

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

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

SPLASH FOUNDATION LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 2020.

FINANCIAL STATEMENTS

The financial performance of the company for the year ended 31 December 2020 and the financial position of the company as at 31 December 2020 are set out in the financial statements on page 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:

Simon Gareth Holliday	
Mark Stamper	
Nikhil Oommen Jacob Eapen	
Peter James Holland Riley	
Maria Dorothea Steinebach	(appointed on 8 June 2020)
Marie Clarie Lim Moore	(appointed on 1 December 2020)
Enrico Andrea Mattoli	(appointed on 1 December 2020)
Soo Wei Yu Joann	(resigned on 8 June 2020)
Reyna Mahesh Harilela	(resigned on 14 September 2020)

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 of the company in connection with any negligence, default, breach of duty or breach of trust in relation to the company.

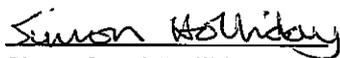
OTHER MATTERS

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 2020.

AUDITORS

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

On behalf of the Board



Simon Gareth Holliday
Director

16 JUN 2021

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 2020, 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)**

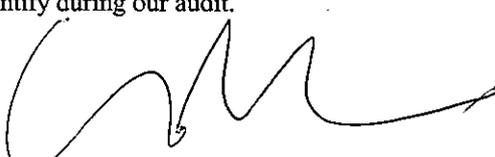
Auditor's Responsibilities for the Audit of the Financial Statements

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 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 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, **16 JUN 2021**

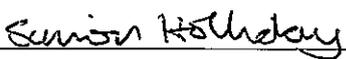
**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 HK\$	2019 HK\$
Income			
Donations		73,681	84,443
Grants		996,750	785,666
Fundraisers and events		2,372,026	1,135,696
Programs fee		8,546	186,000
Employment Support Scheme subsidy		162,000	-
Sales of purchased goods		13,400	-
Sales of donated goods		6,530	21,040
Interest income		163	2,512
Exchange gain		-	448
		<u>3,633,096</u>	<u>2,215,805</u>
Less: Expenditure			
Accounting fee		6,000	3,000
Audit fee		13,500	12,000
Bank charges		7,130	7,028
Coach training and development		13,300	38,183
Coach fee		28,500	290,362
Donation processing fees		2,134	6,134
Cost of sales of purchased goods		31,090	-
Event costs		9,680	14,982
Exchange loss		1,187	-
Insurance - employee		12,296	7,200
Insurance - public liability and accident		21,600	26,300
IT and Apps		35,748	17,298
Lesson equipment and supplies		71,927	127,328
Local transportation		6,112	9,156
Mandatory provident fund		59,200	25,050
Marketing and promotion		14,050	18,448
Meals and entertainment		3,004	19,603
Meeting and conference		3,645	318
Office supplies		1,075	669
Professional fee		61,305	11,215
Pool rental and lifeguards		70,783	310,147
Postage and couriers		2,972	330
Rent for office		36,312	7,000
Salaries and consultants		1,378,600	938,900
Sundry expenses		300	998
Subscription fee		1,700	-
		<u>1,893,150</u>	<u>1,891,649</u>
Surplus for the year	3	<u><u>1,739,946</u></u>	<u><u>324,156</u></u>

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020 HK\$	2019 HK\$
Current assets			
Prepayments and other receivables		6,976	134,953
Deposit paid		24,000	-
Bank balances		5,329,522	2,147,742
		<u>5,360,498</u>	<u>2,282,695</u>
Current liabilities			
Accrued expenses		71,005	49,900
Deferred grant income		1,336,752	-
Receipt in advance		-	20,000
		<u>1,407,757</u>	<u>69,900</u>
Net assets		<u>3,952,741</u>	<u>2,212,795</u>
Funds			
General fund	5	<u>3,952,741</u>	<u>2,212,795</u>

Approved by:


Simon Gareth Holliday
Director


Mark Stamper
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 Center, 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 followings 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 with the conditions attaching to the project, they are recognised in the statement of income and general fund 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.
- * programs fee is recognized when the programs are held.
- * sales of goods are recognized 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.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020**

2 REVENUE

	Unrestricted HK\$	Migrant domestic workers program HK\$	Local Hong Kong youth program HK\$	General & admin HK\$	Total HK\$
Year ended 31 December 2020					
Individual donations	50,088	-	-	-	50,088
Corporate donations	23,593	-	-	-	23,593
Grants	300,000	496,750	200,000	-	996,750
Fundraisers and events	827,517	-	1,544,509	-	2,372,026
Programs fee	8,546	-	-	-	8,546
Government subsidy	-	54,000	54,000	54,000	162,000
Sales of purchased goods	13,400	-	-	-	13,400
Sales of donated goods	6,530	-	-	-	6,530
Interest income	163	-	-	-	163
	<u>1,229,837</u>	<u>550,750</u>	<u>1,798,509</u>	<u>54,000</u>	<u>3,633,096</u>
Year ended 31 December 2019					
Individual donations	66,291	-	-	-	66,291
Corporate donations	18,152	-	-	-	18,152
Grants	-	443,666	342,000	-	785,666
Fundraisers and events	1,092,067	-	43,629	-	1,135,696
Programs fee	186,000	-	-	-	186,000
Sales of donated goods	21,040	-	-	-	21,040
Interest income	2,512	-	-	-	2,512
Exchange gain	-	-	-	448	448
	<u>1,386,062</u>	<u>443,666</u>	<u>385,629</u>	<u>448</u>	<u>2,215,805</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 2020 and 31 December 2019, 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 2020**

5 GENERAL FUND

	HK\$
At 1 January 2020	2,212,795
Surplus for the year	<u>1,739,946</u>
At 31 December 2020	<u><u>3,952,741</u></u>

6 RELATED PARTY TRANSACTIONS

The company paid salaries and consultant fee of HK\$396,000 (2019: HK\$396,000) to Libby Alexander, a member of the company, during the year.

7 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the company's Board of Directors on **16 JUN 2021**