

SPLASH FOUNDATION LIMITED
(Incorporated in Hong Kong and limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

SPLASH FOUNDATION LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Contents	Pages
Directors' report	1
Independent auditor's report	2 - 3
Income statement	4
Statement of financial position	5
Notes to the financial statements	6 - 8

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the company for the year ended 31 December 2023.

FINANCIAL STATEMENTS

The financial performance of the company for the year ended 31 December 2023 and the financial position of the company as at 31 December 2023 are set out in the financial statements on pages 4 to 8.

PRINCIPAL ACTIVITIES

The principal activities of the company are to organize swimming programmes for Migrant Domestic Workers and local Hong Kong youth from low-income communities.

There have been no significant changes in the nature of these activities during the year.

DIRECTORS

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

Enrico Andrea Mattoli	
Maria Dorothea Steinebach	
Mark Stamper	
Peter James Holland Riley	
Rosemary Anne Merz	
Roy Christopher Pang	
Cheng Jing, Jessica	(appointed on 26 February 2024)
Cheng Anthony Kwok Bo	(appointed on 26 February 2024)
Tse Lap Bun, Joseph	(appointed on 26 February 2024)
Marie Claire Lim Moore	(resigned on 23 February 2024)

In accordance with the company's Articles of Association, all directors retire at the forthcoming Annual General Meeting and, being eligible, are available for re-election.

PERMITTED INDEMNITY PROVISIONS

The company's Articles provide that a director or former director of the company may be indemnified out of the company's assets against any liability incurred by the director to a person other than the company in connection with any negligence, default, breach of duty or breach of trust in relation to the company.

During the year, the company has entered into a contract with an insurance company to provide public liability insurance for the directors.

OTHER MATTERS

In the opinion of the directors, there are no other matters, apart from those disclosed in the financial statements that are material for a proper appreciation of the financial position of the company for the year ended 31 December 2023.

AUDITORS

The auditors, Messrs. William Po & Co., Certified Public Accountants, retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Roy Christopher Pang
Chairman

07 JUN 2024

Certified Public Accountants

蒲錦文會計師事務所

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SPLASH FOUNDATION LIMITED****(Incorporated in Hong Kong and limited by guarantee)****Opinion**

We have audited the financial statements of Splash Foundation Limited ("the company") set out on pages 4 to 8, which comprise the statement of financial position as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of 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 company'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 company 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SPLASH FOUNDATION LIMITED - CONTINUED
(Incorporated in Hong Kong and limited by guarantee)**

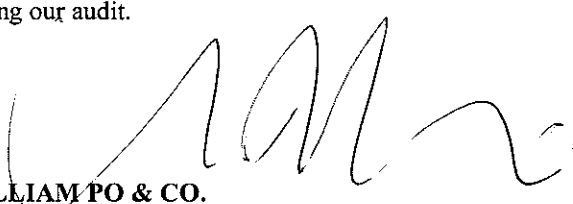
Auditor's Responsibilities for the Audit of the Financial Statements

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. We report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance 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 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 company'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 company'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 company 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.



WILLIAM PO & CO.
Certified Public Accountants

Hong Kong, 07 JUN 2024

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	HK\$	HK\$
Income		
Donations	1,070,737	1,245,122
Grants	2,350,766	2,452,661
Fundraisers and events	4,627,826	2,006,267
Programmes fee	208,400	-
Employment Support Scheme subsidy	-	120,000
Sales of purchased goods	-	700
Interest income	63,364	3,478
Other income	94,113	-
	<u>8,415,206</u>	<u>5,828,228</u>
Less: Expenditure		
Audit fee	21,400	17,300
Bank charges	6,854	4,089
Coach training and development	73,922	62,508
Coach fees	1,154,818	483,874
Conferences and meetings	500	2,450
Donation processing fees	68,499	43,676
Event costs	464,908	119,453
Insurance - employee medical	52,897	47,111
Insurance - public liability and accident	71,157	88,115
IT and telephone expenses	81,804	54,500
Lesson equipment and supplies	287,645	221,655
Mandatory provident fund	135,980	101,750
Marketing and promotion	279,922	43,977
Meals and entertainment	38,225	13,739
Office supplies	1,222	2,220
Pool rental and lifeguards	826,401	633,483
Postage and couriers	3,923	4,517
Professional fees	143,186	134,805
Rent	196,077	179,803
Salaries	3,482,100	2,600,500
Sundry expenses	19,514	3,336
Subscription fees	1,950	1,950
Transportation costs	86,023	86,725
	<u>7,498,927</u>	<u>4,951,536</u>
Surplus for the year	<u>916,279</u>	<u>876,692</u>

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023 HK\$	2022 HK\$
Current assets			
Prepayments and other receivables	5	884,698	290,436
Deposit paid		51,738	31,738
Fixed deposit with maturity over three months		1,000,000	-
Cash and cash equivalents	6	4,406,524	5,577,028
		<u>6,342,960</u>	<u>5,899,202</u>
Current liabilities			
Accrued expenses		221,039	123,663
Deferred grant income		-	569,897
		<u>221,039</u>	<u>693,560</u>
Net assets		<u>6,121,921</u>	<u>5,205,642</u>
Funds			
General fund	7	<u>6,121,921</u>	<u>5,205,642</u>

Approved by:



 Roy Christopher Pang
Chairman



 Mark Stamper
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

REPORTING ENTITIES

The company is incorporated in Hong Kong under the Companies Ordinance as a company limited by guarantee without share capital. The company's registered office is located at Room 2123, 21/F Remex Centre, 42 Wong Chuk Hang Road, Aberdeen, Hong Kong. The principal activities of the company are to organize swimming programmes for Migrant Domestic Workers and local Hong Kong youth from low-income communities.

Under the provision of its Articles of Association, every member shall, in the event of the company being wound up, contribute such amount as may be required to meet the liabilities of the company but not exceeding the sum of HK\$100 each.

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES**(a) Basis of preparation**

The company qualifies for the reporting exemption as a small private company 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 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 basis adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(b) Recognition of revenue

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

- * grants earmarked for specific purposes are initially recognised as deferred income. When there is reasonable assurance that the company has fulfilled the conditions attached to the project, they are recognised in the income statement over the period necessary to match with the related costs which they are intended to compensate.
- * grants which are general in nature but used by the company for a period specified are recognised on an accrual basis.
- * donations and fundraisers and events are recognised when the right to receive payment is established.
- * programmes fees are recognised when the programmes are held.
- * sales of goods are recognised when the goods are delivered and the risks and rewards of ownership have passed to the customer.
- * interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

(c) Cash and cash equivalents

Cash and cash equivalents includes demand deposits with original maturities of three months or less.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2023**

2 REVENUE

	Unrestricted HK\$	Migrant domestic workers program HK\$	Local Hong Kong youth program HK\$	General & admin HK\$	Total HK\$
Year ended					
31 December 2023					
Individual donations	492,107	-	-	-	492,107
Corporate donations	374,630	204,000	-	-	578,630
Grants	-	238,358	2,112,408	-	2,350,766
Fundraisers and events	4,627,826	-	-	-	4,627,826
Programs fee	128,400	80,000	-	-	208,400
Interest income	63,364	-	-	-	63,364
Other income	94,113	-	-	-	94,113
	<u>5,780,440</u>	<u>522,358</u>	<u>2,112,408</u>	<u>-</u>	<u>8,415,206</u>
Year ended					
31 December 2022					
Individual donations	735,746	8,000	-	-	743,746
Corporate donations	201,376	300,000	-	-	501,376
Grants	-	1,041,438	1,411,223	-	2,452,661
Fundraisers and events	1,653,333	286,634	66,300	-	2,006,267
Government subsidy	-	39,200	71,200	9,600	120,000
Sales of donated goods	700	-	-	-	700
Interest income	3,478	-	-	-	3,478
	<u>2,594,633</u>	<u>1,675,272</u>	<u>1,548,723</u>	<u>9,600</u>	<u>5,828,228</u>

3 TAXATION

No provision for Hong Kong profits tax is made in the accounts as the company is an approved charitable institution, and has obtained exemption from Hong Kong profits tax.

4 DIRECTORS' REMUNERATION (EQUIVALENT TO KEY MANAGEMENT PERSONNEL COMPENSATION)

During the years ended 31 December 2023 and 31 December 2022, no amounts have been paid in respect of directors' emoluments, directors' or past directors' pensions or for any compensation to committee members or past committee members in respect of loss of office.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2023**

5 PREPAYMENTS AND OTHER RECEIVABLES

	2023	2022
	HK\$	HK\$
Grant receivables	658,474	113,244
Other receivables	83,135	121,038
Interest receivables	13,917	-
Prepayments	<u>129,172</u>	<u>56,154</u>
	<u><u>884,698</u></u>	<u><u>290,436</u></u>

6 CASH AND CASH EQUIVALENTS

	2023	2022
	HK\$	HK\$
Fixed deposits with maturity within three months	1,000,000	-
Cash at bank	<u>3,406,524</u>	<u>5,577,028</u>
	<u><u>4,406,524</u></u>	<u><u>5,577,028</u></u>

7 GENERAL FUND

	HK\$
At 1 January 2023	5,205,642
Surplus for the year	<u>916,279</u>
At 31 December 2023	<u><u>6,121,921</u></u>

8 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the company's Board of Directors on **07 JUN 2024**