,169
	<u>602,222</u>	<u>641,169</u>

Cash at bank earns interest at floating rates based on daily bank deposits rates. The carrying amounts of the cash and cash equivalents approximate to their fair values.

9 ACCUMULATED FUND

	2025 HK\$	2024 HK\$
Balance as at 1 September	669,872	721,684
Add: (Deficit) for the year	(89,375)	(51,812)
	<u>669,872</u>	<u>721,684</u>
Balance as at 31 August	<u>580,497</u>	<u>669,872</u>