

SPORTS CHANGE LIFE FOUNDATION LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Lincoln Edward CPA Limited
Certified Public Accountants

領信德華會計師事務所有限公司

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(EXPRESSED IN HONG KONG DOLLARS)

**SPORTS CHANGE LIFE FOUNDATION LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

The principal activity of the foundation during the period was helping the poor and low-income people to improve their living conditions, health and employment.

RESULTS AND APPROPRIATIONS

The results of the company for the year ended 31 March 2023 and the state of its affairs as at that date are set out on pages 5 to 9.

Under the provisions of the Foundation's Memorandum of Association, the accumulated fund of the Foundation is prohibited for distribution to the members and is to be used solely for the promotion of the objects of the Foundation.

PERMITTED INDEMNITY PROVISION

At no time during the reporting period and at the time of approval of this report were any permitted indemnity provisions in force for the benefit of the directors of the Foundation.

MANAGEMENT CONTRACTS

There were no contracts concerning the management and administration of the whole or any subtotal part of the business of the Foundation entered into existed during the reporting period.

DIRECTORS

The directors of the Foundation during the year and up to the date of this report was as follows:

TONG Cheung Fong
TSE Chi Cheong
NG Chi Kai

BUSINESS REVIEW

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

AUDITOR

Lincoln Edward CPA Limited retire and, being eligible, offer themselves for re-appointment.

On behalf of the board



NG Chi Kai
Chairman
Hong Kong, 22 April 2024



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SPORTS CHANGE LIFE FOUNDATION LIMITED
(INCORPORATED IN HONG KONG WITH LIMITED BY GUARANTEE)**

OPINION

We have audited the financial statements of Sports Change Life Foundation Limited (the "Foundation") set out on pages 5 to 9, which comprise the statement of financial position as at 31 March 2023, and the income statement for the year ended 31 March 2023, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Foundation 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 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 Foundation 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 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.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE 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 Foundation'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 Foundation or to cease operations, or have no realistic alternative but to do so.

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



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SPORTS CHANGE LIFE FOUNDATION LIMITED
(INCORPORATED IN HONG KONG WITH LIMITED BY GUARANTEE) (CONTINUED)**

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF 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 will be made solely to you, as a body in accordance with the Hong Kong Companies Ordinance (Cap. 622), 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 HKSA's 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 HKSA's, 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Foundation'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 Foundation to cease to continue as a going concern.



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SPORTS CHANGE LIFE FOUNDATION LIMITED
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AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

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.

LINCOLN EDWARD CPA LIMITED
Lincoln Edward CPA Limited
Certified Public Accountants
Hong Kong, 22 April 2024

Pang Yick Him
Practicing Certificate Number P06710

SPORTS CHANGE LIFE FOUNDATION LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	<u>Notes</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
FUNCTION INCOME	3	4,000	-
DONATION RECEIVED		9,970	-
INTEREST INCOME		7	-
FUNCTION EXPENSES	3	(3,000)	-
ADMINISTRATIVE EXPENSES		(7,940)	(7,694)
SURPLUS / (DEFICITS) BEFORE TAXATION	4	----- 3,037	----- (7,694)
INCOME TAX EXPENSE	6	-	-
SURPLUS / (DEFICITS) FOR THE YEAR		----- 3,037 =====	----- (7,694) =====

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

SPORTS CHANGE LIFE FOUNDATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	<u>Notes</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
CURRENT ASSETS			
Cash and bank balances		22,792	19,345
LESS: CURRENT LIABILITIES			
Other payable and accruals		(3,740)	(4,440)
Amount due to a director	7	(1,110)	-
		-----	-----
		(4,850)	(4,440)
		-----	-----
NET CURRENT ASSETS		17,942	14,905
		=====	=====
EQUITY			
ACCUMULATED SURPLUS	8	17,942	14,905
		-----	-----
TOTAL EQUITY		17,942	14,905
		=====	=====

APPROVED AND AUTHORISED FOR ISSUE BY THE BOARD OF DIRECTORS ON 22 APRIL 2024 BY:



 NG Chi Kai



 TONG Cheung Fong

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

SPORTS CHANGE LIFE FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

REPORTING ENTITY

Sports Change Life Foundation Limited (the "Foundation") is a foundation incorporated in Hong Kong with limited by guarantee. The Foundation's registered office is located at Flat No. 4A, 8/F, Wah Yuen Factory Building, No 16 Elm Street, Tai Kok Tsui, Kowloon, Hong Kong. The principal activity of the Foundation was helping the poor and low-income people to improve their living conditions, health and employment.

1. BASIS OF PREPARATION

The Foundation qualifies for the reporting exemption as a small private foundation 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. The measurement base adopted is the historical cost convention.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue

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

- (i) donation received is recognised as revenue when the Foundation has the entitlement to the income;
- (ii) function income is recognised when the function event has been held; and
- (iii) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

(b) 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.

SPORTS CHANGE LIFE FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below :

(a) A person or a close member of that person's family is related to the Foundation if that person :

(i) has control or joint control over the Foundation; or

(ii) has significant influence over the Foundation; or

(iii) is a member of the key management personnel of the Foundation or of a parent of the Foundation.

(b) An entity is related to the Foundation if any of the following conditions applies :

(i) The entity and the Foundation are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the Foundation.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. FUNCTION INCOME AND EXPENSES

	2023			2022		
	<u>Income</u> HK\$	<u>Expenses</u> HK\$	<u>Surplus/ (deficits)</u> HK\$	<u>Income</u> HK\$	<u>Expenses</u> HK\$	<u>Surplus/ (deficits)</u> HK\$
Events and lectures	800	-	800	-	-	-
Exercise lessons	3,200	3,000	200	-	-	-
Total	4,000	3,000	1,000	-	-	-
	=====	=====	=====	=====	=====	=====

**SPORTS CHANGE LIFE FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. SURPLUS / (DEFICITS) BEFORE TAX

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

	<u>2023</u> HK\$	<u>2022</u> HK\$
Auditor's remuneration	3,500	3,500
	=====	=====

5. DIRECTORS' AND KEY MANAGEMENT'S REMUNERATION

No directors' remuneration as defined in section 383(1) of the Hong Kong Companies Ordinance was paid or payable for the years ended 31 March 2023 and 2022.

6. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been provided in the financial statements as the Company has tax loss brought forward to set off against the estimated assessable profits for the year. (2022: Nil)

At the reporting date, the Company has unused tax losses of 232,162 (2022: HK\$235,199) available for offset against future profits.

7. AMOUNT DUE TO DIRECTORS

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

8. CHANGES IN EQUITY

	<u>Accumulated surplus</u> HK\$
At 31 March 2022	14,905
Deficits for the year	3,037
At 31 March 2023	----- 17,942 =====

9. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the board of directors on 22 April 2024.