



Focus Hong Kong CPA Limited

匯亞會計師事務所有限公司

INSPIRINGHK SPORTS FOUNDATION LIMITED

凝動香港體育基金有限公司

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2017

**REPORT OF THE DIRECTORS**

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The Directors submit herewith the annual report and audited Financial Statements for the year ended 30 April 2017.

**PRINCIPAL ACTIVITY**

The principal activity of the Association is inspiring people in Hong Kong to engage in sports.

**RESULTS**

The results of the Association for the year ended 30 April 2017 are set out in the Statement of Income and Expenditure on page 4. The state of the affairs of the Association as at the end of the reporting period is set out in the Statement of Financial Position on page 5.

**RESERVES**

Movements in the reserves of the Association during the year are set out in the Note 9 to the Financial Statements.

**DIRECTORS**

The Directors of the Association during the year and up to the date of this report were:

Chan Chun Kit	
Ho Wing Yin Winnie	
Leung Yat Sun	(Appointed on 30 April 2017)
So Sze Wan, Lisa	
Wong Chi Him	
Yip Ka Shing	(Appointed on 28 September 2016)
Chan Hey Man	(Resigned on 30 April 2017)
Kong Ka Wai	(Resigned on 27 August 2017)

In accordance with the Article 32 of the Association's Articles of Association, the term of office of the Directors shall be three years and they shall be eligible for re-election.


**BUSINESS REVIEW**

The Association falls within the reporting exemption for the financial year that the Association is exempted from preparing the business review.

**AUDITORS**

A resolution will be submitted to the annual general meeting of the Association to re-appoint the auditors, ECOVIS Focus Hong Kong CPA Limited, a corporation of Certified Public Accountants (Practising) who now retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

  
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Chan Chun Kit  
Chairman  
Hong Kong, 9 October 2017



Focus Hong Kong CPA Limited

匯亞會計師事務所有限公司

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF INSPIRINGHK SPORTS FOUNDATION LIMITED 凝動香港體育基金有限公司**

(Incorporated in Hong Kong with limited liability by guarantee)

**OPINION**

We have audited the Financial Statements of InspiringHK Sports Foundation Limited ("the Association") set out on pages 4 to 8, which comprise the Statement of Financial Position as at 30 April 2017, and the Statement of Income and Expenditure, 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 (the "HKCO").

**BASIS FOR OPINION**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") 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 Auditors' 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.

**INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON**

The Directors are responsible for the other information. The other information comprises the information included in the Report of the Directors, but does not include the Financial Statements and our auditors' 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 HKCO, and for such internal control as the Directors determine is necessary to enable the preparation of the 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 Association's financial reporting process.



Focus Hong Kong CPA Limited

匯亞會計師事務所有限公司

**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**TO THE MEMBERS OF INSPIRINGHK SPORTS FOUNDATION LIMITED 凝動香港體育基金有限公司**  
(Incorporated in Hong Kong with limited liability by guarantee)

**AUDITORS' 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 auditors' report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the HKCO, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report.

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, representations, 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.
- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.

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.

**ECOVIS Focus Hong Kong CPA Limited**  
Certified Public Accountants (Practising)

**Cheung Ming Ho**  
Practising Certificate Number: P05602

Unit 1801-2, 18/F., Jubilee Centre,  
46 Gloucester Road,  
Wanchai, Hong Kong

9 October 2017

**INSPIRINGHK SPORTS FOUNDATION LIMITED**  
**凝動香港體育基金有限公司**

**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 30 APRIL 2017**

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	Note	2017 HK\$	2016 HK\$
Income	3	3,567,873	1,355,840
Other Revenue	4	35	4
Expenditure		<u>(2,392,158)</u>	<u>(1,466,206)</u>
Surplus/(Deficits) For The Year	5	<u>1,175,750</u>	<u>(110,362)</u>

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The annexed notes form an integral part of the Financial Statements.

**INSPIRINGHK SPORTS FOUNDATION LIMITED**

凝動香港體育基金有限公司


**STATEMENT OF FINANCIAL POSITION  
AS AT 30 APRIL 2017**

	Note	2017 HK\$	2016 HK\$
<b>Current Assets</b>			
Prepayments		9,500	5,000
Deposit paid		19,000	10,210
Other receivable		39,758	19,263
Cash and cash equivalents		<u>2,951,989</u>	<u>607,639</u>
		<u>3,020,247</u>	<u>642,112</u>
<b>Current Liabilities</b>			
Accruals		227,876	49,052
Receipt in advance		<u>1,023,561</u>	<u>-</u>
		<u>1,251,437</u>	<u>49,052</u>
<b>Net Current Assets</b>		<u>1,768,810</u>	<u>593,060</u>
<b>Net Assets</b>		<u>1,768,810</u>	<u>593,060</u>
<b>Reserve</b>			
Accumulated surplus	9	<u>1,768,810</u>	<u>593,060</u>

The Financial Statements on pages 4 to 8 were approved by the Board of Directors on 9 October 2017 and are signed on its behalf by:



Chan Chun Kit  
Director



Leung Yat Sun  
Director

The annexed notes form an integral part of the Financial Statements.

**NOTES TO THE FINANCIAL STATEMENTS**

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**1. GENERAL INFORMATION**

InspiringHK Sports Foundation Limited is a non-private Company incorporated in Hong Kong with limited liability by guarantee. The Association's registered office is located at Unit 1801-02, 18/F., Jubilee Centre, 46 Gloucester Road, Wanchai, Hong Kong. The principal activity of the Association is inspiring people in Hong Kong to engage in sports. The Financial Statements are presented in Hong Kong dollars, which is the same as the functional currency of the Association.

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The Association qualifies for the reporting exemption as a small guarantee company under section 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 Company 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. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Association. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

b. Revenue

Revenue is recognised in surplus or deficits provided it is probable that the economic benefits will flow to the Association and the revenue and costs, if applicable, can be measured reliably.

i) Donation income from the donors is recognised when the Association's right to receive payment has been established.

ii) Bank interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

c. Employee benefit obligations

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

d. 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 Association if that person:

- (i) is a member of the key management personnel of the Association or of a parent of the Association;
- (ii) has control over the Association; or
- (iii) has joint control or significant influence over the reporting entity or has significant voting power in it.

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

- (i) the entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of a third entity.
- (iv) either 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 the Association or an entity related to the Association. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant voting power in the entity.

NOTES TO THE FINANCIAL STATEMENTS

3. INCOME

Income, which is also the Association's income, represents the net value of donation income received during the year.

	2017 HK\$	2016 HK\$
Donation income	<u>3,567,873</u>	<u>1,355,840</u>

4. OTHER REVENUE

	2017 HK\$	2016 HK\$
Bank interest income	<u>35</u>	<u>4</u>

5. SURPLUS/(DEFICITS) FOR THE YEAR

	2017 HK\$	2016 HK\$
Surplus/(deficits) for the year is arrived at after charging the following items:		
Operating lease charges	98,819	20,000
Key management personnel's remuneration		
- Salaries	-	39,483
Staff costs		
- Mandatory Provident Fund contribution	28,972	12,947
- Salaries	<u>588,733</u>	<u>259,731</u>

6. INCOME TAX EXPENSE

No provision of Hong Kong Profits Tax as the Association is a charitable organisation within the meaning of section 88 of the Hong Kong Inland Revenue Ordinance (Chapter 112) and, accordingly, is exempted from the Hong Kong Profits Tax.

7. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance, are as follows:

	2017 HK\$	2016 HK\$
Fees	-	-
Other emoluments	<u>-</u>	<u>39,483</u>
	<u>-</u>	<u>39,483</u>

8. OPERATING LEASE COMMITMENT

The Company had the following total future minimum lease payments payable under non-cancellable operating lease:

	2017 HK\$	2016 HK\$
Not later than one year	76,000	5,000
Later than one year	<u>-</u>	<u>-</u>
	<u>76,000</u>	<u>5,000</u>

9. CHANGES IN EQUITY

	Reserve HK\$
At 1 May 2015	703,422
Deficits for the year	<u>(110,362)</u>
At 30 April 2016	593,060
Surplus for the year	<u>1,175,750</u>
At 30 April 2017	<u>1,768,810</u>



**INSPIRINGHK SPORTS FOUNDATION LIMITED**

擬動香港體育基金有限公司

**NOTES TO THE FINANCIAL STATEMENTS**

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**10. LIMITED BY GUARANTEE**

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 one year after he ceases to be member, for payment of the debts and liabilities of the Association contracted before he ceases to be a member, and of the cost, charges, and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amounts as may be required not exceeding one hundred Hong Kong dollars.

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## INSPIRINGHK SPORTS FOUNDATION LIMITED

凝動香港體育基金有限公司

DETAILED STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 APRIL 2017

	2017 HK\$	2016 HK\$
Income		
Donation income	3,567,873	1,355,840
Other Revenue		
Bank interest income	35	4
	<u>3,567,908</u>	<u>1,355,844</u>
Expenditure		
Auditors' remuneration	8,500	5,500
Bank charges	1,045	-
Coaching fee	960,890	559,430
Competition	60,544	30,250
Design, postage and publication	16,098	39,020
Director's remuneration	-	39,483
Event expenses	108,886	26,522
Insurance	29,533	20,344
Internal meeting expenses	7,412	8,949
Learning activities	59,332	22,273
Legal and professional fees	2,755	2,115
Marketing	38,447	27,904
Mandatory provident fund contribution	28,972	12,947
Recruitment	3,990	10,442
Rent	98,819	20,000
Salaries	588,733	259,731
Sports activities	163,638	138,546
Sports gear	127,131	141,584
Student incentives	2,392	3,633
Sundry expenses	16,656	45,759
Telecommunication	1,727	9,106
Transportation	66,658	42,668
	<u>2,392,158</u>	<u>1,466,206</u>
Surplus/(Deficits) For The Year	<u>1,175,750</u>	<u>(110,362)</u>

The figures and financial information relating to the years ended 30 April 2016 and 30 April 2017 included in this document are not the Association's statutory Financial Statements for that year. Further information relating to those statutory Financial Statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Association has delivered those Financial Statements to the Registrar of Hong Kong Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Association's auditors have reported on those Financial Statements. The auditors' report was unqualified; did not include a reference to a matter to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.