

# **TBA Limited**

**Directors' Report and Financial Statements**

**For the period from 31 October 2017 (date of incorporation) to 31 March 2018**

# **TBA Limited**

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# **TBA Limited**

## **Directors' Report**

**For the period from 31 October 2017 (date of incorporation) to 31 March 2018**

The directors present their first report and the audited financial statements of the Association for the period from 31 October 2017 (date of incorporation) to 31 March 2018.

## **Objects**

The objects of the Association are:

- (1) to promote Bitcoin, Blockchain and distributed ledger technology, protocols and applications;
- (2) to develop a healthy and vibrant community of individuals and companies in Hong Kong who or which use Bitcoin, Blockchain and its technology, protocols and applications;
- (3) to educate the public, governmental authorities and other organisations about the benefits and risks of Bitcoin, Blockchain and distributed ledger technology;
- (4) to be a reliable, trusted and accessible source of information and assistance for the Bitcoin and Blockchain community in Hong Kong and other parts of the world;
- (5) to represent its members in relation to matters involving the governmental authorities of, and other relevant bodies in, Hong Kong and elsewhere as desired;
- (6) to provide a forum for its members;
- (7) to connect its members with other individuals or organisations in Hong Kong or elsewhere who or which have objects similar to those of the Association or are otherwise concerned with Bitcoin, Blockchain and distributed ledger technology;
- (8) to establish and maintain relationships with chambers of commerce, associations, foundations and other bodies in Hong Kong and worldwide and collaborate with them on matters of mutual interest or common concern;
- (9) to develop technical and business standards and best common practice; and
- (10) to do all such other lawful things as are incidental or conducive to the attainment of any of the above objects.

## **Results and appropriations**

The results for the period from 31 October 2017 (date of incorporation) to 31 March 2018 and the state of affairs of the Association are set out on pages 6 to 11.

## **Directors**

The directors who held office during the period and up to the date of this report are:

Chechung CHANG	(appointed on 31 October 2017)
Dominique Mendoza ABAD	(appointed on 31 October 2017)
Leonhard Armin WEESE	(appointed on 31 October 2017)

In accordance with Articles 20 and 21 of Part B of the Association's Articles of Association, a retiring director is eligible for reappointment and other directors continue in office.

# **TBA Limited**

## **Directors' Report**

**For the period from 31 October 2017 (date of incorporation) to 31 March 2018**

### **Permitted indemnity provision**

Article 29(1) of Part B of the Association's Articles provides that a director or former director of the Association may be indemnified out of the Association's assets against any liability incurred by the director to a person other than the Association or an associated company of the Association in connection with any negligence, default, breach of duty or breach of trust in relation to the Association or associated company (as the case may be). This Article only applies if the indemnity does not cover the liability as set out in Article 29(2) of Part B of the Association's Articles. This permitted indemnity provision is in force during the financial period and at the time of approval of this report.

### **Management contract**

The Association has not entered into any contract whereby the management and administration of the whole or any substantial part of the Association's business has been undertaken by a party other than the Association's directors or employees.

### **Business review**

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

### **Auditor**

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

On behalf of the Board



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**Leonhard Armin WEESE**  
**Chairperson**

**Hong Kong, 4 February 2019**

## **Independent Auditor's Report to the Members of TBA Limited**

(incorporated in Hong Kong and limited by guarantee)

### ***Opinion***

We have audited the financial statements of TBA Limited ("the Association") set out on pages 6 to 11, which comprise the statement of financial position as at 31 March 2018, and the income statement and statement of changes in funds for the period from 31 October 2017 (date of incorporation) to 31 March 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Association 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 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. 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 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 the information included in the directors' report, 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.

## **Independent Auditor's Report to the Members of TBA Limited**

(incorporated in Hong Kong and limited by guarantee)

### ***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.

### ***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. 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.

As part of an audit in accordance with HKSAs, 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**Independent Auditor's Report to the Members of  
TBA Limited**

(incorporated in Hong Kong and limited by guarantee)

- 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 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.



**FTW & Partners CPA Limited**  
**Certified Public Accountants**  
**Hong Kong, 4 February 2019**

**HO Cheung Kong**  
**Practising Certificate Number: P5214**

# TBA Limited

## Income Statement

For the period from 31 October 2017 (date of incorporation) to 31 March 2018

	Note	31.10.2017 to 31.3.2018 HK\$
<b>Income</b>		
Sales of tickets		5,588
Membership fee income		<u>41,315</u>
		<u>46,903</u>
<b>Other net loss</b>		
Fair value loss on current investments		<u>(7,020)</u>
<b>Expenditure</b>		
Auditor's remuneration		(8,500)
Computer expenses		(7,586)
Internet charges		(4,378)
Seminar expenses		(3,658)
Sundry expenses		<u>(3,676)</u>
		<u>(27,798)</u>
<b>Surplus before tax</b>	<b>3</b>	12,085
Taxation	<b>5</b>	<u>(498)</u>
<b>Surplus for the period</b>		<u><u>11,587</u></u>



# TBA Limited

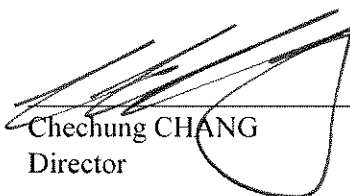
## Statement of Financial Position As at 31 March 2018

	Note	2018 HK\$
<b>Current assets</b>		
Current investments	6	<u>315,630</u>
<b>Current liabilities</b>		
Due to directors	7	295,045
Accruals		8,500
Tax liabilities		<u>498</u>
		<u>304,043</u>
<b>Net current assets</b>		<u>11,587</u>
<b>Net assets</b>		<u><u>11,587</u></u>
<b>Represented by:</b>		
General reserves		<u><u>11,587</u></u>

The financial statements were approved by the Board on 4 February 2019  
and signed on its behalf by:



Leonhard Armin WEESE  
Director



Chechung CHANG  
Director

## **TBA Limited**

### **Statement of Changes in Funds**

**For the period from 31 October 2017 (date of incorporation) to 31 March 2018**

**General  
reserves  
HK\$**

Surplus for the period

11,587

**Balance at 31 March 2018**

11,587

# **TBA Limited**

## **Notes to Financial Statements**

**For the period from 31 October 2017 (date of incorporation) to 31 March 2018**

### **1. General information**

TBA Limited is an Association limited by guarantee which incorporated in Hong Kong. Its registered office is located at 29/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.

The objects of the Association are:

- (1) to promote Bitcoin, Blockchain and distributed ledger technology, protocols and applications;
- (2) to develop a healthy and vibrant community of individuals and companies in Hong Kong who or which use Bitcoin, Blockchain and its technology, protocols and applications;
- (3) to educate the public, governmental authorities and other organisations about the benefits and risks of Bitcoin, Blockchain and distributed ledger technology;
- (4) to be a reliable, trusted and accessible source of information and assistance for the Bitcoin and Blockchain community in Hong Kong and other parts of the world;
- (5) to represent its members in relation to matters involving the governmental authorities of, and other relevant bodies in, Hong Kong and elsewhere as desired;
- (6) to provide a forum for its members;
- (7) to connect its members with other individuals or organisations in Hong Kong or elsewhere who or which have objects similar to those of the Association or are otherwise concerned with Bitcoin, Blockchain and distributed ledger technology;
- (8) to establish and maintain relationships with chambers of commerce, associations, foundations and other bodies in Hong Kong and worldwide and collaborate with them on matters of mutual interest or common concern;
- (9) to develop technical and business standards and best common practice; and
- (10) to do all such other lawful things as are incidental or conducive to the attainment of any of the above objects.

### **2. Basis of preparation and significant accounting policies**

#### **(a) Basis of preparation of financial statements**

The Association qualifies for the reporting exemption as a small guarantee Association under sections 359(1)(a) and 363 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.

#### **(b) Reporting currency**

The financial statements are presented in Hong Kong Dollars ("HK\$") which is the Association's functional and presentation currency.

# TBA Limited

## Notes to Financial Statements

For the period from 31 October 2017 (date of incorporation) to 31 March 2018

### 2. Basis of preparation and significant accounting policies (cont'd)

#### (c) Investments

Current investments are stated at the lower of cost and net realisable value. Long-term investments are stated at cost less accumulated impairment losses.

#### (d) Income tax

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 reporting period.

Deferred tax is not provided.

#### (e) Recognition of revenue

Sales of tickets are recognised when an entity has transferred the risks and rewards of the tickets to its customers.

Membership fee income is accounted for on an accrual basis.

#### (f) Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

### 3. Surplus before tax

31.10.2017  
to 31.3.2018  
HK\$

#### Surplus before tax is stated after charging:

Auditor's remuneration

8,500

### 4. Directors' remuneration

None of the directors received any remuneration in respect of their services rendered for the period.

# TBA Limited

## Notes to Financial Statements

For the period from 31 October 2017 (date of incorporation) to 31 March 2018

### 5. Taxation

31.10.2017  
to 31.3.2018  
HK\$

Current tax - Hong Kong Profits Tax  
Provision for the period

498

Hong Kong Profits Tax has been calculated at 16.5% on the assessable profits for the period.

### 6. Current investments

2018  
HK\$

Unlisted investments, at fair value  
Change in fair value  
At 31.3.2018

322,650

(7,020)

315,630

The investments included the Bitcoins held by the Association. They are measured at the lower of cost and net realisable value.

### 7. Due to directors

The amounts are unsecured, interest-free and repayable on demand.

### 8. Status of Association

The Association is limited by guarantee. Pursuant to Article 4 of Part A of the Association's Articles, every member of the Association undertakes to contribute to the assets of the Association in the event of its being wound up while he is a member, or within 1 year afterwards, for the payment of the debts and liabilities of the Association contracted before he ceases to be a member, and 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 HK\$100.