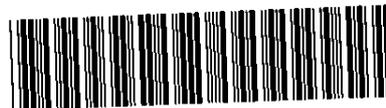


BUDDHIST LODGE OF LAITY LIMITED
居士林有限公司

**REPORTS
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**



霍陳梁溫會計師行有限公司
FOK CHAN LEUNG WAN CPA LTD.
Certified Public Accountants (Practising)



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BUDDHIST LODGE OF LAITY LIMITED
居士林有限公司
REPORTS AND FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

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BUDDHIST LODGE OF LAITY LIMITED

居士林有限公司

DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2020

The directors have pleasure in presenting their annual report together with the audited financial statements of the Association for the year ended 30 June 2020.

Principal Activities

The principal activities of Buddhist Lodge of Laity Limited ("the Association") are to promote, advance and support the faith of the Buddhist religion, to study Buddhism and to educate and train people for the preaching of Buddhism.

Accounts

The results of the Association for the year ended 30 June 2020 and its state of affairs as at that date are set out on pages 6 to 11 of the financial statements.

Board of Directors

The members of the Association's Board of Directors during the year and up to the date of this report are as follows:

CHOW Yun Kit
LAM Hoi Keung Tony
NGAI Kai Shu, Walter

In accordance with Article 48 of the Association's Articles of Association, all directors of the Board shall hold office for a term of one year and shall be eligible for re-election upon expiry of the term of office.

Business Review

The Association qualifies for the reporting exemption as a small guarantee company under section 388(3)(a) of the Hong Kong Companies Ordinance. Accordingly, the Association is exempted from preparing a business review.

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.

Other Matters

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements misleading.

BUDDHIST LODGE OF LAITY LIMITED
居士林有限公司
DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2020

Continued

Auditors

Fok Chan Leung Wan CPA Limited retire and being eligible, offer themselves for re-appointment for the coming year.

On behalf of the Board



CHOW Yun Kit
Chairman
Hong Kong
Date

31 MAR 2021



霍陳梁溫會計師行有限公司

FOK CHAN LEUNG WAN CPA LTD.

Certified Public Accountants (Practising)

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BUDDHIST LODGE OF LAITY LIMITED**

居士林有限公司

(Incorporated in Hong Kong with no share capital and limited by guarantee)

Opinion

We have audited the financial statements of Buddhist Lodge of Laity Limited ("the Association") set out on pages 6 to 11, which comprise the statements of financial position as at 30 June 2020, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Association, 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 PN 900 (Revised) Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard 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 Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other 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 matter

The financial statements have been prepared on a going concern basis. In view of the net liabilities as at 30 June 2020, the validity of the going concern basis depends upon the continuous financial support from its related companies. The financial statements do not include any adjustments that would result from a failure to obtain such support. We consider that appropriate estimate and disclosures have been made and our opinion is not qualified in this respect.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report set out on pages 1 to 2, but does not include the financial statements and our auditor's report thereon.

香港中環德輔道中317-319號啟德商業大廈903-8室及403-4室

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BUDDHIST LODGE OF LAITY LIMITED**

居士林有限公司

(Incorporated in Hong Kong with no share capital and limited by guarantee)

Continued

Other information (Continued)

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 the directors for the financial statements

The directors are responsible for the preparation of the 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 Association'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 Association or to cease operations, or have no realistic alternative but to do so.

The board of directors is responsible for overseeing the Association'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. This report is made 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:

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BUDDHIST LODGE OF LAITY LIMITED**

居士林有限公司

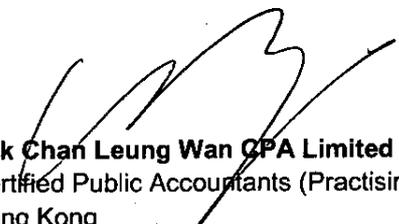
(Incorporated in Hong Kong with no share capital and limited by guarantee)

Continued

Auditor's responsibilities for the audit of the financial statements (Continued)

- 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 Association'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 Association'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 association to cease to continue as a going concern.

We communicate with the board of directors 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.


Fok Chan Leung Wan CPA Limited
Certified Public Accountants (Practising)
Hong Kong
Date

31 MAR 2021

LEUNG Pak Kee
Practising Certificate No. P05175

BUDDHIST LODGE OF LAITY LIMITED
居士林有限公司
INCOME STATEMENT
YEAR ENDED 30 JUNE 2020

	<u>2020</u>	<u>2019</u>
	<u>HK\$</u>	<u>HK\$</u>
Income		
Donation received	<u>1,936,309</u>	<u>132,484</u>
Expenditure		
Advertising and promotions	415,800	415,800
Audit fee	9,000	9,000
Bank charges	1,695	3,097
Donation	20,000	54,000
Handling charge	1,308	125
Legal and professional fee	2,005	1,905
Licence fee	21,368	20,477
Office supplies	200	200
Printing and stationery	700	700
Telephone and fax	335	336
Written off of inventories	<u>12,511</u>	<u>-</u>
	<u>484,922</u>	<u>505,640</u>
Surplus/(Deficit) for the year	<u><u>1,451,387</u></u>	<u><u>(373,156)</u></u>

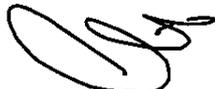
The accompanying accounting policies and explanatory notes are part of these financial statements.

BUDDHIST LODGE OF LAITY LIMITED
 居士林有限公司
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	<u>Note</u>	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
<u>Non-current Assets</u>			
Property, plant and equipment	3	-	-
<u>Current Assets</u>			
Inventories	4	-	12,511
Deposits paid		3,500	3,500
Bank and cash balance		68,142	17,794
		<u>71,642</u>	<u>33,805</u>
<u>Current Liabilities</u>			
Creditors and accruals		1,627,535	3,041,085
Amount due to related companies	5	1,238,376	1,238,376
Deposit received		2,000	2,000
		<u>2,867,911</u>	<u>4,281,461</u>
		<u>(2,796,269)</u>	<u>(4,247,656)</u>
		<u>(2,796,269)</u>	<u>(4,247,656)</u>
<u>Net Current Liabilities</u>			
<u>Net Liabilities</u>			
Represented by:			
<u>Accumulated Deficits</u>			
At beginning of the year		(4,247,656)	(3,874,500)
Surplus/(Deficit) for the year		1,451,387	(373,156)
At end of the year		<u>(2,796,269)</u>	<u>(4,247,656)</u>

The financial statements were approved by the Board of Directors on and are signed on its behalf by:

31 MAR 2021

x 
 Director
 CHOW Yun Kit

x 
 Director
 LAM Hoi Keung Tony

The accompanying accounting policies and explanatory notes are part of these financial statements.

BUDDHIST LODGE OF LAITY LIMITED

居士林有限公司

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020**

1. General Information

a. Domicile and Registered Office

Buddhist Lodge of Laity Limited ("the Association") was incorporated in Hong Kong under the Hong Kong Companies Ordinance with limited liability by guarantee and with no share capital.

The Association's registered office and its principal place of business is located at Unit 1505-6, 15/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.

b. Principal Activities

The principal activities of the Association are to promote, advance and support the faith of the Buddhist religion, to study Buddhism and to educate and train people for the preaching of Buddhism.

c. Liabilities of the Association's Members

In accordance with the Association's Articles of Association, every member shall, in the event of the Association being wound up, contributed such amount as may be required to meet the liabilities of the Association but not exceeding HK\$50 per member.

2. Basis of Preparation and Accounting Policies

The Association qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance 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 Association is a going concern.

The related companies which have advanced funds to the Association have undertaken to provide necessary continued financial support to maintain the Association to operate as a going concern. On the strength of this assurance, the financial statements have been prepared on a going concern basis.

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. Revenue

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

Donations are recognised on an accrual basis.

BUDDHIST LODGE OF LAITY LIMITED

居士林有限公司

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020**

2. Basis of Preparation and Accounting Policies (Continued)

b. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Cost comprises of acquisition costs and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c. Depreciation

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives, using the straight-line method, at the following rates per annum:

Classification

Leasehold improvement	20%
Furniture and fixtures	20%
Office equipment	20%

d. Impairment of Assets

An assessment is made at each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior periods.

e. Functional and Presentation Currency

The reporting currency of the Association is Hong Kong Dollars, which is the currency of the primary economic environment in which the Association operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

f. Inventories

Inventories consist of books, CDs and VCDs and are valued at the lower of cost and net realisable value. Cost represents the actual cost of purchase and is determined on first-in, first-out basis.

g. Accounts Receivables

Accounts receivable are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made charged to the income statement.

BUDDHIST LODGE OF LAITY LIMITED

居士林有限公司

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020****2. Basis of Preparation and Accounting Policies (Continued)****h. 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 Association if that person:
- (i) is a member of the key management personnel of the Association or of a parent of the Association;
 - (ii) has control over the Association; or
 - (iii) has joint control or significant influence over the reporting entity or has significant voting power in it.
- (b) An entity is related to the Association if any of the following conditions applies:
- (i) the entity and the Association are members of a same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of a third entity.
 - (iv) either 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 Association or an entity related to the Association.
 - (vi) the entity is controlled or jointly controlled by a person identified above.
 - (vii) a person identified above has significant voting power in the entity.
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Association or to the Association's parent.

3. Property, Plant and Equipment

	<u>Leasehold improvement</u> HK\$	<u>Office equipment</u> HK\$	<u>Furniture and fixtures</u> HK\$	<u>Total</u> HK\$
<u>Cost</u>				
At 1 July 2019 and 30 June 2020	389,805	196,089	30,660	616,554
<u>Accumulated Depreciation</u>				
At 1 July 2019 and 30 June 2020	389,805	196,089	30,660	616,554
<u>Net Book Value</u>				
At 30 June 2020	-	-	-	-
At 30 June 2019	-	-	-	-

BUDDHIST LODGE OF LAITY LIMITED

居士林有限公司

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020**

	<u>2020</u>	<u>2019</u>
	<u>HK\$</u>	<u>HK\$</u>
4. <u>Inventories</u>		
Books, CDs and VCDs	-	12,511

5. Amount due to Related Companies

The advances are unsecured, interest-free and with no fixed repayment terms.

6. Taxation

No provision for Hong Kong profits tax has been made in the financial statements as Section 88 of the Inland Revenue Ordinance applied. Deferred taxation is not provided.

7. Directors' Remuneration

All directors of the Association had not been remunerated during the year (2019: Nil).

8. Changes in Deficits

	<u>Accumulated</u>
	<u>deficits</u>
	<u>HK\$</u>
At 1 July 2019	(4,247,656)
Surplus for the year	1,451,387
At 30 June 2020	<u>(2,796,269)</u>

9. Related Party Transactions

During the year, financings were obtained from related companies. As at year end, the outstanding balance was HK\$1,238,376 (2019: HK\$1,238,376).

During the year, donations of HK\$1,900,000 (2019: Nil) was received from a related company.

- END OF NOTES -