

BIG SILVER COMMUNITY LIMITED
大銀力量有限公司

**REPORT OF THE COUNCILLORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

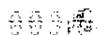
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盧榮棠會計師事務所
JOHN LO & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG



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BIG SILVER COMMUNITY LIMITED

大銀力量有限公司

REPORT OF THE COUNCILLORS

The councillors have pleasure in submitting their annual report together with the audited financial statements for the year ended March 31, 2020.

Principal activity

Big Silver Community Limited ("the community") is a non-profit making organisation engaged in promoting community elderly care and innovative support systems for an ageing society, and creating elderly friendly communities in Hong Kong.

Financial statements

The results of the community for the the year ended March 31, 2020 and the state of the community's affairs at that date are set out in the financial statements on pages 6 to 13.

Property, plant and equipment

Movements in property, plant and equipment during the year are set out in Note 8 to the financial statements.

Share capital

The community is limited by guarantee and not having a share capital.

Councillors

The councillors who held office during the financial year and up to the date of this report are:-

Chu Wai Ching Welgent
Wong Ada Ying Kay
Mo Sik Keung Gilbert
Luen Kwok Fai

In accordance with article 48 of the community's articles of association, the councillors, who were appointed by ordinary resolution at the general meeting, shall hold office for an unlimited period of time. In accordance with article 49 of the community's articles of association, the councillors, who were appointed by a decision of the council, must retire from office at the next annual general meeting.

Councillors' interests in transactions, arrangements and contracts that are significant in relation to the community's business

No transactions, arrangements or contracts of significance in relation to the community's business to which the community was a party, and in which a councillor of the community had a material interest, subsisted at the end of the year or at any time during the year.

Management contracts

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

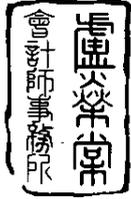
Honorary auditors

A resolution for the re-appointment of Messrs. John Lo & Co. as honorary auditors of the community is to be proposed at the forthcoming annual general meeting.

By order of the council of the management



Councillor
Mo Sik Keung Gilbert
Hong Kong, 18 DEC 2020



JOHN Lo & Co.

CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

盧樂棠會計師事務所

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HONORARY AUDITORS' REPORT TO THE MEMBERS OF BIG SILVER COMMUNITY LIMITED

大銀力量有限公司

(Incorporated in Hong Kong, limited by guarantee and not having a share capital)

Opinion

We have audited the financial statements of Big Silver Community Limited set out on pages 6 to 13, which comprise the balance sheet as at March 31, 2020, the income statement and the statement of changes in reserves 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 community 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 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 auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the community 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 audit opinion.

Other information

The councillors are responsible for the other information. The other information comprises the information included in the report of the councillors, but does not include the financial statements and our auditors' 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.

Other information (Continued)

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 councillors and those charged with governance for the financial statements

The councillors 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 councillors are responsible for assessing the community'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 councillors either intend to liquidate the community or to cease operations, or have no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 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.

Auditors' responsibilities for the audit of the financial statements (Continued)

As part of an audit in accordance with HKSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

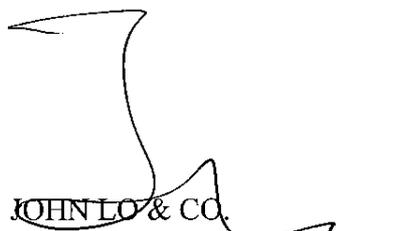
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 community's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the councillors.

- Conclude on the appropriateness of the councillors' 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 community's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the community 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.



JOHN LO & CO.
Certified Public Accountants (Practising)
Hong Kong, 18 DEC 2020

BIG SILVER COMMUNITY LIMITED
大銀力量有限公司

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED MARCH 31, 2020

	<u>Retained</u> <u>surplus</u> HK\$
At April 1, 2019	1,628,993
Surplus for the year	1,152,841
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At March 31, 2020	2,781,834
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BIG SILVER COMMUNITY LIMITED
大銀力量有限公司

BALANCE SHEET AS AT MARCH 31, 2020

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		HK\$	HK\$
Non-current assets			
Property, plant and equipment	8	47,015	24,662
Current assets			
Accounts receivable		852,112	1,780,769
Other receivable		44,162	2,241
Prepayment		-	31,500
Deposits		44,300	25,600
Cash at bank and in hand		2,513,720	608,641
		3,454,294	2,448,751
Current liabilities			
Accruals		99,475	24,355
Amounts due to councillors	9	320,000	320,000
Amount due to member	10	300,000	300,000
Bank overdraft		-	200,065
		719,475	844,420
Net current assets		2,734,819	1,604,331
Net assets		2,781,834	1,628,993
Reserves			
Retained surplus		2,781,834	1,628,993

Approved by the council of the management on **18 DEC 2020**



Mo Sik Keung Gilbert
Councillor



Wong Ada Ying Kay
Councillor

The notes on pages 9 to 13 form part of these financial statements.

BIG SILVER COMMUNITY LIMITED
大銀力量有限公司

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

Big Silver Community Limited is a non-private company incorporated in Hong Kong and limited by guarantee without a share capital. The community's registered office is located at 23/F, Admiralty Centre, Tower II, 18 Harcourt Road, Hong Kong. The community is engaged in promoting community elderly care and innovative support systems for an ageing society, and creating elderly friendly communities in Hong Kong.

These financial statements are presented in Hong Kong dollars, unless otherwise stated.

2. Basis of preparation and accounting policies

The community 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 community is a going concern.

The measurement base adopted is the historical cost convention.

The community's financial statements for the year ended March 31, 2020 are its first annual financial statements prepared under accounting policies that comply with SME-FRS. The community applied the full Hong Kong Financial Reporting Standards (HKFRSs) to prepare its financial statements prior to the application of the SME-FRS.

The community's date of transition is April 1, 2019 and the adoption of the SME-FRS has no material impact to these financial statements.

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

a) Operating leases

Rental payable on premises under operating leases are dealt with in the statement of comprehensive income on a straight line basis over the term of the lease.

2. Basis of preparation and accounting policies (Continued)

b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Leasehold improvements	- 20%
Computers	- 33 1/3%
Furniture and fixtures	- 20%

c) Revenue

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

- (i) Donations are accounted for on accrual basis.
- (ii) Sales of magazines to distributors or customers are recognised when the products are delivered and title has passed, net of allowances for unsold copies which may be returned.
- (iii) Subscription income is recognised upon the provision of the services.
- (iv) Advertising income on magazines is recognised when the relevant advertisement is published.
- (v) Funding income is accounted for on accrual basis.
- (vi) Event income is recognised when the relevant events are held.

2. Basis of preparation and accounting policies (Continued)

d) Impairment of assets

An assessment is made at each balance sheet date 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 years.

3. Revenue

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Advertising income	22,000	661,200
Funding income	1,675,846	2,189,058
Event income	2,363,671	1,832,021
General donations	843,079	964,025
Sales of books and magazines	519,354	462,029
Subscription income	-	348,967
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	5,423,950	6,457,300
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4. Direct cost

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Consultant and contribution fee	169,388	230,396
Courier and postage	57,661	105,550
Cost of sales of magazine	-	21,759
Design fee	643,895	933,562
Editing and translation	129,100	-
Event costs	54,417	69,436
Printing	501,124	682,150
Shooting and photography	246,200	110,459
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	1,801,785	2,153,312
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5. Administrative and operating expenses

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Bank charges	3,249	15,311
Bank overdraft interest	190	1,790
Computer supplies	7,646	6,681
Depreciation	33,765	19,090
Entertainment	5,701	1,776
Insurance	39,678	44,697
Legal and professional fee	33,000	6,000
Local travelling	13,239	6,848
Loss on disposals of property, plant and equipment	-	4,032
Mandatory provident fund contributions	72,227	98,655
Miscellaneous	54,311	17,572
Printing and stationery	4,535	11,480
Project evaluation	-	90,000
Promotional materials	-	395
Salaries	1,906,924	2,568,526
Telephone and internet	46,360	64,674
Utility charges	6,572	-
Workspace and storage rental	241,927	190,773
	<u>2,469,324</u>	<u>3,148,300</u>

6. Councillors' remuneration

Councillors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:-

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Fees	Nil	Nil
Salaries and other benefits	Nil	Nil
	<u>Nil</u>	<u>Nil</u>

7. Income tax

The community is exempted from the charge to profits tax under Section 88 of the Inland Revenue Ordinance.

8. Property, plant and equipment

	<u>Leasehold improvements</u> HK\$	<u>Computers</u> HK\$	<u>Furniture and fixtures</u> HK\$	<u>Total</u> HK\$
Cost:-				
At 1.4.2019	-	55,273	7,304	62,577
Additions	32,700	19,918	3,500	56,118
At 31.3.2020	32,700	75,191	10,804	118,695
Accumulated depreciation:-				
At 1.4.2019	-	35,134	2,781	37,915
Charge for the year	6,540	25,064	2,161	33,765
At 31.3.2020	6,540	60,198	4,942	71,680
Net book value:-				
At 31.3.2020	26,160	14,993	5,862	47,015

9. Amounts due to councillors

	<u>2020</u> HK\$	<u>2019</u> HK\$
Mo Sik Keung Gilbert	100,000	100,000
Wong Ada Ying Kay	220,000	220,000
	320,000	320,000

The amounts due to councillors are unsecured, non-interest bearing and have no specified repayment terms.

10. Amount due to member

The amount due to member, Chan Hiu Lui, is unsecured, non-interest bearing and has no specified repayment terms.

11. Lease commitment

At March 31, 2020, the total future lease payments under non-cancellable operating leases are payable as follows:

	<u>2020</u> HK\$	<u>2019</u> HK\$
Within one year	78,000	51,200