

BOOKS & BEYOND READING CLUB LIMITED
(incorporated in Hong Kong with limited liability)

REPORTING DOCUMENTS

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For the period from 2 September 2019
(Date of incorporation) to 31 August 2020

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BOOKS & BEYOND READING CLUB LIMITED
(incorporated in Hong Kong with limited liability)

DIRECTORS' REPORT

The Directors present their report and the annual financial statements of the Club for the financial period from 2 September 2019 (date of incorporation) to 31 August 2020.

Directors

The names of persons who were the Directors of the Club during the period beginning with the end of the financial period and ending on the date of this report are as follows:-

KWOK Pui Yin Barbara
TO Tin Hoi Richard

Principal activities

The Club's principal activities are set out in note 1(b) to the financial statements.

Permitted indemnity provision

Article [27(1)] of the Club's Articles provides that a director or former director of the Club may be indemnified out of the Club's assets against any liability incurred by the director to a person other than the Club or an associated company of the Club in connection with any negligence, default, breach of duty or breach of trust in relation to the Club or associated company (as the case may be). This Article only applies if the indemnity does not cover the liability set out in Article [27(2)] of the Club's Articles. This permitted indemnity provision is in force during the financial period and at the time of approval of this report.

Business review

The Club falls within reporting exemption for the financial period. Accordingly, the Club is exempted from preparing a business review.

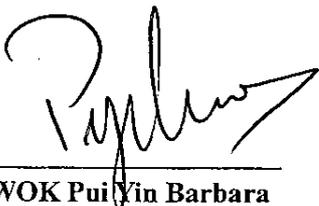
Other information

Apart from the above, the Directors have no any other information to be disclosed.

Approval of Directors' report

This report was approved by the Directors on 21 January 2021.

On behalf of the Board



KWOK Pui Yin Barbara
Director
Hong Kong

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Artwell CPA Limited
正達會計師行有限公司

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

BOOKS & BEYOND READING CLUB LIMITED
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Books & Beyond Reading Club Limited ("the Club") set out on pages 5 to 12, which comprise the statement of financial position as at 31 August 2020, and the income statement for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Club 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 Club 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 information

The directors are responsible for the other information. The other information comprises the information included in the directors' report set out on page 1, 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF

BOOKS & BEYOND READING CLUB LIMITED
(incorporated in Hong Kong with limited liability)

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 Club'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 Club or to cease operations, or have no realistic alternative but to do so.

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.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF

BOOKS & BEYOND READING CLUB LIMITED
(incorporated in Hong Kong with limited liability)

As part of an audit in accordance with HKSAs, we exercise professional judgement 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 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 Club'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 Club'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 Club 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.

Artwell CPA Ltd

ARTWELL CPA LIMITED
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

Kwan Lok Sze
Practising Certificate Number: P06615

Hong Kong, 21 January 2021

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BOOKS & BEYOND READING CLUB LIMITED
(incorporated in Hong Kong with limited liability)

INCOME STATEMENT

FOR THE PERIOD FROM 2 SEPTEMBER 2019
(DATE OF INCORPORATION) TO 31 AUGUST 2020

	NOTES	HK\$
Revenue	4	145,000.00
Other revenue and net gains	4	<u>0.14</u>
		145,000.14
Less: Operating expenses		<u>149,071.41</u>
Deficit from operations		(4,071.27)
Less: Finance costs		<u>(9.90)</u>
Deficit for the period	5	<u><u>(4,081.17)</u></u>

BOOKS & BEYOND READING CLUB LIMITED
(incorporated in Hong Kong with limited liability)

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2020

	NOTES	HKS
CURRENT ASSETS	8	52,634.19
LESS: CURRENT LIABILITIES	9	<u>(56,715.36)</u>
NET CURRENT LIABILITIES		<u><u>(4,081.17)</u></u>

REPRESENTED BY:

EQUITY

Accumulated losses

(4,081.17)

Approved on behalf of the Board by



KWOK Pui Yin Barbara
Director



TO Tin Hoi Richard
Director

BOOKS & BEYOND READING CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 2 SEPTEMBER 2019
(DATE OF INCORPORATION) TO 31 AUGUST 2020

	Accumulated Losses HK\$
Deficit for the period	<u><u>(4,081.17)</u></u>

BOOKS & BEYOND READING CLUB LIMITED
(incorporated in Hong Kong with limited liability)

NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED 31 AUGUST 2020

1. GENERAL

(a) Definition

In these reporting documents, the following terms shall have the following meanings:-

The Club	Books & Beyond Reading Club Limited
The Directors	all the directors of the Club
Hong Kong Companies Ordinance	Hong Kong Companies Ordinance (Cap. 622), including all amendments made under the Companies (Amendment) (No. 2) Ordinance 2018
HKICPA	Hong Kong Institute of Certified Public Accountants
SME-FRS	Revised Small and Medium-sized Entity Financial Reporting Standard issued (and revised in February 2019) by the HKICPA
Fair value	the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction

(b) Corporate information

The Club is a company incorporated in Hong Kong under Hong Kong Companies Ordinance with limited by guarantee and not having a share capital. At the date of issue of these financial statements, the registered office of the Club is located at Unit 1102, 11/F., No. 9 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong. The Club is engaged in providing free reading program to young children.

According to the Articles of Association of the Club, every member of the Club undertakes to contribute to the assets of the Club in the event of the same being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Club contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding the sum of HK\$100.00.

(c) Reporting currency

Unless stated otherwise, all currency figures in these financial statements are presented in Hong Kong Dollars (HK\$).

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BOOKS & BEYOND READING CLUB LIMITED
(incorporated in Hong Kong with limited liability)

NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED 31 AUGUST 2020

2. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

The measurement base used in preparing these financial statements is the historical cost convention, the specific measurements of the elements in the financial statements are set out in note 3 to the financial statements.

(c) Going concern

At the end of the reporting period, the current liabilities of the Club exceeded its current assets. This condition indicates the existence of a material uncertainty that may cast significant doubt about the Club's ability to continue as a going concern. In preparing these financial statements, the Directors have given careful consideration to the current and future liquidity of the Club. The Directors have gained the commitment of the Club's members to provide continued financial support to the Club. On the basis that continued financial support will be provided by the Club's members to the Club upon request, the Directors are of their opinion that the Club will have sufficient working capital to finance its operations in the foreseeable future. Accordingly, the Directors are satisfied that it is appropriate to prepare these financial statements on a going concern basis.

BOOKS & BEYOND READING CLUB LIMITED
(incorporated in Hong Kong with limited liability)

NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED 31 AUGUST 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Club qualifies for the reporting exemption as a small guarantee company under sections 359(1)(a) and 363 of the Hong Kong Companies Ordinance. Therefore, the Club is entitled to prepare and present its annual financial statements in accordance with SME-FRS. These financial statements have been prepared in accordance with SME-FRS.

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

(a) Revenue

Revenue consists of turnover and other revenue but excludes the reversal of impairment and/or provisions. Turnover comprises revenue generated from the principal activities of the Club. Other revenue includes exchange gain (net of exchange loss) and gain on disposal of capital assets.

Revenue is recognized as income when it is probable that the economic benefits associated with transaction will flow to the Club and when the amount of revenue as well as costs incurred for the transaction can be measured reliably. Revenue is measured at fair value of the consideration received or receivable and is shown net of discounts, rebates, returns and sales-related taxes on the following bases.

- (i) Contributions and donations are recognized on cash basis.
- (ii) Interest income is recognized on a time proportion basis taking into account the principal outstanding and the interest applicable.

(b) Borrowing costs

Borrowing costs include interest on bank overdrafts and short-term and long-term borrowings, amortization of discounts or premiums relating to borrowings, amortization of ancillary costs incurred in connection with the arrangement of borrowings, finance charges in respect of finance leases and exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

The Club applies benchmark treatment consistently. Under benchmark treatment, borrowing costs are recognized as an expense in the period in which they are incurred.

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BOOKS & BEYOND READING CLUB LIMITED
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NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED 31 AUGUST 2020

4. REVENUE

	HK\$
Revenue	
Donation income	145,000.00

Other revenue and net gains	
Bank interest income	0.14

Total	145,000.14
	=====

5. DEFICIT FOR THE PERIOD

This is arrived at after charging:-

	HK\$
Borrowing costs	
Total borrowing costs incurred during the period	9.90
	=====

6. DIRECTORS' REMUNERATION AND LOANS

Director's remuneration disclosed pursuant to section 383 of the Hong Kong Companies Ordinance and Companies (Disclosure of Information about Benefits of Directors) Regulation for the period is nil.

Loans, quasi-loans and other dealings in favour of Directors (including shadow Directors) of the Club and its holding company disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:-

No loans, quasi-loans and other dealings in favour of the directors of the Club and its holding company were entered into during the period nor subsisted of at the end of the period.

BOOKS & BEYOND READING CLUB LIMITED
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NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED 31 AUGUST 2020

7. TAXATION

The Club is a charitable institution, it is exempt from tax under Section 88 of the Inland Revenue Ordinance.

8. CURRENT ASSETS

	HK\$
Bank balance	52,634.19
	<u> </u>

9. CURRENT LIABILITIES

	HK\$
Loans due to Directors (Note 10)	51,715.36
Accruals	5,000.00
	<u> </u>
	<u>56,715.36</u>

10. RELATED PARTIES DISCLOSURES

	HK\$
Related parties transactions	
<u>Directors and other key management personnel</u>	
Donation income received from Directors	110,000.00
Loans from Directors, net of repayment	51,715.36
	<u> </u>
Amount due to related parties	
Directors	51,715.36
	<u> </u>

The balances due to Directors are unsecured, interest free and have no fixed repayment terms.

11. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Club's Board of Directors on 21 January 2021.

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