



Kirat Rai Association Hong Kong Limited

Reports and Financial Statements

For the year ended 31 March 2019

Kirat Rai Association Hong Kong Limited

**Reports and Financial Statements
For the year ended 31 March 2019**

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Kirat Rai Association Hong Kong Limited

Committee Members' Report

The committee members submit their annual report together with the audited financial statements for the year ended 31 March 2019.

Principal activities

The principal activities of the Association are to maintain social integrity, acquire equality and justice, by protecting, preserving and promoting distinct social and cultural identity and linguistic diversity of Kirat Rai.

Results

The results of the Association for the year ended 31 March 2019 and the state of its affairs as at 31 March 2019 are set out in the financial statements on pages 5 to 10.

Property, plant and equipment

Movements in property, plant and equipment are set out in note 7 to the financial statements.

Committee members

The committee members of the Association during the year and up to the date of this report were as follows:

Rai Ajay	(resigned on 24 September 2019)
Rai Bimal	
Rai Chandraka	(resigned on 24 September 2019)
Rai Gajendra Bahadur	
Rai Ganga Ram	
Rai Hari Chandra	
Rai Kamal Prasad	(resigned on 24 September 2019)
Rai Pavita	(resigned on 24 September 2019)
Rai Yukprasad	

Committee members' interests in transactions, arrangements or contracts

No contract of significance to which the Association was a party and in which a committee member of the Association had a material interest, whether directly or indirectly, 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 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 report was there any permitted indemnity provision being in force for the benefit of any of the committee members of the Association (whether made by the Association or otherwise) or an associated company (if made by the Association).

Kirat Rai Association Hong Kong Limited

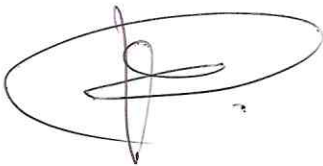
Committee Members' Report (continued)

Business review

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

Auditors

The financial statements have been audited by Unique & Partners CPA, who retire and, being eligible, offer themselves for re-appointment.

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by 'H' and 'C' in a cursive script.

Rai Hari Chandra
Committee member

Hong Kong, 18 December 2019

Independent Auditor's Report

To the members of Kirat Rai Association Hong Kong Limited

(Incorporated in Hong Kong and limited by guarantee)

Report on the financial statements

Disclaimer of opinion

We were engaged to audit the financial statements of Kirat Rai Association Hong Kong Limited ("the Association"), set out on pages 5 to 10, which comprise the statement of financial position as at 31 March 2019, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the financial statements of the Association. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. In all other respects, in our opinion the financial statements have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for disclaimer of opinion

We have not been provided with a complete accounting record of the Association. In consequence, we were not able to carry out all the audit procedures or obtain all the information and explanations we considered necessary for the purpose of our audit. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves that the amounts in the income statement and statement of financial position are free from material misstatement. Accordingly, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Any adjustments to the figures may have a consequential significant effect on the results for the year ended and net assets at 31 March 2019.

Responsibilities of committee members and those charged with governance for the financial statements

The committee members are responsible for the preparation of the 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 ("HKICPA") and the Hong Kong Companies Ordinance, and for such internal control as the committee members 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 committee members 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 committee members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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

Independent Auditor's Report (continued)

To the members of Kirat Rai Association Hong Kong Limited

(Incorporated in Hong Kong and limited by guarantee)

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Association's financial statements 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 Small and Medium-sized Entity Financial Reporting Standard issued by the HKICPA and to issue an auditor's report 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. However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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 ethical responsibilities in accordance with the Code.

Report on other matters under sections 407(2) and 407(3) of the Hong Kong Companies Ordinance

Matters on which we are required to report by exception

In accordance with the Hong Kong Companies Ordinance, we have the following matters to report. In our opinion :

- no sufficient appropriate audit evidence are provided to ensure no material misstatement for the content of committee members' report.
- in respect alone of the inability to obtain sufficient appropriate audit evidence regarding the matters as described in the basis for disclaimer of opinion paragraph above :
 - we were unable to determine whether adequate accounting records had been kept; and
 - we have not obtained all the information and explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit.



Unique & Partners CPA
Certified Public Accountants

Hong Kong, 18 December 2019

Kirat Rai Association Hong Kong Limited

Income Statement

For the year ended 31 March 2019

	Note	2019 HK\$	2018 HK\$
Revenue	2	342,388	224,475
Other income	3	6,840	98,343
Operating expenses		<u>(199,814)</u>	<u>(413,303)</u>
Surplus/(deficit) before tax	4	149,414	(90,485)
Income tax expense	6	<u>-</u>	<u>-</u>
Surplus/(deficit) for the year		<u><u>149,414</u></u>	<u><u>(90,485)</u></u>

The accompanying notes form an integral part of, and should be read in conjunction with, these financial statements.

Kirat Rai Association Hong Kong Limited

Statement of Financial Position As at 31 March 2019

	Note	2019 HK\$	2018 HK\$
Non-current assets			
Property, plant and equipment	7	<u>2,208,049</u>	<u>2,265,544</u>
Current assets			
Other receivables		-	38,624
Cash and bank balances		<u>70,176</u>	<u>23,829</u>
		<u>70,176</u>	<u>62,453</u>
Current liabilities			
Other payables		-	196,316
Accruals		<u>8,000</u>	<u>10,870</u>
		<u>8,000</u>	<u>207,186</u>
Net current assets/(liabilities)		<u>62,176</u>	<u>(144,733)</u>
Net assets		<u><u>2,270,225</u></u>	<u><u>2,120,811</u></u>
Retained surplus	8	<u><u>2,270,225</u></u>	<u><u>2,120,811</u></u>



Rai Gajendra Bahadur
Committee member



Rai Hari Chandra
Committee member

The accompanying notes form an integral part of, and should be read in conjunction with, these financial statements.

Kirat Rai Association Hong Kong Limited

Notes to the Financial Statements

For the year ended 31 March 2019

1 Reporting entity

Kirat Rai Association Hong Kong Limited ("the Association"), is an association incorporated in Hong Kong and limited by guarantee and not having a share capital. The Association's registered office is located at Room 1503, 15/F., Rightful Centre, 11-12 Tak Hing Street, Jordan, Kowloon, Hong Kong. The principal activities of the Association are to maintain social integrity, acquire equality and justice, by protecting, preserving and promoting distinct social and cultural identity and linguistic diversity of Kirat Rai.

The number of members of the Association is not to exceed 400. Each member, or person who ceased to be a member with 12 months, is to undertake a contribution of an amount not exceeding HK\$100 to the assets of the Association in the event of it being wound up.

2 Basis of preparation and accounting policies

Statement of compliance

The Association qualifies for the reporting exemption as a small guarantee company under section 359 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 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 Reporting 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.

b 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 bases:

Donation and other contribution are accounted for on a cash basis.

Kirat Rai Association Hong Kong Limited

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

2 Basis of preparation and accounting policies (continued)

c Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

d Property, plant and equipment

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

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 land and buildings	over the estimated useful lives of 50 years or the remaining terms of leases, whichever is shorter
Furniture, fixtures and equipment	20%

e Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment. 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.

2 Revenue

An analysis of the Association's revenue is as follows:

	2019 HK\$	2018 HK\$
Donations from worship	<u>342,388</u>	<u>224,475</u>

Kirat Rai Association Hong Kong Limited

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

3 Other income

	2019 HK\$	2018 HK\$
Other donations	5,990	94,823
Sundry income	850	3,520
	<u>6,840</u>	<u>98,343</u>

4 Surplus/(deficit) before tax

Surplus/(deficit) before tax is arrived at after charging the following item:

	2019 HK\$	2018 HK\$
Depreciation	<u>71,274</u>	<u>68,518</u>

5 Committee members' remuneration

No fees or emoluments was paid or payable to the committee members in respect of their services rendered to the Association during the year (2018: nil).

6 Income tax expense

No provision for Hong Kong profits tax has been made as the Association is exempt from payment of tax by virtue of Section 88 of the Inland Revenue Ordinance (2018: nil).

7 Property, plant and equipment

	Leasehold land and buildings HK\$	Furniture, fixtures and equipment HK\$	Total HK\$
Cost			
At 1 April 2018	2,423,400	39,665	2,463,065
Additions	-	13,779	13,779
At 31 March 2019	<u>2,423,400</u>	<u>53,444</u>	<u>2,476,844</u>
Accumulated depreciation			
At 1 April 2018	181,755	15,766	197,521
Charge for the year	60,585	10,689	71,274
At 31 March 2019	<u>242,340</u>	<u>26,455</u>	<u>268,795</u>
Net book value			
At 31 March 2019	<u>2,181,060</u>	<u>26,989</u>	<u>2,208,049</u>
At 31 March 2018	<u>2,241,645</u>	<u>23,899</u>	<u>2,265,544</u>

Kirat Rai Association Hong Kong Limited

Notes to the Financial Statements (continued)

For the year ended 31 March 2019

8 Change in retained surplus

	Retained surplus HK\$
As at 31 March 2018	2,120,811
Surplus for the year	149,414
As at 31 March 2019	<u>2,270,225</u>

9 Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

10 Approval of financial statements

These financial statements were authorised for issue by the Association's committee members on 18 December 2019.

Kirat Rai Association Hong Kong Limited

**Detailed Income Statement
For the year ended 31 March 2019**

	2018 HK\$	2017 HK\$
Revenue		
Donations from worship	342,388	224,475
Other income		
Other donations	5,990	94,823
Sundry income	850	3,520
	<u>6,840</u>	<u>98,343</u>
Operating expenses		
Accounting fees	3,000	2,000
Audit fee	5,000	5,000
Bank charges	1,180	1,020
Depreciation	71,274	68,518
Penalty	3,000	-
Printing and stationery	6,152	-
Religious, cultural and social activities	96,663	205,190
Repairs and maintenance	5,454	118,588
Secretarial fees	-	2,000
Sundry expenses	5,743	1,370
Telecommunications	-	5,244
Travelling	2,348	-
Utilities	-	4,373
	<u>(199,814)</u>	<u>(413,303)</u>
Surplus/(deficit) before tax	<u>149,414</u>	<u>(90,485)</u>