



Metopro Associates Limited

Management and Accounting Professional
Member of MA Group

The Work Flow of Accounting, Auditing and Submission of Profits Tax Return

When the company is well incorporated -**company formation and post incorporation**, then the company is able to conduct any business activities through the Hong Kong Company. All the trading activities within the Company will be recorded by a systematic ways – **Accounting**. The accounting records with the Financial Statements will be audited by an independent auditor – **Auditing**. The auditor will prepare and submit the auditors' report, tax computation, audited financial statements together with the supporting schedules to Inland Revenue Department – **Submission of Profits Tax Return**.

Hereunder are the guidelines to assist our clients to fulfill the legal requirement in comply with Hong Kong Companies Ordinances, Inland Revenue Ordinance, International Financial Reporting Standard (IFRS), Auditing Guidelines.

Company Formation and Post Incorporation

1. Getting the Certificate of Incorporation
2. Getting the Business Registration Certificate
3. Appointment of 1st Directors by subscriber
4. Completion the First Directors' Meeting or the First Written Resolution
5. Filing the notification of 1st Secretary and Director at Companies Registry
6. Filing the document of consent to act as director
7. Filing the notification of Registered Office at Companies Registry
8. Filing the other statutory documents (if any) other than the above documents
9. Completion of Instrument of Transfer (if any)
10. Completion on bank account opening

Accounting

1. Keeping all the invoices issued to the buyers
2. Keeping all the invoices issued by the suppliers
3. Keeping all the bank statements of the company
4. Keeping all expenses vouchers, such as:-
 - A. Payment to suppliers
 - B. Rent and Rate
 - C. Salary Record of each staff
 - D. MPF (Mandatory Provident Fund) record of each staff
 - E. Traveling Expenses – related to business



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- F. Entertainment Expense – related to business
 - G. Printing and Stationery
 - H. Telephone and Fax
 - I. Insurance
 - J. Advertising
 - K. More
5. Keeping all the receipt vouchers, such as:-
- A. Receipt from customers
 - B. Interest Receipt
 - C. Sundry Income
 - D. More
- 6 All the above items must be **posted into the appropriate accounts**, for example:-
Invoices issued to buyers - posted into sales, service income accounts
Invoices issued by supplier – posted into purchase, cost of service accounts
Payment of Rent – posted into rent and rate account
Payment of telephone bill – posted into Telephone and Fax accounts.
More
7. All the appropriate accounts will be posted into a several ledgers and summarize by General Ledger at the end
8. Based on the information of the general ledger, the company is **able to prepare the financial statements**, such as **Profits and Loss Accounts**, **Balance Sheet**

These are the basic requirement of accounting record. Then the accounts will be audited by the independent auditors,

Auditing

1. Providing the complete invoice log
2. Providing the complete record of sales transaction (sample test)
 - A. Invoice to buyer
 - B. Invoice from supplier
 - C. Order Confirmation/Sales Confirmation/Purchase Order/Quotation
 - D. Bill of Lading/Airway Bill
 - E. Packing List etc.....



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3. Providing the supporting document of each payment and receipt, such as:-
 - A. Payment voucher and Receipt voucher with bank debit/credit advices
 - B. Original invoice when payment to supplier
4. Providing the Assets Registry – to record all the fixed assets
5. Providing the Stock List – stock movement (if any)
6. Providing the bank statement
7. Providing the break down of trade debtors, trade creditors
8. More.....

These are the basic requirement of a statutory audit. Then the auditors will issue a auditors' report and express the opinion based on the information provided by the management of the Company.

Profits Tax Submission

1. The auditor will complete the Profits Tax Return based on the information of the audited report. The Profits Tax Return will be signed by the director of the Company.
- 2, The auditor will submit the Profits Tax Return together with the Auditors' Report, Tax Computation, and the supporting schedule to Inland Revenue Department.

In this respect, the Company has fulfilled the legal requirement of filing the Profits Tax Return at the fiscal year end of the Company.

Summary:-

1. Completion on Company Formation
2. Completion on Accounting
3. Completion on Auditing
4. Completion of Profits Tax Return