

DB PIRATES LIMITED

REPORT OF THE DIRECTORS  
AND  
FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 APRIL 2017  
TO  
31 MAY 2018

MANFORD CPA LIMITED  
*Certified Public Accountants*  
Hong Kong

**DB PIRATES LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 APRIL 2017 TO 31 MAY 2018**

<u>CONTENTS</u>	<u>PAGE(S)</u>
Report of the Directors	1 - 2
Independent Auditor's Report	3 - 5
Income Statement	6
Statement of Financial Position	7
Accounting Policies and Explanatory Notes to the Financial Statements	8 - 12

## DE PIRATES LIMITED

### REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report together with the audited financial statements for the period from 1 April 2017 to 31 May 2018.

### PRINCIPAL ACTIVITIES

The Club is engaged in promotion of playing, coaching, refereeing and study of netball, hockey, dragon boating and rugby.

### THE STATE OF CLUB'S AFFAIRS AND APPROPRIATION

The state of the Club's affairs as at 31 May 2018 are set out in the financial statements in pages 6 to 12.

### CHANGE OF ACCOUNTING DATE

Pursuant to a resolution passed on 11 November 2017, the Club changed its accounting date from 31 March to 31 May with effect from the financial period from 1 April 2017 to 31 May 2018.

### RESERVES AND FUNDS

Movements in reserves and funds of the Club are set out in the statement of changes in reserves and funds on note 7 to the financial statements.

### DIRECTORS

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

WADE Nicholas Sean	
TAIT Steven John	(Resigned on 5 December 2017)
STENERSEN Sharon Robyn	(Resigned on 20 June 2018)
GAROZZO Michael Louis	(Resigned on 27 June 2017)
WHITE Jason	(Resigned on 27 June 2017)
ABBOTT Grant Andrew	(Appointed on 27 June 2017)
PROBERT William Howard	(Appointed on 27 June 2017 and resigned on 20 June 2018)
GRABHAM Zoe Clair	(Appointed on 5 December 2017)
YBEMA Ralph Sytze	(Appointed on 5 December 2017)
HOMA, Hannah Rachel	(Appointed on 26 September 2018)
VAN DER LINDE Christiaan Jakobus	(Appointed on 5 December 2017 and resigned on 6 September 2018)

In accordance with the Article 47 of the Club's Articles of Association, all remaining directors retire and, being eligible, offer themselves for re-election.

to be continued.....

**DB PIRATES LIMITED****REPORT OF THE DIRECTORS (CONTINUED)****PERMITTED INDEMNITY AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Club has not enforced any permitted indemnity arrangements or arranged appropriate directors' and officers' insurance cover for the directors and officers of the Company during the period.

**MANAGEMENT CONTRACTS**

Except for management and administrative expenses of HK\$ 858,588 have been paid during the period, no other contracts concerning the management and administration of the whole or any substantial part of the business of the Club were entered into or existed during the period.

**ENTITY-LINKED AGREEMENTS**

There were no equity linked agreements entered into during the period or subsisting at the end of the period.

**OTHER MATTERS**

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

**AUDITOR**

During the period, Linkers CPA Limited, Certified Public Accountants, resigned and Manford CPA Limited, Certified Public Accountants, was appointed as auditor of the Club.

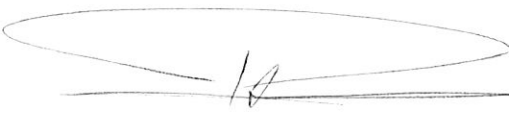
A resolution for the re-appointment of Manford CPA Limited, Certified Public Accountants, as the Club's auditor is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

I, the undersigned, hereby certify  
that the foregoing document is a  
true and complete copy of  
the original (or a properly  
certified copy of the original)

  
.....  
Ting Shuk Kam Cindy  
CPA (Practising)

Dated: 15 MAY 2019

  
YBEMA Ralph Sytze  
Chairman

Hong Kong, 20 February, 2019

# MANFORD CPA LIMITED

*Certified Public Accountants*

17/F, Kam Sang Building,  
255-257 Des Voeux Road Central,  
Hong Kong.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DB PIRATES LIMITED** (Incorporated in Hong Kong with limited liability by guarantee)

### **Opinion**

We have audited the financial statements of DB Pirates Limited ("the Club") set out on pages 6 to 12, which comprise the statement of financial position as at 31 May 2018, and the income statement for the period from 1 April 2017 to 31 May 2018, 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 ("HKSAs") 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 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 all information included in the report of the directors, 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.

to be continued....

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF DB PIRATES LIMITED (CONTINUED)**  
(Incorporated in Hong Kong with limited liability by guarantee)

**Responsibilities of Directors for the Financial Statements**

The directors 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 are 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.

The directors are responsible for overseeing the Club'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. Our 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 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 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 Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.


to be continued...

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF DB PIRATES LIMITED (CONTINUED)**  
(Incorporated in Hong Kong with limited liability by guarantee)

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- 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 the 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.

  
MANFORD CPA LIMITED  
Certified Public Accountants (practising)

Yuen Wai Ho  
Practising Certificate Number: P1564

Hong Kong, 20 February, 2019

I, the undersigned, hereby certify  
that the foregoing document is a  
true and complete copy of  
the original (or a properly  
certified copy of the original)

  
.....  
Ting Shuk Kam Cindy  
CPA (Practising)

Dated: 15 MAY 2019

**DB PIRATES LIMITED**  
**INCOME STATEMENT**  
**FOR THE PERIOD FROM 1 APRIL 2017 TO 31 MAY 2018**

	Notes	01.04.2017 -31.05.2018 HK\$	01.04.2016 -31.03.2017 HK\$
Revenue	2	2,508,098	2,547,909
Administrative expenses		(1,871,588)	(3,052,299)
Surplus/(deficit) before tax	3	636,510	(504,390)
Income tax expense	4	-	-
Surplus/(deficit) for the period/year		636,510	(504,390)

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



**DB PIRATES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AT 31 MAY 2018**

	Notes	31.05.2018 HK\$	31.03.2017 HK\$
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	48,213	68,066
<b>CURRENT ASSETS</b>			
Utility deposits and prepayments		5,175	-
Accounts receivables		900	37,900
Cash and bank balances		1,399,887	887,119
		<u>1,405,962</u>	<u>925,019</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable		-	101,441
Accruals		16,000	89,979
Receipt in advance		250,000	250,000
		<u>266,000</u>	<u>441,420</u>
<b>NET CURRENT ASSETS</b>		<u>1,139,962</u>	<u>483,599</u>
<b>NET ASSETS</b>		<u>1,188,175</u>	<u>551,665</u>
<b>FUNDS</b>			
Capital reserve		123,596	123,596
Accumulated surplus		1,064,579	428,069
<b>TOTAL FUNDS</b>		<u>1,188,175</u>	<u>551,665</u>

I, the undersigned, hereby certify  
that the foregoing document is a  
true and complete copy of  
the original (or a properly  
certified copy of the original)

Ting Shuk Kam Cindy  
CPA (Practising)

Dated: 15 MAY 2019

These financial statements on pages 6 to 12 were approved by the Board of Directors and are signed on its behalf by:



YBEMA Ralph Sytze  
Director



ABBOTT Grant Andrew  
Director

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

**DB PIRATES LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 APRIL 2017 TO 31 MAY 2018**

**REPORTING ENTITY**

DB Pirates Limited (“the Club”) is a private company incorporated in Hong Kong with limited liability by guarantee and not having a share capital. In event of the Club being wound up, each member is liable for an amount up to HK\$1 to be contributed to the Club’s Funds. The Club’s registered office is located at 11/F., Flat A, Elegance Court, 5 Discovery Bay Road, Discovery Bay Hillgrove Village, Discovery Bay, Hong Kong. The Club is engaged in promotion of playing, coaching, refereeing and study of netball, hockey, dragon boating and rugby.

**1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES**

The Club qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance. The Club is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (the “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 Club 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) Revenue

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

(i) Membership fee and sponsorship income

Membership fee and sponsorship income are recognised on cash receipt basis:

(ii) Donation income

Donation income is recognised when the rights to receive the income is established:

(iii) Bank interest income

Bank interest income is recognised on a time proportion basis, taking into account the principals outstanding and the rates applicable.

**DB PIRATES LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 APRIL 2017 TO 31 MAY 2018**

**1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (continued)**

(b) Income tax

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

Deferred tax is not provided.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any 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 is as follows:

Furniture, fixtures and equipment	20%
-----------------------------------	-----

(d) Account receivables

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

(e) Foreign exchange

Monetary assets and liabilities in foreign currencies at the end of the financial period are translated into Hong Kong Dollars at approximately the market rates of exchange ruling at the reporting date. Transactions in foreign currencies are translated into Hong Kong Dollars at exchange rates ruling at the transaction dates. Gains and losses arising on exchange are dealt with in the income statement.

(f) Provisions

Provisions are recognised when the Club has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Club expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

**DB PIRATES LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 APRIL 2017 TO 31 MAY 2018**

**1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (continued)**

(g) Impairment of assets

An assessment is made at the end of the financial 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.

(h) Retirement benefit costs

The Club's contributions to a defined contribution retirement scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance (the "MPF" Scheme) are expensed as incurred. The Club's employer contributions vest fully with the employees when contributed into the MPF Scheme.

**2. REVENUE AND OTHER INCOME**

An analysis of the Club's revenue and other income is as follows:

	01.04.2017 -31.05.2018 HK\$	01.04.2016 -31.03.2017 HK\$
Revenue		
Membership fee	1,243,090	1,042,846
Sponsorship fee	1,261,250	1,329,029
Donation income	-	176,006
	<u>2,504,340</u>	<u>2,547,881</u>
Other income		
Bank interest income	23	28
Sundry income	3,735	-
	<u>3,758</u>	<u>28</u>
	<u>2,508,098</u>	<u>2,547,909</u>

**DB PIRATES LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 APRIL 2017 TO 31 MAY 2018**

**3. SURPLUS/(DEFICIT) BEFORE TAX**

	01.04.2017 -31.05.2018	01.04.2016 -31.03.2017
	HK\$	HK\$
Surplus/(Deficit) before tax has been arrived at after charging the following items:		
Bad debts	6,330	-
Depreciation	19,853	17,016
Staff costs (excluding directors' emoluments)		
Staff salaries	438,000	250,000
MPF contributions	15,600	3,625
Messing	-	3,187

**4. INCOME TAX EXPENSE**

No provision for Hong Kong profits tax is made as the Club is exempt from Hong Kong Profits Tax under Section 24 of the Inland Revenue Ordinance as more than half of the gross revenue were derived from members during the period. (2017:Nil).

**5. DIRECTORS' EMOLUMENTS**

None of the directors received or will receive any emoluments in respect of their services to the Club for the period. (2017: Nil).

**6. PROPERTY, PLANT AND EQUIPMENT**

	Furniture, fixtures and equipment HK\$
<u>Cost</u>	
At 31 March 2017 & at 31 May 2018	85,082
<u>Accumulated depreciation</u>	
At 31 March 2017	17,016
Charge for the period	19,853
At 31 May 2018	36,869
<u>Net book value</u>	
At 31 May 2018	48,213
At 31 March 2017	68,066

**DB PIRATES LIMITED****ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 APRIL 2017 TO 31 MAY 2018****7. CHANGES IN RESERVES AND FUNDS**

	Capital reserve	Accumulated surplus	Total
	HK\$	HK\$	HK\$
Balance at 31 March 2017	123,596	428,069	551,665
Surplus for the period	-	636,510	636,510
Balance at 31 May 2018	<u>123,596</u>	<u>1,064,579</u>	<u>1,188,175</u>

**8. TRANSACTIONS WITH RELATED PARTY**

Details of the Company's significant transactions with the following related party during the period are as follows:

	01.04.2017 -31.05.2018	01.04.2016 -31.03.2017
	HK\$	HK\$
A company connected with a director		
Management and administrative expenses	<u>858,588</u>	<u>480,000</u>

Note: The related company has director in common with the Club.

**9. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue by the Club's Board of Directors on 20 February 2019.