

BASKETBALL SPORT MINISTRY LIMITED

(LIMITED BY GUARANTEE)

籃球體育事工有限公司

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

To Wai Kum 杜惠琴

執業資深會計師 *Fellow of the Hong Kong Institute of CPAs (Practising)*



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BASKETBALL SPORT MINISTRY LIMITED
(LIMITED BY GUARANTEE)
籃球體育事工有限公司
REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 31 March 2021.

Principal activities

The principal activities of Basketball Sport Ministry Limited ("the Company") are promoting, organizing and administering the basketball sport and activities.

The state of the Company's affairs and appropriations

The state of the Company's affairs as at 31 March 2021 are set out in the financial statements on pages 5 to 10.

Property, plant and equipment

Details of the movements in property, plant and equipment during the year are set out in note 6 to the financial statements.

Directors

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

CHUK Wing Hung Keswick	LAU Wing
FAN Siu Hong	LUNG Sai Chung
KWAN Chi Fai	SO Ka On
LAM Wing Fai	HUI Kay Kwan (appointed on 7 December 2020)

In accordance with clauses 33 and 34 of the Company's Articles of Association, all the directors (except the permanent directors) shall retire and being eligible, offer themselves for re-election, provided that no director shall be eligible to be re-elected in the third year if he has been director for the first and second years.

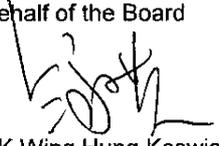
Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Auditor

The financial statements have been audited by Ms. To Wai Kum, Fellow of the Hong Kong Institute of Certified Public Accountants (Practising) who retires and being eligible, offers herself for re-appointment. A resolution for the re-appointment of Ms. To Wai Kum as the Company's auditor is to be proposed at the forthcoming annual general meeting.

On behalf of the Board


CHUK Wing Hung Keswick
Director
Hong Kong, 31 October 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BASKETBALL SPORT MINISTRY LIMITED [籃球體育事工有限公司]**
(incorporated in Hong Kong limited by guarantee)

Opinion

I have audited the financial statements of Basketball Sport Ministry Limited ("the company") set out on pages 5 to 10, which comprise the statement of financial position as at 31 March 2021 and the income statement and change of accumulated surplus for the year ended 31 March 2021, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of the company for the year ended 31 March 2021 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 (Cap. 622).

Basis of opinion

I conducted my 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. My responsibilities under those standards are further described in the Responsibilities of Auditor for the Audit of the Financial Statements section of my report. I am independent of the company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information other than the financial statements and the report of the auditor

The directors are responsible for the other information. The other information comprises the information included in the report of directors, but does not include the financial statements and my report of the auditor.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

**To Wai Kum
FCPA (Practising)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BASKETBALL SPORT MINISTRY LIMITED [籃球體育事工有限公司]
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- continued -

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 (Cap. 622), 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.

Responsibilities of auditor for the audit of the financial statements

My 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 a report of auditor that includes my opinion. This report is made solely to you, as a body, and for no other purpose. I 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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.

To Wai Kum
FCPA (Practising)

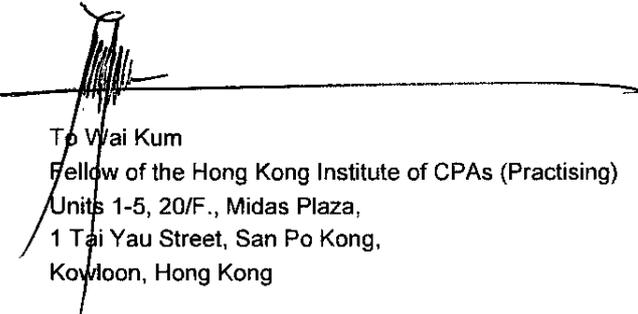
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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- continued -

Responsibilities of auditor for the audit of the financial statements (continued)

- 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 I conclude that a material uncertainty exists, I am required to draw attention in my report of auditor to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report of auditor. However, future events or conditions may cause the company to cease to continue as a going concern.

I 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 I identify during my audit.



To Wai Kum
Fellow of the Hong Kong Institute of CPAs (Practising)
Units 1-5, 20/F., Midas Plaza,
1 Tai Yau Street, San Po Kong,
Kowloon, Hong Kong

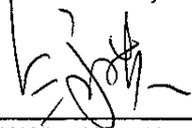
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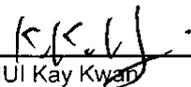
BASKETBALL SPORT MINISTRY LIMITED
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 籃球體育事工有限公司

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 HK\$	2020 HK\$
Non-current assets			
Property, plant and equipment	6	1	1
Current asset			
Cash and cash equivalents	5	1,444,929	1,154,380
Accounts receivables		16,800	9,900
Deposits		28,000	28,000
Prepayments		2,476	6,523
		1,492,205	1,198,803
Current liabilities			
Accrued charges		18,596	58,750
Amounts due to third parties	7	300,000	300,000
Amount due to a member	8	10,000	-
Receipts in advance		228,543	269,320
		557,139	628,070
Net Current Assets		935,066	570,733
NET ASSETS		935,067	570,734
Representing			
Accumulated surplus		935,067	570,734

Approved on behalf of the Board by:


 CHUK Wing Hung Keswick
 Director


 HUI Kay Kwan
 Director

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

BASKETBALL SPORT MINISTRY LIMITED
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INCOME STATEMENT AND CHANGE IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 HK\$	2020 HK\$
Revenue	2	3,065,110	3,674,021
Expenses		(2,700,777)	(2,944,280)
Surplus before tax	3	364,333	729,741
Income tax expenses	1 (c)	-	-
Surplus for the year		364,333	729,741
Accumulated surplus / (deficits) brought forward		570,734	(159,007)
Accumulated surplus carried forward		935,067	570,734

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

**BASKETBALL SPORT MINISTRY LIMITED
(LIMITED BY GUARANTEE)**

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**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

(All amounts in Hong Kong Dollars unless otherwise stated)

Reporting entity

Basketball Sport Ministry Limited is a company incorporated in Hong Kong limited by guarantee. The company's registered office is located at Flat A2, 15/F., Lee Chung Industrial Building, 7 Tsai Po Street, San Po Kong, Hong Kong. The principal activities of the company are promoting, organizing and administering the basketball sport and activities.

1 Basis of preparation and accounting policies

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 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) Revenue

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

- donation received is recognised on accrual basis; and
- activities and fund raising income are recognised on accrual basis;

(b) Foreign exchange

The reporting currency of the company is Hong Kong Dollars, which is the currency of the primary economic environment in which the company operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

(c) Taxation

No provision for Hong Kong profits tax has been made as the company has been exempted from any tax under section 88 of the Inland Revenue Ordinance by reason of being an approved charitable organisation of public character.

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ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
(All amounts in Hong Kong Dollars unless otherwise stated)

1 Basis of preparation and accounting policies (continued)

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Office equipment	20%
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(f) Impairment of assets

An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the income statement. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset in prior years.

(g) Operating leases

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

2 Revenue

An analysis of the company's revenue is as follows:

	2021	2020
Activities income	430,452	681,516
Donations received	1,901,031	2,549,464
Fund raising income	312,750	435,302
Government subsidies	418,410	-
Sundry income	2,467	7,739
	<u>3,065,110</u>	<u>3,674,021</u>

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ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
(All amounts in Hong Kong Dollars unless otherwise stated)

3 Surplus before tax

Surplus before tax is arrived at after charging the following items:

	2021	2020
Auditor's remuneration	8,500	8,500
Operating lease - land and building	158,000	168,000
Staff salaries and employer's contribution to mandatory provident fund	1,973,172	2,097,591
	<u>1,973,172</u>	<u>2,097,591</u>

4 Directors' remuneration

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance is as follows:

	2021	2020
Fees	-	-
Other emoluments	-	-
	<u>-</u>	<u>-</u>

5 Cash and cash equivalents

	2021	2020
Cash on hand	2,166	3,567
Cash at bank	1,442,763	1,150,814
	<u>1,444,929</u>	<u>1,154,381</u>

6 Property, plant and equipment

Office Equipment

Cost

As at 1 April 2020 and 31 March 2021

447,198

Accumulated depreciation

As at 1 April 2020 and 31 March 2021

447,197

Net carrying amount

As at 31 March 2021

1

As at 31 March 2020

1

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ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
(All amounts in Hong Kong Dollars unless otherwise stated)

7 Amounts due to third parties

Amounts due to third parties are unsecured, interest free and repayable on demand.

8 Amount due to a member

Amount due to a member is unsecured, interest free and repayable on demand.

9 Commitments under operating leases

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

	2021	2020
Land and building		
- not later than one year	126,000	126,000
- later than one year and not later than five years	-	-
	<u>126,000</u>	<u>126,000</u>

10 Approval of financial statements

These financial statements were authorised for issue by the company's board of directors on 31 October 2021.