

**HONGKONGER STATION  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

**To the Members of HongKonger Station:**

### **Report on the Audit of the Financial Statements**

#### *Qualified Opinion*

I have audited the financial statements of HongKonger Station (the "Station"), which comprise the statement of financial position as at December 31, 2021, and the statement of operations and fund balances, and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Station as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### *Basis for Qualified Opinion*

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities 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 Station in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

In common with many situations, the Station derives revenue primarily from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of this revenue was limited to the amounts recorded in the records of the Station and I am not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and fund balances.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines 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, management is responsible for assessing the Station'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 management either intends to liquidate the Station or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Station's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards 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 Canadian generally accepted auditing standards, 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 Station's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 Station'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 my auditor's report. However, future events or conditions may cause the Station 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.

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.

**HONGKONGER STATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021**

	<u>2021</u>
<b>Current:</b>	
Cash	\$ 227,319
Accounts receivable	<u>8,525</u>
	<u>235,844</u>

**LIABILITIES**

<b>Current:</b>	
Accounts payable and accrued liabilities	\$ 5,390
HST payable	<u>6,397</u>
	11,787

**FUND BALANCES**

<b>Fund</b>	<u>224,057</u>
	<u>\$ 235,844</u>

**HONGKONGER STATION**  
**STATEMENT OF REVENUE, EXPENSES AND FUND BALANCE**  
**FOR THE PERIOD ENDED DECEMBER 31, 2021**

	<u>JAN 22, 2021</u> <u>TO</u> <u>DEC 31, 2021</u>
<b>Revenue:</b>	
Donation	\$ 480,841
Advertising	35,382
Merchandise sales (net) (schedule A)	13,081
	529,304
<b>Expenses:</b>	
Bank charges (everyday banking, payment platforms transaction fee)	3,988
IT expenses	731
Music and meals	2,775
Office and general	1,055
Office rent	2,100
Overseas contributor fee	47,426
Overseas event support for "Free 47 HKers" on 6th March 2021	24,146
Professional fee	3,000
Salaries and benefits (Joe and Fiona)	80,576
Subcontractor expenses (other hosts and supporting teams)	139,450
	305,247
<b>Excess of revenue over expenses</b>	224,057
<b>Balance, beginning of the period</b>	-
<b>Balance, end of the period</b>	\$ 224,057

**HONGKONGER STATION**  
**STATEMENT OF REVENUE, EXPENSES AND FUND BALANCE (SCHEDULE A)**  
**FOR THE PERIOD ENDED DECEMBER 31, 2021**

**MERCHANDISE SALES**

	<b><u>JAN 22, 2021</u></b> <b><u>TO</u></b> <b><u>DEC 31, 2021</u></b>
<b>Revenue</b>	
Merchandise sales	\$ 30,901
<b>Expenses</b>	
Purchase	<u>17,820</u>
<b>Excess of revenue over expenses</b>	<u><u>13,081</u></u>



**HONGKONGER STATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2021**

	<u>JAN 22, 2021</u>
	<u>TO</u>
	<u>DEC 31, 2021</u>
<b>Cash Flows from Operating Activities</b>	
Excess of revenue over expenses	\$ 224,057
Decrease (increase) in accounts receivable	(8,525)
Increase (decrease) in accounts payable and accrued liabilities	5,390
Increase (decrease) in HST payable	<u>6,397</u>
<b>Net increase in cash</b>	227,319
<b>Cash, beginning of the period</b>	<u>-</u>
<b>Cash, end of the period</b>	<u>\$ 227,319</u>

## HONGKONGER STATION

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

#### 1. Purpose of the organization

Hongkonger Station ("the Station") is an autonomous and independent local organization whose purpose is to provide relevant information to Hong Kong immigrants at the same time to advocate and empower a free and open Hong Kong focused information provision & exchange platform as the backbone encouraging worldwide Hongkonger communities & groups continuing our unique culture history & strength. Firmly holding core principles of speech freedom, diversity, creativity, independence and inclusiveness. Strive to become a breeding place for such content and ongoing collective voice for Hong Kong.

#### 2. Summary of significant accounting policies

The Station follows the Canadian accounting standards for not-for-profit organizations ("ASNPO"). The significant accounting policies under ASNPO are summarized as follows:

##### a. Revenue recognition

Contributions are recognized as revenue in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Sales revenue is recognized as earned when service is provided or when the goods is delivered and ownership has transferred.

##### b. Management estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates include those used when accounting for amortization, accounts payable and accrued liabilities and contingencies. All estimates are reviewed periodically and adjustments, if any, are made to the statement of operations in the year they become known.

##### c. Contributed services

The mission of the Station is dependent upon and thankful for the many hours contributed by its members and other volunteers. Because of the difficulties of determining their value, contributed services are not recognized in these financial statements.

##### d. Financial instruments

The Station's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, and sales taxes payable.

## HONGKONGER STATION

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

#### 2. Summary of significant accounting policies (cont'd)

##### e. Financial risk management

The Station actively manages its exposure to the risks associated with financial instruments that potentially can affect its operating and financial performance:

##### **Credit risk**

The Station minimizes its credit risk by only investing in bank term deposits and money market fund at Canadian chartered banks.

##### **Currency risk**

The Station has minimal exposure to currency risk because it does not have any significant amount of foreign currency transactions.

##### **Liquidity risk**

Liquidity risk is the risk of not having sufficient funds to meet its financial commitments. The Station manages this risk by closely monitoring its expenditures against the revenue received.

#### 3. Related party transactions

During the year, two directors received management salaries totalling \$75,000.

#### 4. Lease commitment

The Station leases its office premise on a month by month basis at a net rent of \$300 per month.

#### 5. Subsequent event

On March 11, 2020, the World Health Organization characterized the novel coronavirus (COVID-19) outbreak as a global pandemic. The duration and impact of the outbreak cannot be predicted, and it may negatively impact the national or global economy, demand for the Company's services, supplies to the Company, workforce availability and the Company's future financial results. Management is in the process of assessing the impact. However, the extent to which COVID-19 will impact future financial results is dependent on future developments that cannot be quantified at this time.