



Innovation and Technology Commission

Technology Start-up Support Scheme for Universities

(大學科技初創企業資助計劃)

Application and Reimbursement Guidelines

Objective of the Scheme

In 2014-15, the Innovation and Technology Commission (“ITC”) set up, under the Innovation and Technology Fund (“ITF”), the Technology Start-up Support Scheme for Universities (“TSSSU”), initially for three years, to provide funding to six local universities¹ to support their teams in starting technology businesses and commercialising their research and development (“R&D”) results. ITC will continue TSSSU for another three years from 2017-18 to 2019-20.

Amount and Duration of Funding

2. Under TSSSU, an annual funding of up to \$4 million is provided to each of the six local universities on a reimbursement basis for expenses incurred in each Government financial year. (For example, expenses incurred from 1 April 2017 to 31 March 2018 will be reimbursed, subject to the requirements stipulated in relevant guidelines, in the 2018-19 Government financial year.) The expenses should be accounted for on an accrual basis, i.e. funding will be provided if the expenses have been incurred within the Government financial year when the related activities have been conducted or the related services and goods have been delivered, regardless of whether payments have already been made by the technology start-ups (“start-ups”).

¹ The six local universities are The University of Hong Kong, The Chinese University of Hong Kong, City University of Hong Kong, The Hong Kong University of Science and Technology, Hong Kong Baptist University and The Hong Kong Polytechnic University.

3. TSSSU funding is provided to each university to support the setting up of start-ups on the following basis –

- (a) no limit on the number of start-ups to be recommended by each university, subject to the annual funding ceiling of \$4 million for each university; and
- (b) each approved start-up would be funded for no more than three years² with an annual funding capped at \$1.2 million. If a funded start-up has made reasonable progress in its R&D and/or business performance, the associated university may recommend such start-up for continued funding under TSSSU.

Eligibility

4. The applicant start-up, regardless of size, must be a company registered under the Companies Ordinance for not more than two years as of the date of the application deadline stipulated by ITC (see paragraph 16 below). The two-year eligibility requirement does not apply to a start-up which is recommended for TSSSU funding for the second or the third year.

5. The team forming the start-up may have any mix of the students and professors of the university –

- (a) undergraduates, postgraduates or alumni; and/or
- (b) professor(s) serving as consultant(s) providing technical expertise and direction of the R&D.

6. It is up to each university to determine whether it needs to set further eligibility requirements to suit its own circumstances (e.g. whether professors are allowed to take equity in the start-ups, whether a cap should be set on the number of years that an alumnus has graduated from the university, etc.).

7. The team forming the start-up is required to appoint a person-in-charge (“PIC”). The PIC should be associated with the respective

² The three-year period should count consecutively from the first year that a start-up is approved for TSSSU funding. For example, if a start-up was first approved for funding in 2016-17 (Year one) and only applied for continued funding in 2018-19 (Year three), it will not be eligible for seeking further funding in 2019-20 (Year four).

university as stipulated in paragraph 5 above and engaged in the start-up's business. The PIC is responsible for –

- (a) overseeing the operations of the start-up; and
- (b) liaising with the university on matters relating to TSSSU funding.

The PIC is required to hold a senior position in the start-up and can be reached by the associated university during normal business hours. For the avoidance of doubt, the appointed PIC cannot join other concurrently active teams funded by TSSSU.

Scope of Funding

8. TSSSU funding should be used in a reasonable, proportionate and proper manner in the following areas for achieving the stipulated objective set out in paragraph 1 above –

- (a) essential items for setting up and operating the start-ups (e.g. furniture and equipment, legal and accounting services, rental of necessary and suitable premises, manpower, etc.);
- (b) expenditure on R&D (e.g. manpower, equipment, other direct costs, etc.); and
- (c) promotion activities and marketing of their R&D deliverables, products or services.

9. Any expenditure item or part thereof which is already funded by the Government, a Government subvented body/institution, the associated university or third parties will however not be funded under TSSSU, i.e. no double payment is allowed for the same part of an expenditure item.

10. Some examples of items not to be funded under TSSSU are –

- (a) rental expenses that are irrelevant to the operations of the funded start-ups;
- (b) manpower expenditure on bonus, contract gratuities, annual salary adjustment as well as general fringe benefits and allowances such as expenses on housing (including nominal rental for quarters),

education, training, passage and travelling, food, medical, dental, insurance, severance pay, overtime and untaken leave, etc.;

- (c) expenses on mass production activities;
- (d) costs of forming associations;
- (e) investment of any kind except for deposit of funds in the bank accounts of the funded start-ups;
- (f) repayment of any loan (including but not limited to student loan) taken out by the funded start-ups and their members and employees;
- (g) any trip that is unnecessary or irrelevant to the operations of the funded start-ups;
- (h) entertainment expenses that are unnecessary or irrelevant to the operations of the funded start-ups;
- (i) fees charged to the funded start-ups arising from general services (e.g. office administrative services, etc.) provided by the universities;
- (j) any expenditure item that is unnecessary or irrelevant to the operations of the funded start-ups; and
- (k) any events or activities that are inconsistent with the laws or regulations of Hong Kong or other applicable jurisdictions.

11. Activities of the TSSSU-funded start-ups should primarily be conducted within the territory of Hong Kong. However, given the objective of TSSSU to support start-ups, up to 50% of TSSSU funding provided to each start-up in each Government financial year can be incurred in the Mainland and other countries.

12. ITC will not take equity in the funded start-ups or claim intellectual property rights arising from their businesses. The associated university should notify ITC if it decides to take equity in any funded start-up or claim intellectual property rights arising from the start-up's business.

Application Arrangements

Application

13. Start-ups interested in TSSSU should submit applications to their associated universities. Universities should require each start-up to complete an application form. A template of the application form is at **Annex A**. Funded start-ups should submit applications again to the associated universities for continued funding for the second or the third year. The applications should go through an assessment and selection process, after which, the associated university should decide on a list of recommended start-ups for TSSSU funding.

Assessment and Selection

14. Each university has devised its appropriate assessment and selection mechanism which should operate in a fair, open and objective manner. The university needs to establish a selection panel comprising an appropriate mix of assessors with relevant expertise and experience, including technologists, academics, experts from the industry, professionals in related areas like accounting, financial or legal, public or private incubators, venture capitalists, etc.

15. In assessing an application, the selection panel should take into account –

- (a) innovation and technology content of the business;
- (b) commercial viability of the business;
- (c) capability of the start-up and its team to undertake the R&D proposed and manage the company;
- (d) social and/or community impact of the business and R&D work; and
- (e) any other criteria that the university sees fit.

16. After the assessment and selection process, the respective university should forward its recommendations, together with the relevant application forms, to ITC by 1 February every year. Universities should seek ITC's agreement if they intend to submit their recommendations after the stipulated deadline.

17. ITC will notify the universities of the funding results in about one month on receipt of all information required. When examining the universities' recommendations, ITC generally looks for compliance with the eligibility requirements, the reasonableness of the budgets, etc.

Reimbursement Arrangements

18. Payments are made on an annual reimbursement basis, i.e. after the close of the Government financial year. ITC will issue a call circular to the universities requesting them to submit the documents detailed in paragraph 19 for expenses incurred in the previous Government financial year.

19. To apply for reimbursement, a university should –

- (a) arrange each funded start-up to complete a reimbursement request (**Annex B**) for the expenditure incurred during the reimbursable period of the previous Government financial year³;
- (b) have the request duly signed by the Head of the university unit responsible for TSSSU and the Finance Office of the university; and
- (c) provide the duly signed reimbursement request, together with the statement of expenditure and the auditors' report for the previous Government financial year submitted by the funded start-up, which should be prepared in accordance with the 'Notes for Auditors' at **Annex C**, within four months after the end of the previous Government financial year, i.e. by 31 July every year. For example, for expenses incurred in the 2017-18 Government financial year, a university should submit all duly signed reimbursement requests on or before 31 July 2018.

20. Payments will be made to the universities after examination of the duly signed reimbursement requests, the statement of expenditure, and the auditors' report; as well as verification of the required documents and information (e.g. the expenses are within the approved funding level and scope, the amounts of expenses are reasonable and proportionate, the payments were

³ The reimbursable period refers to the period from the day ITC notifies the university of the funding result (see paragraph 17) to the end of the relevant Government financial year (i.e. 31 March).

handled in a proper manner, etc.). On receipt of the complete set of information required for processing the reimbursement request and subject to the eligibility of the items being claimed, ITC will arrange to reimburse the amount by sending a cheque to the university concerned by post in about a month.

Monitoring and Review

21. The above reimbursement arrangements aim to safeguard that TSSSU funding would be used in a reasonable, proportionate and proper manner. Each start-up should provide a half-yearly report and an annual report on the progress of its business to the associated university in each Government financial year, following the format and requirements prescribed by the university. The start-up should also complete the relevant sections in an evaluation report at **Annex D(ii)** when submitting the annual report to the university⁴.

22. The universities should provide ITC with their observations and assessment of the performance of their associated start-ups by filling in relevant sections in the evaluation report at **Annex D(i)** and **Annex D(ii)**. Each university should forward to ITC the annual reports of the start-ups, together with the completed **Annex D(i)** and **Annex D(ii)** by 31 August every year. The universities should also take appropriate actions and report to ITC on any irregularities observed in the start-ups in the first instance.

23. Funded start-ups should handle the keeping of books and records, etc. to facilitate auditors to conduct the reasonable assurance engagement in accordance with the requirements stipulated in **Annex C**. Universities should ensure that the half-yearly reports, selection panel documents and other documents for the universities to process the funding applications and reimbursements as well as to monitor the R&D work and commercialisation of the start-ups are kept in accordance with their established mechanism and

⁴ If a TSSSU funded start-up fails to comply with the requirements stipulated by ITC and/or the associated university including submission of the required documents (e.g. half-yearly report, annual report, statement of expenditure, auditors' report, reimbursement request (i.e. Annex B to this form), annual assessment of the start-up's performance (i.e. Annex D(ii) to this form), etc.) in good time and in good quality, its subsequent application(s) for TSSSU funding and other ITF funding might be affected.

regulations. The Commissioner for Innovation and Technology and any authorised person acting on behalf of the Government may conduct random checks of the documents, records, etc. of the universities and the funded start-ups to ensure their compliance with the guidelines and requirements relevant to TSSSU funding.

Modifications to Business Proposal

24. Each TSSSU-funded start-up is required to conduct its business and R&D work in accordance with the business proposal shortlisted by the associated university. Any material modification to the shortlisted business proposal of a start-up (including but not limited to change of PIC and key team members of the start-up, cancellation of milestones, change of business scope, expected overspending on any broad category of the budget, etc.) will require prior approval from the associated university. Start-ups should fill in **Annex E** for any material modification to the budget when seeking the approval from the associated universities. All universities should notify ITC of the approved modifications the soonest possible.

Review and Agreement on Universities' Operation Plans on TSSSU

25. To ensure that the universities' implementation of TSSSU is in line with the funding requirements and arrangements, each university has to make available to ITC its operation plan on TSSSU for the coming Government financial year for review and agreement before implementation. The operation plan should include the university's requirements, criteria and key processes in implementing TSSSU (including but not limited to those on eligibility, scope of funding, assessment criteria, composition of the selection panel, reimbursement, monitoring and review, and modifications to business proposal). The operation plan should reach ITC by 1 September every year.

Publicity and Acknowledgement

26. Acknowledgement of ITF support should appear on all equipment, facilities, publications, publicity and media events related to a TSSSU-funded start-up.

27. The following disclaimer should also be included in any publications and media events related to an ITF-funded start-up –

‘Any opinions, findings, conclusions or recommendations expressed in this material/publication (or by members of this company) do not reflect the views of the Government of the Hong Kong Special Administrative Region or the Innovation and Technology Commission.’

Enquiries

28. If the university units responsible for TSSSU have any enquiries about this set of Guidelines, please contact our subject officers –

Telephone numbers: 3655 5477 or 3655 5905

Email address: tsssu@itc.gov.hk

Fax number: 2199 7004

Address: 21/F, West Wing
Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

Innovation and Technology Commission
May 2017

Technology Start-up Support Scheme for Universities (TSSSU)

Application for Funding

Reference number
(for ITC use):

NOTES

1. Section A to Section E should be completed by the person-in-charge of the start-up applying for TSSSU funding. Section F should be completed by the Head of the respective university unit responsible for TSSSU.
2. Please read the relevant guidelines from the associated university before completing this form.
3. All information provided in the form will be used for processing the application and for related purposes, e.g. project monitoring, statistical analysis, connecting with potential investors, etc. by ITC and the associated university. It may be disclosed to other Government departments or third parties, if such disclosure is necessary for the purposes of processing the application and for related purposes. This submission denotes that the start-up concerned and the university unit responsible for TSSSU have given explicit consent to such disclosure.

SECTION A: The Applicant

(To be completed by the person-in-charge of the applicant company)

- (1) Our team is applying for –
 - (a) the first year TSSSU funding; or *(please go to Section A (3) direct)*
 - (b) the second or the third year TSSSU funding.
- (2) For applicant applying for the second or the third year TSSSU funding, please indicate the reference number of last year's application: _____

(3) Particulars of the Applicant Team

Name of Start-up (in English)

Name of Start-up (in Chinese)

The Associated University

Date of Registration under the Companies Ordinance

Company Address Registered with the Companies
Registry

Telephone Number

Fax Number

Email Address

Webpage (if any)

(4) Composition of the Applicant Team

(a) Person-in-charge of the Start-up

Name (in English)

Name (in Chinese)

In what way is the person-in-charge associated with
the recommending university?

(Please tick the box as appropriate)

Undergraduate

Postgraduate

Professor

Alumnus

Academic Qualifications (e.g. Degree Awarded,
Institute Awarding Qualification, Year of Award)

% of Shares Held in the Start-up (if any)

Telephone Number / Mobile Number

Fax Number

Email Address

Correspondence Address

(b) Other Team Members

(Please add separate sheet(s) if necessary)

No.	Name (in English)	Name (in Chinese)	In what way is the team member associated with the recommending university? (Undergraduate /Postgraduate /Professor/Alumnus/ Not applicable)	Academic Qualifications (e.g. Degree Awarded, Institute Awarding Qualification, Year of Award)	% of Shares Held (if any)
1					%
2					%
3					%
4					%
5					%
6					%
7					%
8					%

(c) Collaborating Parties in the R&D Work (if applicable)

(Please add separate sheet(s) if necessary)

Any collaboration with other organisation(s), including the recommending university, in conducting the R&D work?

Yes No (if no, please go to Section B direct)

If yes, please provide the following details –

(i) the name of the organisation(s);

--

(ii) the form of collaboration(s) (e.g. licensing of intellectual property rights, sharing of the royalties, etc.);

--

(iii) special arrangements arising from such collaboration(s), e.g. licensing of intellectual property rights (if any);

--

(iv) if the applicant team has entered into such collaboration, then please state the name of the agreement below and attach a copy in Section C; and

--

(v) information of the contact person(s) of the collaborating party(ies).

English Name and Chinese Name	Role in the R&D Work	Address/ Webpage (if any)	Contact Person	Tel No./ Fax No./ Email Address

SECTION B: The Business Proposal

(To be completed by the person-in-charge of the applicant company)

(1) Technology Area *(please tick as appropriate)*

- Advanced Manufacturing/Process Development
- Automotive Parts and Accessories
- Biotechnology
- Chinese Medicine
- Electronics
- Energy
- Environmental Protection
- Information and Communication Technologies
- Logistics and Supply Chain Management
- Nanotechnology and Materials Science
- Testing and Certification
- Textile/Clothing/Footwear
- Others (please specify) : _____

(2) Industrial Area *(please tick as appropriate)*

- Banking/Financial Market/Fund Management/Insurance
- Biotechnology
- Chinese Medicine
- Electrical and Electronics
- Environmental
- Food and Beverage
- General (Cross Sectors)
- Import and Export Trade
- Information Technology
- Materials
- Precision Engineering
- Printing and Publishing
- Professional Services
- Real Estate/Property Management
- Telecommunications
- Textiles/Clothing/Footwear
- Tourism
- Transportation
- Wholesale and Retail
- Others (please specify) : _____

(3) Milestones within the 20__ - __ Government Financial Year

Please set out the milestones of the proposed business and R&D work to be achieved.

Period		Milestones
From (dd/mm/yyyy)	To (dd/mm/yyyy)	

SECTION C: Supporting Documents

(to be completed by the person-in-charge of the applicant company)

Please enclose the following documents as required in the previous sections -

- (1) agreement between the applicant and the collaborating organisation(s) on the sharing of the royalties or intellectual property rights or any other sorts of income to be generated from the applicant (if any);
- (2) CVs of all team members;
- (3) the Certificate of Incorporation under the Companies Ordinance; and
- (4) the business proposal -
 - (a) *(for applicant applying for the first year TSSSU funding)* the full business proposal; *or*
 - (b) *(for applicant applying for the second or the third year TSSSU funding)* a summary of the updates/key differences in the business proposal compared with that in last year's application.

SECTION D: Supplementary Information

(to be completed by the person-in-charge of the applicant company)

Any previously related project(s) undertaken by the applicant and/or its team members in the past five years and supported by the Innovation and Technology Fund (ITF), including TSSSU?

Yes No (if no, please go to Section E direct)

If yes, please briefly describe the related project(s) and provide the ITF reference number(s).

SECTION E: Declaration by the Applicant

(To be completed by the person-in-charge of the applicant company)

I/We hereby declare that:

(1) this application for TSSSU funding is submitted by (name of the start-up) _____; and

(2) all factual information provided in this application as well as the accompanying information accurately reflects the status of affairs as at the date of submission. I/We shall inform and seek prior approval from the respective university immediately if there are any subsequent changes to the above information during the application stage.

Authorised Signature
with Company Chop : _____
Name of
Person-in-charge : _____
Name of Company : _____
Date (dd/mm/yy) : _____



SECTION F: Recommendation by the University

(To be completed by the Head of the respective university unit responsible for TSSSU)

Please tick the appropriate box to indicate whether the university recommends the start-up to be funded under TSSSU.

I/We RECOMMEND the application from (name of the start-up) _____ for a total funding of (HK\$) _____ under TSSSU. Our assessment is as follows –

Assessment Criteria	Assessment	Scores (if applicable)
(1)		
(2)		
(3)		
(4)		
(5)		
	Total Scores <i>(if applicable)</i>	

I/We also have the following observations about the start-up -

I/We DO NOT RECOMMEND (name of the start-up) _____ to be funded under TSSSU. (Note: In this case, the application form needs not to be provided to ITC.)

Signature : _____

Name : _____

Post Title : _____

Tel. No. : _____

E-mail : _____

Date (dd/mm/yy) : _____

Technology Start-up Support Scheme for Universities (TSSSU)**Reimbursement Request for the 2016-17 Government Financial Year****NOTES**

1. Please use a separate reimbursement request form for each start-up.
2. Sections A and B should be completed by the person-in-charge of the funded start-up. Section C should be completed by the Head of the respective university unit responsible for TSSSU, and Section D should be completed by the Finance Office of the respective university.
3. The information provided in this Reimbursement Request will be kept in confidence. It may however be disclosed to other Government departments or third parties in Hong Kong, if such disclosure is necessary for the purposes of processing the request or required by law. The submission of the Reimbursement Request denotes that the start-up concerned and the university unit responsible for TSSSU have given explicit consent to such disclosure.
4. The Commissioner for Innovation and Technology (CIT), any authorised person acting on behalf of the Government and the Director of Audit (D of A) will have unhindered access to the books of accounts and records when conducting financial audit and inspection of such books and records at any time when such books and records are kept and have rights to obtain photocopies of such records, if necessary. CIT and D of A may at their absolute discretion request the university unit responsible for TSSSU and the start-ups to make available and/or deliver photocopies of such records to the Government at its sole costs and expenses. When so requested in this connection, the university unit responsible for TSSSU and the start-ups will be obliged to make available all books of accounts and records and explain to CIT and D of A any matters relating to the expenditure or custody of any money in relation to the funding. D of A may carry out value for money studies on the university unit responsible for TSSSU and the start-ups. CIT reserves the right to require the university unit responsible for TSSSU and the start-ups to return any mis-spent amount together with interest income accrued to the Government.

SECTION A *(To be completed by the person-in-charge of the funded start-up)*

Please list the expenditure items incurred by the start-up in the 2016-17 Government financial year.

(Please use separate sheet(s) where necessary)

TSSSU reference number	
Name of start-up	_____
Name of the associated university	_____
Reimbursable period	_____
Amount of expenditure incurred and to be claimed under TSSSU	_____
	HK\$

(Please provide its breakdown in the tables below)

1. Manpower Expenditure

Post/ Rank	No. of Staff (A)	Employment Period (dd/mm/yyyy – dd/mm/yyyy)	Duration (man-months) (B)	Monthly Rate or Equivalent (C)	Total Expenditure (A)*(B)*(C)
				HK\$	HK\$
				HK\$	HK\$
				HK\$	HK\$
				HK\$	HK\$
Total					HK\$

2. Equipment Expenditure

Key Equipment (Please state purpose: new purchase/ installation/ maintenance cost)	Quantity (A)	Date of Purchase/ Installation/ Maintenance (dd/mm/yyyy)	Unit Cost (B)	Total Expenditure (A)*(B)
			HK\$	HK\$
			HK\$	HK\$
			HK\$	HK\$
			HK\$	HK\$
Total				HK\$

3. Other Direct Costs

Item	Quantity (A)	Unit Cost (B)	Total Expenditure (A)*(B)
		HK\$	HK\$
		HK\$	HK\$
		HK\$	HK\$
		HK\$	HK\$
Total			HK\$

SECTION B *(To be completed by the person-in-charge of the funded start-up)*

I/We confirm that all entries in Section A –

1. were incurred by the start-up named in Section A;
2. are in line with those listed in the application form, business proposal and/or subsequent change request(s) agreed by the associated university and the Innovation and Technology Commission (ITC), as appropriate; and
3. are in line with the statement of expenditure submitted by the start-up named in Section A.

I/We confirm that all information provided in this request is true and correct and in compliance with the applicable and any version of the Guidelines issued by ITC and the associated university.

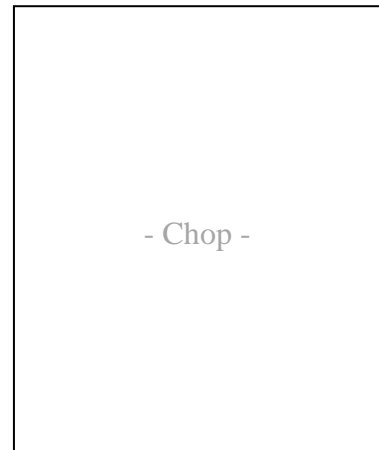
I/We confirm that the expenditure items listed in this request have not been funded by the Government or a Government subvented body/institution or the university or third parties.

Authorised Signature with :
Company Chop

Name of Person-in-charge : _____

Name of Start-up : _____

Date (dd/mm/yy) : _____



SECTION C *(To be completed by the Head of the respective university unit responsible for TSSSU)*

I/We confirm, to the best of my/our knowledge, that all entries in Section A completed by the start-up are in line with the application form, business proposal and/or subsequent change request(s) agreed by this university and ITC, as appropriate, and that they have been reflected in the statement of expenditure and the auditors' report submitted by this start-up.

The statement of expenditure and the auditors' report submitted by the concerned start-up are attached to this request form.

Signature : _____
Name : _____
Post title : _____
Tel. No. : _____
E-mail : _____
Date : _____

SECTION D *(To be completed by the Finance Office of the university)*

I/We confirm that the auditors' report submitted by the concerned start-up is a clean report.

Authorised signature(s) with institution chop : _____
Name(s) : _____
Post Title(s) : _____
Name of university : _____
Tel. No. : _____
E-mail : _____
Date : _____

Technology Start-up Support Scheme for Universities (TSSSU)

Notes for Auditors

Pursuant to the Application and Reimbursement Guidelines for the Technology Start-up Support Scheme for Universities (TSSSU Guidelines), the technology start-ups, to be supported under TSSSU of the Innovation and Technology Fund (ITF), are required to submit to the associated universities ‘audited statement of claim’¹ for reimbursement purpose, which is subsequently forwarded to the Innovation and Technology Commission (ITC) according to a stipulated timeframe. The requirement to submit ‘audited statement of claim’ of each start-up is to assure the Government that all information as provided in the reimbursement request from the associated universities is true and correct, and in compliance with the prevailing TSSSU Guidelines. These notes aim to provide guidance for Auditors in conducting reasonable assurance engagements and in preparing the auditors’ reports to seek reimbursement of expenditure under TSSSU.

2. In conducting a reasonable assurance engagement, the Auditors should perform such procedures² as they consider necessary in the circumstances and obtain all the information and explanations which they consider necessary in order to provide them with sufficient evidence to give their conclusion as to whether the start-up has complied with, in all material respects, the requirements set by ITC and the associated university, if applicable, and all the terms and conditions of the TSSSU funding, and all entries as specified in the following documents –

- (a) the TSSSU Guidelines (including the requirement that TSSSU funding should be used in a reasonable, proportionate and proper manner in the areas stipulated in paragraphs 8(a) to 8(c) in the TSSSU Guidelines);

¹ The ‘audited statement of claim’ comprises a reimbursement request completed by the start-up which lists out the expenditure items for reimbursement from TSSSU as confirmed and duly signed by the Head of the university unit responsible for TSSSU and the Finance Office of the associated university, the statement of expenditure and the auditors’ report for reimbursement request by the start-up. The auditors’ report should indicate that the audit review is a reasonable assurance engagement conducted in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) ‘Assurance Engagements Other Than Audits or Reviews of Historical Financial Information’ issued by the Hong Kong Institute of Certified Public Accountants.

² The Auditors’ procedures would normally include-

- a. performing tests of transactions and of the existence, ownership of assets and valuation of liabilities, if any;
- b. obtaining an understanding of the accounting system and control in order to assess its adequacy as a basis for the preparation of the statement of expenditure; and
- c. assessing significant estimates and judgments made by the start-up in the preparation of the statement of expenditure, and whether the accounting policies have followed the requirements of ITC, consistently applied and adequately disclosed.

- (b) all instructions and correspondences issued by ITC to the associated university and the start-up as well as those from the associated university and agreed by ITC in respect of TSSSU funding; and
- (c) the application form, the business proposal, and/or subsequent change request(s) agreed by the associated university and ITC.

3. The Auditors should comply with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued and updated from time to time by the Hong Kong Institute of Certified Public Accountants³. The following information is required in an auditors’ report prepared by the Auditors to be submitted to the associated universities and ITC -

- (a) the Auditors should state whether, in their conclusion, the start-up has complied with, in all material respects, the requirements set by ITC and the associated university, if applicable, all the terms and conditions of TSSSU funding, as specified in the documents mentioned in paragraph 2 above;
- (b) if the Auditors are of the opinion that there exists any material non-compliance as identified in paragraph 3(a) above, they should make full disclosure and quantify the effects of such non-compliance in the auditors’ report; and
- (c) if the Auditors are of the opinion that a proper and separate set of books and records have not been kept by the start-up for TSSSU funding, or if the Auditors fail to obtain all the information and explanations which are necessary for the purpose of the reasonable assurance engagement, they should make appropriate qualifications in the auditors’ report.

4. The Auditors should plan and conduct the reasonable assurance engagement to satisfy paragraphs 2 and 3 above. In case of any ambiguity regarding the TSSSU Guidelines and rules and regulations governing TSSSU funding prescribed by ITC and/or the associated universities, Auditors should seek clarification from ITC and the associated universities, as appropriate. Any unreasonable reservation or denial of conclusion, for example, comments about ambiguity of guidelines or requirements of the funding support, expressed by Auditors in the auditor’s report, will be returned to the start-ups for follow-up before re-submission.

5. The Auditors may come across during the course of their reasonable assurance engagements weaknesses/breakdown in internal control which are

³ The Hong Kong Institute of Certified Public Accountants would expect its members to apply those relevant and applicable Standards set out in Hong Kong Standards on Auditing when performing ‘Reasonable Assurance Engagements’.

considered material. They should bring to the start-up's attention the details of such weaknesses/breakdown and provide the start-up with their recommendations for improvement by setting them out in a letter to the start-up. A copy of such letter should be sent to ITC and the associated university for reference and action as appropriate.

6. Auditors are required to refer to the specimen auditors' report and statement of expenditure for TSSSU at **Annex C(i)**.

Innovation and Technology Commission
May 2017

Technology Start-up Support Scheme for Universities (TSSSU)

**Specimen Auditors' Report and Statement of Expenditure
(applicable to technology start-ups funded under TSSSU from
the 2016-17 Government financial year onwards)**

[Name of the start-up]

[Start date of the reimbursable period (DD/MM/YYYY)] to (31/03/YYYY)]

Pursuant to the agreement made between [name of the start-up] and [name of the associated university] (“the associated university”) in respect of the Technology Start-up Support Scheme for Universities (“TSSSU”) and the ‘Innovation and Technology Commission (ITC) Application and Reimbursement Guidelines for TSSSU (“TSSSU Guidelines”), we have performed a reasonable assurance engagement to report on whether [name of the start-up] has complied with, in all material respects, the requirements set by ITC (including the requirements to keep proper books and records and to prepare proper statement of expenditure plus relevant notes, if applicable, for the period from [start date of the reimbursable period (DD/MM/YYYY)] to (31/03/YYYY)] on page[...]to[...]the “Statement of Expenditure”) and all the terms and conditions of TSSSU funding under the Innovation and Technology Fund, as specified in the following documents –

- (a) the TSSSU Guidelines (including the requirement that TSSSU funding should be used in a reasonable, proportionate and proper manner in the areas stipulated in paragraphs 8(a) to 8(c) in the TSSSU Guidelines);
- (b) all instructions and correspondences issued by ITC to the associated university and the start-up as well as those from the associated university and agreed by ITC in respect of TSSSU funding; and
- (c) the application form, the business proposal, and/or subsequent change request(s) agreed by the associated university and ITC.

Respective Responsibilities of [name of the start-up] and the auditors

ITC requires [name of the start-up] to comply with the requirements set (including the requirements to keep proper books and records and to prepare proper Statement of Expenditure), and all the terms and conditions of TSSSU funding, as specified in the documents mentioned in the above paragraph.

It is our responsibility to form an independent conclusion based on our reasonable assurance engagement, and to report our conclusion to you.

Quality Control and Independence

Our firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Basis of conclusion

We conducted our reasonable assurance engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the HKICPA and the latest Notes for Auditors (i.e. Annex C to the TSSSU Guidelines) issued in [date to be inserted as appropriate] by ITC.

Our reasonable assurance engagement includes examination, on a test basis, of evidence relevant to [name of the start-up]’s compliance with the requirements set by ITC (including the requirements to keep proper books and records and to prepare proper Statement of Expenditure) and all the terms and conditions of TSSSU funding, as specified in the documents mentioned in the above first paragraph. It also includes an assessment of the significant estimates and judgments made by [name of the start-up] in the preparation of the Statement of Expenditure, and of whether the accounting policies have followed the requirements of TSSSU, consistently applied and adequately disclosed.

We planned and performed our reasonable assurance engagement so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give our conclusion as to whether [name of the start-up] has complied with, in all material respects, the requirements set by ITC (including the requirements to keep proper books and records and to prepare proper Statement of Expenditure), and all the terms and conditions of TSSSU funding, as specified in the documents mentioned in the above first paragraph. In forming our conclusion, we also evaluated the overall adequacy of the presentation of information in the statement of expenditure plus relevant notes, if applicable. We believe that our reasonable assurance engagement provides a reasonable basis for our conclusion.

Conclusion

Based on the foregoing, in our opinion, [name of the start-up] has complied with, in all material respects, the requirements set by ITC (including the requirements to keep proper books and records and to prepare proper Statement of Expenditure) and all the terms and conditions of TSSSU funding, as specified in the documents mentioned in the above first paragraph.

Use of this report

This report is intended for filing by [name of the start-up] with the HKSAR Government and the associated university, and is not intended to be, and should not be, used by anyone except the above three parties for any other purposes.

[Name of the auditing firm]

Certified Public Accountants (Practising) [or Certified Public Accountants]

Hong Kong

[Date]

**Statement of Expenditure for [name of the start-up]
[Start date of the reimbursable period (DD/MM/YYYY)] to (31/03/YYYY)]**

<u>Expenditure</u>	<u>(HK\$)</u>
Manpower	
[Name of expenditure item xx]	xxx,xxx
[Name of expenditure item xx]	xxx,xxx
[Name of expenditure item xx]	xxx,xxx
	<hr/>
	xxx,xxx
	<hr/>
Equipment	
[Name of expenditure item xx]	xxx,xxx
[Name of expenditure item xx]	xxx,xxx
[Name of expenditure item xx]	xxx,xxx
	<hr/>
	xxx,xxx
	<hr/>
Other Direct Costs	
[Name of expenditure item xx]	xxx,xxx
[Name of expenditure item xx]	xxx,xxx
[Name of expenditure item xx]	xxx,xxx
	<hr/>
	xxx,xxx
	<hr/>
Total Expenditure	x,xxx,xxx
	<hr/> <hr/>

Approved and authorised for issue for the *Board of Directors / Sole Director on
[date]

[Signature]
*Director / Sole Director

[Signature]
*Director

(* delete the inappropriate)

Technology Start-up Support Scheme for Universities (TSSSU)

**University's Observations on Technology Start-ups
for the 2016-17 Government Financial Year**

Name of the Associated University: _____

NOTES

1. This form is for the respective university unit responsible for TSSSU to provide its overall observations on the implementation of TSSSU in all associated start-ups.
2. The information provided in this form may be disclosed to other Government departments or third parties. This submission denotes that the university unit responsible for TSSSU has given explicit consent to such disclosure.

(1) General information on the implementation of TSSSU

Total number of start-ups funded

Total amount of funding reimbursed	HK\$
------------------------------------	------

Highest amount of funding reimbursed by a start-up	HK\$
--	------

Lowest amount of funding reimbursed by a start-up	HK\$
---	------

Technology and industrial areas covered

Technology areas:

Industrial areas:

- (2) Please comment on the overall performance of the funded start-ups associated with your university. *(in around 200 words)*

(in Chinese)

(in English)

- (3) Please cite some key R&D and commercialisation results achieved by the funded start-ups associated with your university.

(in Chinese)

(in English)

- (4) Please provide a brief summary of the social/community impact brought by the R&D work and the commercialisation results of the funded start-ups associated with your university.

<p><i>(in Chinese)</i></p> <p><i>(in English)</i></p>
--

* * * * *

Signature(s) : _____
(to be signed by the Head of the university unit responsible for TSSSU)

Name(s) : _____

Post Title (s) : _____

Tel. No. : _____

E-mail : _____

Date : _____

Technology Start-up Support Scheme for Universities (TSSSU)

**Assessment of Technology Start-up
for the 2016-17 Government Financial Year**

NOTES

1. Please use a separate form for each start-up.
2. Sections A to C should be completed by the funded start-up. Section D should be completed by the respective university unit responsible for TSSSU.
3. The information provided in this form may be disclosed to other Government departments or third parties. This submission denotes that the start-up concerned and the university unit responsible for TSSSU have given explicit consent to such disclosure.

SECTION A: Particulars of the Start-up

(To be completed by the funded start-up)

Name of Start-up (in English)

Name of Start-up (in Chinese)

The Associated University

TSSSU Reference Number

Name of Person-in-charge

SECTION B: Brief Description of Business

(To be completed by the funded start-up)

Please provide a summary of the start-up, its business and R&D work.

(Please add separate sheet(s) if necessary)

(in Chinese) (Not more than 150 words)

(in English) (Not more than 100 words)

SECTION C: Performance of the Start-up

(To be completed by the person-in-charge of the funded start-up)

Please describe the performance of the start-up made in the 2016-17 Government financial year.

(1) Technological Achievements/Deliverables of the Start-up

- (a) Are there any products/software/services developed from the R&D which has been rolled out in the market?

Yes No (if no, please go to (1b) direct)

If yes, please provide details:

(in Chinese) (Not more than 100 words)

(in English) (Not more than 60 words)

(b) How many intellectual property rights have been generated from the start-up?

	<i>Number</i>
<i>Patents filed</i>	
<i>Patents granted</i>	
<i>Copyrights (no matter registered or not)</i>	
<i>Trademarks/designs registered</i>	
<i>Others (please specify:</i> <i>(in Chinese)</i> <i>(in English)</i>) _____

(c) Is there any science and technology/industry award granted for the results of the R&D and the commercialisation results?

Yes No (if no, please go to (1d) direct)

If yes, please provide details:

(in Chinese) (Not more than 100 words)

(in English) (Not more than 60 words)

(d) Please provide details/experience of successful commercialisation of R&D results (e.g. how did the commercialisation results bring benefits to the community/collaborating parties after the technologies/deliverables developed by the start-up were adopted).

(in Chinese) (Not more than 100 words)

(in English) (Not more than 60 words)

(e) Has the start-up expanded its business to markets in areas outside Hong Kong?

Yes No (if no, please go to (2) direct)

If yes, please provide details:

(in Chinese) (Not more than 100 words)

(in English) (Not more than 60 words)

(2) Financial Achievements/Deliverables of the Start-up

(a) How much revenue has been received in the 2016-17 Government financial year through the commercialisation of the R&D results?

	<i>(HK\$)</i>
<i>Licensing/sale of technology</i>	
<i>Royalties</i>	
<i>Sales of sample/prototype</i>	
<i>Use of technology in production of goods for sales/provision of services</i>	
<i>Other technology transfer activities</i>	
<i>[Please specify:</i>	
<i>(in Chinese)</i>	
<i>(in English)</i> _____]	
<i>Total:</i>	

(b) Has the start-up been admitted to any incubation/acceleration programme (e.g. HKSTP, Cyberport, etc.)?

Yes No (if no, please go to 2(c) direct)

If yes, please provide the following details:

<i>Name of incubator/ accelerator and the incubation/ acceleration programme</i>	<i>Period of the incubation/ acceleration programme (dd/mm/yyyy-dd/mm/yyyy)</i>	<i>Additional grant approved by the incubator/ accelerator (HK\$)</i>
1.		
2.		
3.		
		<i>Total:</i>

(c) How much capital or money has been raised in the 2016-17 Government financial year (other than TSSSU funding)?

<i>Source of capital/money</i>	<i>(HK\$)</i>	
1. <u>Government</u> (in Chinese) (in English)		
2. <u>The Associated University</u> (in Chinese) (in English)		
3. <u>Private Investor(s)</u> (in Chinese) (in English)		
4. <u>Others (please specify)</u> (in Chinese) (in English)		
		<i>Total:</i>

(3) Creation of Jobs/Training Opportunities

How many jobs/training opportunities have been created in the start-up (other than the members of the university team forming the start-up)?

Technical

Non-technical

(4) Material Modification to the Approved Business Proposal/Budget

How many counts of material modification to the approved business proposal/budget have been sought and approved by the associated university?

<i>Reasons</i>	<i>No. of Change(s)</i>
<i>Due to the introduction of new expenditure item(s)</i>	_____
<i>Due to change(s) to the approved budget</i>	_____
<i>Due to other change(s)</i>	_____
<i>Total:</i>	_____

* * * * *

I/We hereby declare that:

- (1) the information in Sections A to C above is provided by (name of the start-up) _____; and
- (2) all information provided in this form accurately reflects the status of affairs as at the date of submission.

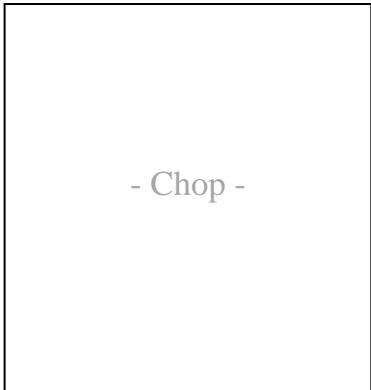
Authorised Signature :
with Company Chop

Name of Person-in-charge :

Name of Company :

Contact Phone No. :

Date (dd/mm/yy) :



SECTION D: Performance Assessment of the Start-up

(To be completed by the university unit responsible for TSSSU)

(1) Latest status of the Start-up (as at 31 March 2017)

(Please tick the appropriate box)

In Operation

Ceased Operation on *(please specify date (dd/mm/yyyy))*: _____

Others *(please specify)*: _____

(2) Please comment on whether the milestones proposed by the start-up in the application for the TSSSU funding support have been achieved within the specified period.

Period		Milestones	Achieved? (if not, please provide comments)
From (dd/mm/yyyy)	To (dd/mm/yyyy)		

Period		Milestones	Achieved? (if not, please provide comments)
From (dd/mm/yyyy)	To (dd/mm/yyyy)		

(3) Please provide a performance assessment of the start-up, to the best of the unit's knowledge, for the 2016-17 Government financial year.

	<i>Extremely satisfied / Likely</i>	A	B	C	D	E	N/A	<i>Extremely disappointed / Unlikely</i>
I. Innovation and Technology Content and Commercialisation								
Q1	How well do you think the R&D and commercialisation results have achieved in the following areas?							
	➤ <i>Technology breakthrough</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	➤ <i>Improve production capability/ product quality</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	➤ <i>Reduce production/product cost</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	➤ <i>Others (please specify: _____ _____)</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

II. Commercial Viability of the Business

Q2 How likely do you think the start-up would be a sustainable business in the future?

III. Capability of the Start-up and its Team to Undertake the R&D Work and Manage the Company

Q3 How well did the start-up carry out the R&D work and commercialise the results as proposed in the business proposal agreed by the associated university and ITC?

Q4 How effective do you think the start-up was in making use of TSSSU funding and managing the budget?

Q5 How well did the start-up comply with funding requirements stipulated by ITC and the associated university (e.g. submission of requests for material modifications to the approved business proposal/budget, half-yearly report, annual report and reimbursement request in good time and in good quality, keep the university informed the progress of the R&D or modifications to the business proposal, etc.)?

IV. Social and/or Community Impact of the Start-up's R&D Work

Q6 How likely will the R&D and its commercialisation results bring benefits to the community?

Q7 How well did the start-up provide opportunities for training of local scientific personnel?

		<i>Extremely satisfied / likely</i>	A	B	C	D	E	N/A	<i>Extremely disappointed / unlikely</i>
V. Overall Performance									
Q8	How satisfied are you with the overall performance of the start-up?		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
Q9	How satisfied are you with the overall performance of the person-in-charge of the start-up?		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		

(4) Please list any other observations on the start-up for the 2016-17 Government financial year, and any appropriate follow up actions taken. (*Compulsory if the rating(s) for Q8 and/or Q9 in Section D(3) above is/are D or E*)

* * * * *

I/We confirm, to the best of my knowledge, that the information provided in Section D of this form is true and correct.

Signature(s) : _____
(to be signed by the Head of the university unit responsible for TSSSU)

Name(s) : _____

Post Title (s) : _____

Tel. No. : _____

E-mail : _____

Date : _____

Technology Start-up Support Scheme for Universities (TSSSU)

Request for Material Modifications to the Approved Budget

NOTES

1. Section A to Section C should be completed by the person-in-charge of the start-up funded under TSSSU. Section D should be completed by the respective university unit responsible for TSSSU.
2. Please read the relevant guidelines from the associated university before completing this form.
3. All information provided in the form will be used for project monitoring, statistical analysis, etc. by the Innovation and Technology Commission (ITC) and the associated university. It may be disclosed to other Government departments or third parties, if such disclosure is necessary for the above purposes. This submission denotes that the start-up concerned and the university unit responsible for TSSSU have given explicit consent to such disclosure.

SECTION A: Particulars of the Start-up

(To be completed by the person-in-charge of the start-up funded under TSSSU)

TSSSU reference no.	
Name of start-up	
Name of the associated university	
Maximum amount of TSSSU funding approved	\$

SECTION B: Modifications to the Original Budget

Please fill in the original entries to be modified, the proposed modifications, and the supporting justifications in the tables below. All fields should be completed.

(a) Manpower

		Original Entries <i>(Please fill in N/A if the expenditure item is to be newly added into the budget)</i>				Proposed Modifications				
Post	New Expenditure item? <i>(Tick if yes)</i>	No. of Staff (A)	Duration (man-months) (B)	Monthly Rate or Equivalent (HK\$) (C)	Total (HK\$) (A)*(B)*(C)	No. of Staff (A)	Duration (man-months) (B)	Monthly Rate or Equivalent (HK\$) (C)	Total (HK\$) (A)*(B)*(C)	Justifications for the Proposed Modifications
	<input type="checkbox"/>									
	<input type="checkbox"/>									
	<input type="checkbox"/>									
	<input type="checkbox"/>									
Sub-total of Original Entries to be Modified						Sub-total of Modified Entries				

(b) Equipment

Equipment	New Expenditure item? <i>(Tick if yes)</i>	Original Entries <i>(Please fill in N/A below if the expenditure item is to be newly added into the budget)</i>			Proposed Modifications			
		Quantity (A)	Unit Cost (HK\$) (B)	Total (HK\$) (A)*(B)	Quantity (A)	Unit Cost (HK\$) (B)	Total (HK\$) (A)*(B)	Justifications for the Proposed Modifications
	<input type="checkbox"/>							
	<input type="checkbox"/>							
	<input type="checkbox"/>							
	<input type="checkbox"/>							
	<input type="checkbox"/>							
	<input type="checkbox"/>							
	<input type="checkbox"/>							
Sub-total of Original Entries to be Modified					Subtotal of Modified Entries			

(c) Other Direct Costs

Item	New Expenditure item? <i>(Tick if yes)</i>	Original Entries <i>(Please fill in N/A below if the expenditure item is to be newly added into the budget)</i>			Proposed Modifications			
		Quantity (A)	Unit Cost (HK\$) (B)	Total (HK\$) (A)*(B)	Quantity (A)	Unit Cost (HK\$) (B)	Total (HK\$) (A)*(B)	Justifications for the Proposed Modifications
	<input type="checkbox"/>							
	<input type="checkbox"/>							
	<input type="checkbox"/>							
	<input type="checkbox"/>							
	<input type="checkbox"/>							
	<input type="checkbox"/>							
	<input type="checkbox"/>							
Sub-total of Original Entries to be Modified					Subtotal of Modified Entries			

SECTION C: Declaration

(To be completed by the person-in-charge of the funded start-up)

I/We hereby declare that:

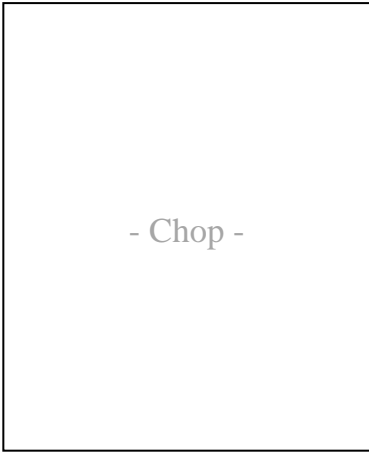
(1) this request is submitted by *(name of the start-up)* _____
and the modifications listed in Section B above *have been made/have not been made;

(2) *we have made the modifications listed in Section B before receiving the approval from the university because _____
Such modifications *have facilitated/ would facilitate the start-up to realise the original business proposal as follows: _____
_____ ; and

(3) all factual information provided in this change request as well as the accompanying information accurately reflects the status of affairs as at the date of submission.

(delete the inappropriate)*

Authorised Signature with Company Chop : _____
Name of Person-in-charge : _____
Name of Company : _____
Date (dd/mm/yy) : _____



SECTION D: Approval by the University

(To be completed by the respective university unit responsible for TSSSU)

Please tick the appropriate box to indicate whether the university approves this change request.

- I/We approve this change request from *(name of the start-up)* _____ and consider that the modifications in Section B above are reasonable, proportionate and proper.
- I/We are satisfied with the start-up's explanations for not seeking the university's prior approval for the modifications.
- I/We DO NOT approve this change request from *(name of the start-up)* _____.
(Note: In this case, this form needs not be provided to ITC.)

Signature : _____
Name : _____
Post Title : _____
Tel. No. : _____
E-mail : _____
Date (dd/mm/yy) : _____