

PROFITS TAX COMPUTATION

SCHEDULE 1  
HK\$

Surplus per accounts (Sch. 3)	95,253
Add: Legal and professional fee (Sch. 2)	5,800
Assessable profit	<u>101,053</u>
Tax thereon @16.5%	16,673
Less: Tax reduction @75%	<u>12,505</u>
	<u>4,168</u>

LEGAL AND PROFESSIONAL FEE

SCHEDULE 2  
HK\$

Metro Planning & Development Company Limited Block 7, 7/F., International Industrial Centre, No. 2-8 Kwei Tei Street, Fotan, Shatin, N.T. - Consultancy fee	105,000
Elwin Consultancy Copmpany Limited Unit 1605-6, 16/F., Multifield Plaza, 3-7A Prat Avenue, Tsim Sha Tsui, Kln. - Incorporation fee	<u>5,800</u> * Sch. 1
	<u>110,800</u>

\* The amount is capital in nature and disallowed in profits tax computation.

DETAILED INCOME STATEMENT

SCHEDULE 3  
HK\$

INCOME	
Sponsorship income	<u>700,000</u>
EXPENDITURE	
Farming expenses	
Seeds and fertilizers	15,572
Tools and equipment	45,201
Accommodation expenses	25,680
Legal and professional fee	110,800
Rent and rates	41,900
Construction fee	211,730
Repairs and maintenance	10,250
Sundry expenses	<u>49,712</u>
	<u>510,845</u>
Activities expenses	
Activities expenses	54,075
Advertising	12,834
Insurance	1,200
Transportation	<u>7,537</u>
	<u>75,646</u>
Administration	
Auditor's remuneration	4,000
Business registration fee	2,250
Website and design fee	4,000
Entertainment	6,755
Printing and stationary	<u>1,251</u>
	<u>18,256</u>
	<u>604,747</u>
Surplus for the period	<u>95,253</u>

The above financial information relating to the period ended March 31, 2018 included in the detailed income statement are not the Company's statutory annual financial statements for the period. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company will deliver the financial statements to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

**SENIOR BUDDY CHARITY FARM LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM JANUARY 19, 2017**  
**(DATE OF INCORPORATION) TO MARCH 31, 2018**

**黃偉健會計師事務所**  
**W. K. WONG & CO.**  
Certified Public Accountants (Practising)

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HONG KONG

**SENIOR BUDDY CHARITY FARM LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE PERIOD FROM JANUARY 19, 2017**  
**(DATE OF INCORPORATION) TO MARCH 31, 2018**

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The directors have pleasure in submitting their first report together with the audited financial statements for the period from January 19, 2017 (Date of Incorporation) to March 31, 2018.

**PRINCIPAL ACTIVITY**

The Company is engaged in charitable activities. The objects are to make provision for the relief of poverty and suffering; and for the comfort, relief and protection of the aged, sick or poor for the benefit of the Hong Kong community.

**THE STATE OF THE COMPANY'S AFFAIRS AND APPROPRIATIONS**

The state of the Company's affairs as at March 31, 2018 are set out in the financial statements on pages 4 to 7.

**DIRECTORS**

The directors during the period and up to the date of this report were:

Mr. Suen Wing Lok (Chairman)	(first director, appointed on January 19, 2017)
Mr. Ho King Fun	(first director, appointed on January 19, 2017)
Mr. Choy Hon Wa, Patrick	(first director, appointed on January 19, 2017)

In accordance with Article 20 of the Company's Articles of Association, all the directors continue in office.

**MANAGEMENT CONTRACTS**

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


**PERMITTED INDEMNITY PROVISIONS**

A permitted indemnity provision for the benefit of the directors of the Company is currently in force and was in force throughout this year.

**AUDITORS**

The auditors Messrs. W. K. Wong & Co., Certified Public Accountants (Practising), retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Suen Wing Lok  
Chairman  
Hong Kong  
October 20, 2018

# W. K. WONG & CO.

CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

Unit 1605-6, 16/F., Multifield Plaza,  
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電話 : (852) 2429 0707  
傳真 : (852) 2405 2505

黃偉健會計師事務所

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENIOR BUDDY CHARITY FARM LIMITED

(Incorporated in Hong Kong with limited liability by guarantee)

### Opinion

We have audited the financial statements of Senior Buddy Charity Farm Limited ("the Company") set out on pages 4 to 8, which comprise the statement of financial position as at March 31, 2018, and the income statement for the period from January 19, 2017 (Date of Incorporation) to March 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company 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

We conducted our 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 SME-FRS" 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 Company 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, 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 materially misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# W. K. WONG & CO.

CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENIOR BUDDY CHARITY FARM LIMITED

(Continued)

(Incorporated in Hong Kong with limited liability by guarantee)

### Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of financial statements in accordance with the SME-FRS 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 Company'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 Company or to cease operations, or have no realistic alternative but to do so.

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

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

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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 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.

**W. K. WONG & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
SENIOR BUDDY CHARITY FARM LIMITED**

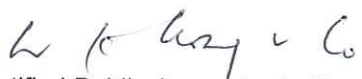
(Continued)

(Incorporated in Hong Kong with limited liability by guarantee)

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- 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 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 Company to cease to continue as a going concern.

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.

  
Certified Public Accountants (Practising)  
Hong Kong, October 20, 2018

**SENIOR BUDDY CHARITY FARM LIMITED**  
**INCOME STATEMENT**  
**FOR THE PERIOD FROM JANUARY 19, 2017**  
**(DATE OF INCORPORATION) TO MARCH 31, 2018**


	Notes	HK\$
Revenue	2	700,000
Farming expenses		(510,845)
Activities expenses		(75,646)
Administrative expenses		<u>(18,256)</u>
Surplus before tax		95,253
Income tax expense	4	<u>(4,168)</u>
Surplus for the period		<u><u>91,085</u></u>


The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

SENIOR BUDDY CHARITY FARM LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2018

	Notes	2018 HK\$
CURRENT ASSETS		
Deposits and prepayment		259,058
Cash and bank balances		264,893
		<u>523,951</u>
CURRENT LIABILITIES		
Accrued expenses		4,000
Other payables		424,698
Income tax payable	4	4,168
		<u>432,866</u>
NET CURRENT ASSETS		<u>91,085</u>
NET ASSETS		<u>91,085</u>
MEMBERS' EQUITY		
Reserves	5	91,085
TOTAL EQUITY		<u>91,085</u>

Approved and authorized for issue by the Board of Directors on October 20, 2018.

  
Suen Wing Lok  
Director

  
Ho King Fun  
Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

**SENIOR BUDDY CHARITY FARM LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM JANUARY 19, 2017**  
**(DATE OF INCORPORATION) TO MARCH 31, 2018**

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**Reporting entity**

Senior Buddy Charity Farm Limited ("the Company") is a company incorporated in Hong Kong with limited liability by guarantee. The Company's registered office is located at Unit 1605-6, 16/F., Multifield Plaza, 3-7A Prat Avenue, Tsim Sha Tsui, Kowloon. The Company is engaged in charitable activities. The objects are to make provision for the relief of poverty and suffering; and for the comfort, relief and protection of the aged, sick or poor for the benefit of the Hong Kong community.

**1. Basis of preparation and accounting policies**

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

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

The measurement base adopted is the historical cost convention.

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

**(a) Taxation**

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

**(b) Revenue**

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

- (i) Member's subscription fees are recognized on an accrual basis upon the admission to membership of the Company;
- (ii) Revenue from activities is recognized at the time the activities occurred;
- (iii) Interest income from deposits with financial institutions is recognized on a time proportion basis taking into account the principal outstanding and the interest applicable; and
- (iv) Other income is recognized on a cash basis.

**(c) Trade and other receivables**

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

**SENIOR BUDDY CHARITY FARM LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM JANUARY 19, 2017**  
**(DATE OF INCORPORATION) TO MARCH 31, 2018**

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**1. Basis of preparation and accounting policies (continued)**

(d) Leases

Leases that transfer substantially all the rewards and risks of ownership of assets of the Company are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalized at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

(e) Trade and other payables

Trade and other payables are initially recognized at nominal value and thereafter stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

**2. Revenue**

Sponsorship income	HK\$ 700,000
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**3. Directors' remuneration**

None of the directors received or will receive any fees or emoluments in respect of their service to the Company during the period.

**4. Income tax expense**

- (a) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period.

Tax charge for the period	HK\$ 4,168
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**SENIOR BUDDY CHARITY FARM LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM JANUARY 19, 2017**  
**(DATE OF INCORPORATION) TO MARCH 31, 2018**

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**4. Income tax expense (continued)**

(b) Income tax liabilities in the statement of financial position represent:

	2018
	HK\$
Estimated liability to profits tax for the period	4,168

**5. Changes in equity**

	Reserves
	HK\$
Surplus for the period	91,085
Balance as at March 31, 2018	91,085