

SENIOR BUDDY CHARITY FARM LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

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

HONG KONG

SENIOR BUDDY CHARITY FARM LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED MARCH 31, 2019

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended March 31, 2019.

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 surplus of the Company for the year ended March 31, 2019 and the state of the Company's affairs as at that date are set out in the Company's financial statements on pages 5 to 9.

DIRECTORS

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

Mr. Suen Wing Lok (Chairman)
Mr. Ho King Fun
Mr. Choy Hon Wa, Patrick

In accordance with Article 57 of the Company's Articles of Association, all directors retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

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.

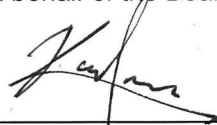
PERMITTED INDEMNITY PROVISIONS

At no time during the financial year and up to the date of this Directors' Report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Association.

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
December 5, 2019

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

(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 5 to 9, which comprise the statement of financial position as at March 31, 2019, and the income statement for the year ended March 31, 2019, 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net deficit of HK\$242,521 during the year ended March 31, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by HK\$151,437. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

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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)

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.

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.

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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

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 HKSA's 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 HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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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)

- 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, December 5, 2019

SENIOR BUDDY CHARITY FARM LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED MARCH 31, 2019

		<u>1.4.2018</u> <u>to 31.3.2019</u>	<u>19.1.2017</u> <u>to 31.3.2018</u>
	Notes	HK\$	HK\$
Revenue	2	500,000	700,000
Farming expenses		(655,524)	(510,845)
Activities expenses		(69,503)	(75,646)
Administrative expenses		<u>(17,494)</u>	<u>(18,256)</u>
Surplus / (Deficit) before tax		(242,521)	95,253
Income tax expense	4	-	(4,168)
Surplus / (Deficit) for the year		<u><u>(242,521)</u></u>	<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, 2019

	Notes	<u>2019</u> HK\$	<u>2018</u> HK\$
CURRENT ASSETS			
Deposits and prepayment		199,488	259,058
Cash and bank balances		<u>121,108</u>	<u>264,893</u>
		<u>320,596</u>	<u>523,951</u>
CURRENT LIABILITIES			
Accrued expenses		4,000	4,000
Other payables	6	463,864	424,698
Income tax payable	4	<u>4,168</u>	<u>4,168</u>
		<u>472,032</u>	<u>432,866</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>(151,436)</u>	<u>91,085</u>
NET ASSETS / (LIABILITIES)		<u>(151,436)</u>	<u>91,085</u>
FUNDS			
General fund	5	<u>(151,436)</u>	<u>91,085</u>

Approved and authorized for issue by the Board of Directors on December 5, 2019.



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 YEAR ENDED MARCH 31, 2019

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 Flat/Room 1506, Block 2, 15/F., Tower 2 Metroplaza, 223 Hing Fong Road, Kwai Fong. 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 company had net current liabilities as at March 31, 2019. Notwithstanding this, these financial statements have been prepared on a going concern basis on the assumption that the company's members will continue to provide such financial support as is necessary to maintain the company as a going concern.

The financial statements have been prepared on the basis of accounting principles applicable to a going concern. This may not be appropriate in view of the significant accumulated losses, net current liabilities and full impairment of issued capital at March 31, 2019. At the end of the reporting period, the company suffered a deficit of HK\$252,521 (2018: Nil) for the year then ended and current liabilities exceeded current assets by HK\$151,437 (2018: Nil). The continuation of the business as a going concern is dependent upon the company attaining future profitable operations and the continuing financial support of its members.

Should the company be unable to continue to operate as a going concern, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities which may arise, and to re-classify non-current assets as current assets.

Certain members have confirmed in writing their intention to provide continuing financial support so as to enable the company to meet its liabilities as and when they fall due to carry on its business without a significant curtailment of operations for the foreseeable future. The directors believe that the company will continue as a going concern and consequently have prepared the financial statements on a going concern basis.

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

(a) 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.

SENIOR BUDDY CHARITY FARM LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

1. Basis of preparation and accounting policies (continued)

(b) 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.

(c) 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.

(d) 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

	<u>1.4.2018</u> <u>to 31.3.2019</u>	<u>19.1.2017</u> <u>to 31.3.2018</u>
	HK\$	HK\$
Sponsorship income	500,000	700,000

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 year (2018: Nil).

SENIOR BUDDY CHARITY FARM LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

4. Income tax expense

- (a) No provision for Hong Kong profits tax is made in the financial statements of the Company as the Company is an approved charitable institution. It is exempted from payment of tax by virtue of Section 88 of the Inland Revenue Ordinance.

	<u>1.4.2018</u> <u>to 31.3.2019</u>	<u>19.1.2017</u> <u>to 31.3.2018</u>
	HK\$	HK\$
Tax charge for the year	-	4,168

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

	<u>2019</u> HK\$	<u>2018</u> HK\$
Estimated liability to profits tax for the year	-	4,168
Tax payable in respect of previous year	4,168	-
	<u>4,168</u>	<u>4,168</u>

5. General fund

	Reserves HK\$
Balance as at April 1, 2018	91,085
(Deficit) for the year	<u>(242,521)</u>
Balance as at March 31, 2019	<u>(151,436)</u>

6. Related parties transactions

During the year, the company undertook the following transactions with related parties in the normal course of its business:

	<u>1.4.2018</u> <u>to 31.3.2019</u>	<u>19.1.2017</u> <u>to 31.3.2018</u>
	HK\$	HK\$
(a) Donation income received from a related company	<u>200,000</u>	<u>700,000</u>
(b) Year-end balances arising from donation income		
- Payables to a related company	<u>402,953</u>	<u>402,953</u>

Mr. Suen Wing Lok, a director and a shareholder of the company, controls both the company and the related companies.

The amount due to a related party is unsecured, interest-free and has no fixed terms of repayment.