

樹賢基金有限公司

SUREIN FOUNDATION LIMITED

(Limited by guarantee and incorporated in Hong Kong)

REPORTS AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 31ST DECEMBER, 2018

(DATE OF INCORPORATION) TO 31ST DECEMBER, 2019

錦華會計師行有限公司
POON & PARTNERS CPA LIMITED

Certified Public Accountants (Practising)

HONG KONG

SUREIN FOUNDATION LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure to present their report and audited financial statements for the period from 31st December, 2018 (date of incorporation) to 31st December, 2019.

PRINCIPAL ACTIVITY

The Company was engaged to promote the education of environment, cultivation, husbandry and wildlife in Hong Kong.

RESULTS

The results of the Company for the period are set out in the income and expenditure account on page 6.

DIRECTORS

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

Mr. LEE Shu Wing Ernest	(Appointed on 31/12/2018)
Ms. LAM Oi Yean Brenda	(Appointed on 31/12/2018)

As there is no provision in the Company's Articles of Association for the retirement of directors by rotation, all remaining directors continue in office.

DIRECTORS' MATERIAL INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangement or contracts of significance to which the Company was a party and which any director had a material interest, whether directly or indirectly, subsisted at the ended of the period or at any time during the period.

MANAGEMENT CONTRACT

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

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Poon & Partners CPA Limited as auditors of the Company.

Approved on behalf of the Board by :-



LEE Shu Wing Ernest
Director

HONG KONG, 27th April, 2020

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SUREIN FOUNDATION LIMITED
(incorporated in Hong Kong with limited by guarantee)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Surein Foundation Limited ("the Company") set out on pages 6 to 16, which comprise the statement of financial position as at 31st December, 2019, and the income and expenditure account, the statement of changes in funds and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st December, 2019, and of its financial performance and its cash flows for the period then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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 ("HKSAs") 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 material 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 the financial statements that give a true and fair view in accordance with HKFRS for Private Entities 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

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. We 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAAs, 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.
- 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



POON & PARTNERS CPA LIMITED
Certified Public Accountants (Practising)

Room 1802, 18/F.,
Sunbeam Commercial Building,
469-471 Nathan Road,
Kowloon, Hong Kong

HONG KONG, 27th April, 2020

Benny K. W. Poon
Practising Certificate Number P02342

S65-AC19

SUREIN FOUNDATION LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD FROM 31ST DECEMBER, 2018
(DATE OF INCORPORATION) TO 31ST DECEMBER, 2019

	<u>Note</u>	<u>HK\$</u>
INCOME	4	574,855
PROJECT EXPENSES	6	<u>(11,969)</u>
		562,886
OTHER INCOME	5	<u>11</u>
		562,897
EXPENDITURE		
Bank charge		20
Donation expenses		2,000
Insurance		7,115
Internet and website expenses		2,083
Legal and professional fee		7,200
MPF contribution		16,000
Postage and courier		20
Printing and stationery		1,249
Rental expenses		1
Salary and allowances		348,000
Sundry expenses		66
Travelling expenses		267
		<u>384,021</u>
SURPLUS FOR THE PERIOD	7	<u>178,876</u>

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

SUREIN FOUNDATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2019

	<u>HK\$</u>
CURRENT ASSETS	
Deposit paid	1,000
Cash and cash equivalents	209,376
	210,376
CURRENT LIABILITIES	
Received in advance	31,500
NET ASSETS	<u>178,876</u>
Financed by :-	
GENERAL FUND	<u>178,876</u>

Approved on behalf of the Board by :-



LEE Shu Wing Ernest
Director



LAM Oi Yean Brenda
Director

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

SUREIN FOUNDATION LIMITED
STATEMENT OF CHANGES IN FUNDS
FOR THE PERIOD FROM 31ST DECEMBER, 2018
(DATE OF INCORPORATION) TO 31ST DECEMBER, 2019

	General funds HK\$
Surplus for the period	178,876
Balance at 31/12/2019	<u>178,876</u>

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

SUREIN FOUNDATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 31ST DECEMBER, 2018
(DATE OF INCORPORATION) TO 31ST DECEMBER, 2019

	<u>HK\$</u>
Surplus before taxation	178,876
Adjustment for :-	
Interests income	(11)
	<hr/>
Operating cash flows before working capital changes	178,865
Working capital changes :-	
Increase in deposit paid	(1,000)
Increase in received in advance	31,500
	<hr/>
	30,500
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES	209,365
CASH FLOW FROM INVESTING ACTIVITIES	
Interest income	11
	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	209,376
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	-
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CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	209,376
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ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	
Cash and bank balance	209,376
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The annexed notes form an integral part of these financial statements.

SUREIN FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31ST DECEMBER, 2018
(DATE OF INCORPORATION) TO 31ST DECEMBER, 2019

1. GENERAL

Surein Foundation Limited is a company incorporated in Hong Kong with limited by guarantee. The Company's registered office is located at 7/F., Fortis Tower, No. 77 Gloucester Road, Wanchai, Hong Kong. The Company was engaged to promote the education of environment, cultivation, husbandry and wildlife in Hong Kong.

The financial statements are presented in Hong Kong Dollars, which is also the functional currency of the Company.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 BASIS OF PRESENTATION

The Company qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore not to require to include the business review in the Directors' report.

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities), the collective term which includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance.

The financial statements have been prepared on historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of the financial statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Information about critical judgements and estimates in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in note 3.

2.2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all years presented, unless otherwise stated.

SUREIN FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31ST DECEMBER, 2018
(DATE OF INCORPORATION) TO 31ST DECEMBER, 2019

(a) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposit held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings under current liabilities in the statement of financial position.

For the purpose the statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

(b) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of income and retained earnings because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases using in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from transactions that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflected the tax consequences that would follow from manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. However, the measurement of deferred tax liabilities associated with an investment property measured at fair value does not exceed the amount of tax that would be payable on its sale to an unrelated market participant at fair value at the reporting date. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

SUREIN FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31ST DECEMBER, 2018
(DATE OF INCORPORATION) TO 31ST DECEMBER, 2019

(c) Employee benefit obligations

The Company participates in the defined contribution Mandatory Provident Fund retirement scheme (the “MPF Scheme”) in Hong Kong. Contributions are made to a separately administered fund based on a percentage of the employees’ basic salaries and are charged to the profit or loss as they become payable in accordance with the rules of the MPF Scheme.

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(d) Revenue recognition

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

- project donation incomes are recognised when projects are completed; and
- general donation income is accounted for on cash basis; and
- interest income is recognised on a time proportion basis and is included in “other income”.

SUREIN FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31ST DECEMBER, 2018
(DATE OF INCORPORATION) TO 31ST DECEMBER, 2019

(e) **Related parties**

For the purpose of these financial statements, related party includes a person and entity as defined below :-

- a. A person, or a close member of that person's family, is related to the Company if that person :-
- (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company's parent.
- b. An entity is related to the Company if any of the following conditions applies :-
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. **KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the process of applying the Company's accounting policies, management has made judgements and estimates based on past experiences, expectation of the future and other information. In the future, actual experience may differ from those estimates and assumptions. The directors consider there are none that are material to the preparation of financial statements.

SUREIN FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31ST DECEMBER, 2018
(DATE OF INCORPORATION) TO 31ST DECEMBER, 2019

Fair value estimation

The fair value of financial assets and financial liabilities are determined as follows :-

- i. the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and
- ii. the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable cost in the financial statements approximate their fair values.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair value.

4. INCOME

Income represents donations received from donors to the Company.

5. OTHER INCOME

Interest income	<u>HK\$</u> 11
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6. PROJECT EXPENSES

Income	<u>HK\$</u>
Expenses	-
	<u>11,969</u>
	<u>11,969</u>

7. SURPLUS FOR THE PERIOD

The surplus for the period is stated after charging the following :-

Rental payments under operating leases	<u>HK\$</u>
Other staff costs :-	1
- salary	348,000
- retirement benefit	<u>16,000</u>

SUREIN FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31ST DECEMBER, 2018
(DATE OF INCORPORATION) TO 31ST DECEMBER, 2019

8. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance are as follows :-

	<u>HK\$</u>
Directors' remuneration	
- as directors	-
- for management	-
- retirement benefit	-
- other remuneration	-
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9. TAXATION

No provision for taxation is required in the financial statements as the Company is exempt from taxation pursuant to Section 88 of the Hong Kong Inland Revenue Ordinance, and none of the earned income is subject to tax in Hong Kong during the current period.

10. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of the reporting period are as follows :-

	<u>HK\$</u>
Financial assets at amortised cost	
Deposit paid	1,000
Cash and cash equivalents	209,376
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Total	210,376
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Financial liabilities at amortised cost	
Received in advance	31,500
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Total	31,500
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SUREIN FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31ST DECEMBER, 2018
(DATE OF INCORPORATION) TO 31ST DECEMBER, 2019

11. EMPLOYEE BENEFIT OBLIGATIONS

The Company contributes on a monthly basis to defined contribution retirement benefit plans organised by the relevant municipal and the provincial government in Hong Kong. During the year, the total amount charged to the profit and loss in respect of the Company's costs incurred on the defined contribution retirement benefit plans was HK\$16,000.

The principal employee's retirement scheme of the Company is under the Hong Kong Mandatory Provident Fund Schemes Ordinance. Contributions are made by both the employer and the employee at the rate and 5% on the employee's relevant salary income.

12. RELATED PARTY TRANSACTIONS

During the period, the Company had the following related party transactions :-

	<u>HK\$</u>
Donation income from directors	142,000
Donation income from a related company	360,000
Rental expenses paid to a related company	<u>1</u>

13. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors on 27th April, 2020.