

HONG KONG CHINA KORFBALL ASSOCIATION LIMITED
(INCORPORATED IN HONG KONG)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2022

HONG KONG CHINA KORFBALL ASSOCIATION LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

CONTENTS	PAGES
REPORT OF THE DIRECTORS	1
INDEPENDENT AUDITOR'S REPORT	2 to 4
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF CHANGES IN EQUITY	7
STATEMENT OF CASH FLOWS	8
NOTES TO THE FINANCIAL STATEMENTS	9 to 12

**HONG KONG CHINA KORFBALL ASSOCIATION LIMITED ("THE ASSOCIATION")
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2022**

The directors present herewith their annual report and the audited financial statements for the year ended 31st March 2022.

OBJECTIVE

The objective of the Association is promoting the sportsmanship of Korfball in Hong Kong.

FINANCIAL STATEMENTS

The surplus of the Association for the year ended 31st March 2022 and the Association's affairs at 31st March 2022 are set out in the financial statements on page 5 to 12.

PROPERTY, PLANT AND EQUIPMENT

The Association did not acquire any property, plant and equipment during the year.

DIRECTORS

The directors who held office during the year and up to date of this report were:

CHENG Wai Ming Warman
IP Wai Seen Sincere
KWOK Wing Leung
LAI Pui Wing
LEE Chi Shing
SIN Wai Chung

In accordance with the Article of Association, all directors shall retire from office and, being eligible, offer himself for re-election.

Directors' interests in transactions, arrangements or contracts

No contract of significance, to which the Association was a party and in which a director of the Association had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year.

Management contract

No contract concerning the management and administration of the whole or any substantial part of the business of the Association was entered into or existed during the year.

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Philip Sing & Co., Certified Public Accountants (Practising), as auditor of the Association.

For and on behalf of Board



CHENG Wai Ming Warman
Chairman

Hong Kong, 28 SEP 2022



PHILIP SING & CO.
Certified Public Accountants (Practising)
成定邦會計師事務所

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HONG KONG CHINA KORFBALL ASSOCIATION LIMITED
(incorporated in Hong Kong with limited by guarantee)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hong Kong China Korfball Association Limited ("the Association") set out on pages 5 to 12, which comprise the statement of financial position as at 31st March 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31st March 2022, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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") 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 annual 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 HONG KONG CHINA KORFBALL ASSOCIATION LIMITED
(incorporated in Hong Kong with limited by guarantee)**

Report on the Financial Statements

Responsibility of Director and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and 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.

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

Auditor's responsibility 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. Reasonable assurance is a high level of assurance, but is not 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 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



PHILIP SING & CO.
Certified Public Accountants (Practising)
成定邦會計師事務所

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Page 4

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HONG KONG CHINA KORFBALL ASSOCIATION LIMITED
(incorporated in Hong Kong with limited by guarantee)**

Report on the Financial Statements

Auditor's responsibility for the audit of the financial statements (Continued)

- Conclude on the appropriateness of the directors' uses 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Philip Sing & Co.
Certified Public Accountants (Practising)
Hong Kong, **20 SEP 2022**

HONG KONG CHINA KORFBALL ASSOCIATION LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2022

	NOTE	2022 HK\$	2021 HK\$
REVENUE	3	2,349,912	3,676,529
ADMINISTRATIVE AND OTHER EXPENSES		<u>(2,422,415)</u>	<u>(3,387,792)</u>
SURPLUS BEFORE TAXATION	4	(72,503)	288,737
TAXATION	5	<u>-</u>	<u>(12,917)</u>
(DEFICIT)/SURPLUS FOR THE YEAR		<u><u>(72,503)</u></u>	<u><u>275,820</u></u>

The notes on pages 9 to 12 form an integral part of these financial statements.

HONG KONG CHINA KORFBALL ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2022

	2022	2021
	HK\$	HK\$
ASSETS AND LIABILITIES		
CURRENT ASSETS		
Accounts receivable and prepayments	197,075	213,500
Bank balances and cash	2,295,178	2,624,293
	<u>2,492,253</u>	<u>2,837,793</u>
Deduct: -		
CURRENT LIABILITIES		
Accruals and other payables	2,095,436	2,247,067
Bank overdraft	-	107,589
Tax payable	-	13,817
	<u>2,095,436</u>	<u>2,368,473</u>
NET CURRENT ASSETS	<u>396,817</u>	<u>469,320</u>
NET ASSETS	<u>396,817</u>	<u>469,320</u>
EQUITY		
GENERAL FUND	<u>396,817</u>	<u>469,320</u>

Approved by the Board on
and signed on its behalf

28 SEP 2022


 _____)
 CHENG Wai Ming Warman)
 Director)


 _____)
 IP Wai Seen Sindere)
 Director)

The notes on pages 9 to 12 form an integral part of these financial statements.

HONG KONG CHINA KORFBALL ASSOCIATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2022

	General Fund HK\$
Balance at 1st April 2020	193,500
Surplus for the year	<u>275,820</u>
Balance as at 31st March 2021	469,320
Deficit for the year	<u>(72,503)</u>
Balance as at 31st March 2022	<u><u>396,817</u></u>

The notes on pages 9 to 12 form an integral part of these financial statements.

HONG KONG CHINA KORFBALL ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2022

	2022	2021
	HKS	HKS
Cash flows from operating activities		
(Deficit)/Surplus for the year	<u>(72,503)</u>	<u>288,737</u>
Operating surplus before movements in working capital	(72,503)	288,737
Decrease in accounts receivable and prepayments	16,425	129,571
Decrease in accruals and other payables	<u>(151,631)</u>	<u>(1,623,001)</u>
<i>Cash used in operating activities</i>	(207,709)	(1,204,693)
Income tax paid	<u>(13,817)</u>	<u>-</u>
<i>Net cash used in operating activities</i>	<u>.....(221,526)</u>	<u>.....(1,204,693)</u>
<i>Net cash generated from investing activities</i>	<u>.....-</u>	<u>.....-</u>
<i>Net cash generated from financing activities</i>	<u>.....-</u>	<u>.....-</u>
Net decrease in cash and cash equivalents	(221,526)	(1,204,693)
Cash and cash equivalents at the beginning of the year	<u>2,516,704</u>	<u>3,721,397</u>
Cash and cash equivalents at the end of the year	<u><u>2,295,178</u></u>	<u><u>2,516,704</u></u>

The notes on pages 9 to 12 form an integral part of these financial statements.

HONG KONG CHINA KORFBALL ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2022

1. GENERAL INFORMATION

Hong Kong China Korfball Association Limited is a company incorporated in Hong Kong with limited by guarantee. The registered office of the Association is located at Room 605, 6/F., Wofoo Building, 204-210 Texco Road, Tsuen Wan, N.T..

The objective of the Association is promoting the sportsmanship of Korfball in Hong Kong.

2. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which includes all applicable Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong, and the requirements of the Hong Kong Companies Ordinance. The financial statements have been prepared under the historical cost convention except for mentioned elsewhere.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Association.

In the preparation of financial statements in conformity with HKFRSs, no significant area requires management to exercise its judgement in the process of applying the Association's accounting policies.

(b) New standards and interpretations not yet effective

The Association has not early applied the new standards, amendment and interpretations that have been issued but are not yet effective. The directors of the Association are in the process of assessing the potential impact and so far concluded that the application of these standards, amendments and interpretations will have no material impact on the results and the financial position of the Association.

(c) Revenue recognition

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

- (i) Membership fee income - recognised when amounts are received;
- (ii) Revenue from events held by the Association - recognised when the right to receive payment has been established; and
- (iii) Interest income - recognised on a time proportion basis, taking into account the principal outstanding and the interest applicable.

HONG KONG CHINA KORFBALL ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(d) Foreign currencies

In preparing the financial statements of the Association, transactions in currencies other than the Association's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

(e) Taxation

Taxation represents current tax expense. Tax payable or recoverable represents the amounts expected to be paid to or recovered from the taxation authority, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

3. REVENUE

The Association's revenue is derived from the following activities:-

	2022	2021
	HK\$	HK\$
<u>Revenue</u>		
Bank interest income	24	33
Exchange gain	-	775
Government grant	2,233,464	3,610,353
Membership and registration fee	11,825	25,280
Sundry income	104,599	40,088
	<u>2,349,912</u>	<u>3,676,529</u>

4. (DEFICIT)/SURPLUS FOR THE YEAR

	2022	2021
	HK\$	HK\$
The (deficit)/surplus for the year is stated after charging:-		
Auditors' remuneration	<u>5,000</u>	<u>5,000</u>

HONG KONG CHINA KORFBALL ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2022

5. TAXATION

During the year, the two tiered profits taxes regime in Hong Kong was introduced. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the Association will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

The tax charge for the year can be reconciled to profit before tax per the statement of profit or loss and other comprehensive income as follows:

	2022	2021
	HK\$	HK\$
Current tax:		
- Hong Kong	-	-
	<u> </u>	<u> </u>
	2022	2021
	HK\$	HK\$
Surplus for the year	(72,503)	288,737
	<u> </u>	<u> </u>
Tax at the applicable income tax rate	(5,981)	23,820
Overprovision in prior year	-	(900)
Tax effect of income not taxable for tax purpose	5,981	(3)
Tax concession	-	(10,000)
	<u> </u>	<u> </u>
Income tax expenses	-	12,917
	<u> </u>	<u> </u>

6. DIRECTORS' REMUNERATION

During the year ended 31st March 2022 and 31st March 2021, no amounts were paid in respect of directors' emoluments, director's or past directors' pensions or any compensation to director or past director in respect of loss of office.

7. FINANCIAL INSTRUMENTS

The Association has classified its financial assets and liabilities in the following category:

	2022	2021
	HK\$	HK\$
<u>Financial assets</u>		
Loans and receivables	2,492,253	2,837,793
	<u> </u>	<u> </u>
<u>Financial Liabilities</u>		
Amortised cost	2,095,436	2,354,656
	<u> </u>	<u> </u>

Financial risk management objectives and policies

The Association is exposed to market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk arising in the normal course of business. The Association's risk management objectives, policies and processes mainly focus on minimising the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

HONG KONG CHINA KORFBALL ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2022

7. FINANCIAL INSTRUMENTS (Continued)

Market risk

Currency risk management

The directors consider the foreign exchange risk is not significant as the operating income and expenses are denominated in functional currency of the Association.

Interest rate risk management

The Association has no significant interest-bearing assets or liabilities and its income and operating cash flows are substantially independent of changes in market interest rates.

Price risk management

The Association is not exposed to any equity securities risk or commodity price risk.

Credit risk management

The Association has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents and accounts receivable.

Liquidity risk management

In management of the liquidity risk, the Association monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Association's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowing and ensures compliance with loan covenants.

Fair value

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate to their fair values.
