

**CHANGING BUSINESS LIMITED**  
**Equipment Improvement Project**  
**Project number: SFDF – EIP0002**

REPORTS AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 APRIL 2021  
TO 31 MARCH 2022



# **CHANGING BUSINESS LIMITED**

## **Equipment Improvement Project**

Project number: SFDF – EIP0002

REPORTS AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 APRIL 2021

TO 31 MARCH 2022

---

<u>CONTENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
INCOME AND EXPENDITURE STATEMENT	3
BALANCE SHEET	4
STATEMENT OF CASH FLOWS	5
NOTES TO THE FINANCIAL STATEMENTS	6-7

Telephone: [REDACTED]

Email: [REDACTED]

**INDEPENDENT AUDITOR'S REPORT  
TO THE DIRECTORS OF  
CHANGING BUSINESS LIMITED**

香港易商有限公司

(Incorporated in Hong Kong with limited liability)

Pursuant to the Agreement made between the Government of the Hong Kong Special Administrative Region ("HKSAR") and Changing Business Limited, and the Sustainable Fisheries Development Fund ("SFDF") - Application Guidelines in respect of the SFDF project under the SFDF dated 27 March 2019 ("Agreement"), we have undertaken a reasonable assurance engagement on the final accounts of Equipment Improvement Project (the "Project") (Project number: SFDF – EIP0002) as set out on pages 3 to 7 which comprise the income and expenditure statement, balance sheet, statement of cash flow for the period from 1 April 2021 to 31 March 2022, and notes to the financial statements ("Project Accounts").

**Director's Responsibilities**

Pursuant to the Agreement, the directors are to comply with the requirements (including the requirements to keep proper books and records and to prepare proper Project Accounts), and all the terms and conditions of SFDF, as specified in the following documents:

- (a) the Agreement in respect of the Project and the appendices thereto (which include the Project proposal);
- (b) the relevant "SFDF - Application Guidelines" referred to in the Agreement; and
- (c) all instructions and correspondences issued by the Director of Agriculture, Fisheries and Conservation ("DAFC") to Changing Business Limited in respect of the Project.

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Telephone: [REDACTED]  
Email: [REDACTED]

**INDEPENDENT AUDITOR'S REPORT  
TO THE DIRECTORS OF  
CHANGING BUSINESS LIMITED**  
香港易商有限公司  
(Incorporated in Hong Kong with limited liability)

**Auditor's Responsibilities**

Our responsibility is to express an opinion on the Project Accounts, based on our work performed and to report our opinion.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the HKICPA and with reference to the Notes for Auditors of Recipient Organisations issued in August 2020 by the SFDF Secretariat (the "Notes"). We have planned and performed our work to obtain reasonable assurance for giving our opinion below.

Our engagement includes performing the procedures set out in the Notes and examination, on a test basis, of evidence supporting the requirements (including the requirements to keep proper books and records and to prepare proper Project Accounts), and all the terms and conditions of SFDF, as specified in the documents mentioned in the Directors' Responsibilities section have been complied with, in all material respects.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

Based on the foregoing, in our opinion, Changing Business Limited has complied with, in all material respects, the requirements set by DAFC (including the requirements to keep proper books and records and to prepare proper Project Accounts), and all the terms and conditions of SFDF, as specified in the documents mentioned in the Directors' Responsibilities section.

**Intended Users and Purpose**

This report is intended for filing with the Government of the HKSAR pursuant to the Agreement and is not intended to be, and should not be, distributed to or used by, anyone for any other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of our report.

[REDACTED]  
[REDACTED]  
Certified Public Accountants  
[REDACTED] Audit engagement partner  
Practising Certificate Number [REDACTED]  
Hong Kong, 29 April 2022

**CHANGING BUSINESS LIMITED****Equipment Improvement Project**

Project number: SFDF – EIP0002

## INCOME AND EXPENDITURE STATEMENT

FOR THE PERIOD FROM 1 APRIL 2021  
TO 31 MARCH 2022

	Note	1/4/2021 to 31/3/2022 HK\$	1/4/2020 to 31/3/2021 HK\$
<u>INCOME</u>			
Government grant		350,000	350,000
Fisherman contribution		-	52,888
Bank interest income		1	10
Sundry income		109,200	45,270
		<u>459,201</u>	<u>448,168</u>
<u>EXPENDITURE</u>			
Auditing and accounting fees		20,000	20,000
Communication		9,734	8,556
Depreciation		8,771	8,562
Electricity and water		10,951	3,740
Insurance		1,982	2,646
Miscellaneous		18,887	16,019
MPF employer contribution			
- Project operator		12,000	11,800
- Administrative staff		2,100	2,100
Purchases of fisherman equipment		-	3,423,133
Office rental		187,000	161,000
Printing		9,666	8,256
Stationary		12,595	11,432
Transportation		14,232	11,048
Wages and salaries			
- Project operator		240,000	236,000
- Administrative staff		42,000	42,000
Refund to fisherman		54	851
		<u>589,972</u>	<u>3,967,143</u>
Deficit for the period	3	(130,771)	(3,518,975)
Surplus brought forward		<u>205,841</u>	<u>3,724,816</u>
Surplus carry forward		<u>75,070</u>	<u>205,841</u>

**CHANGING BUSINESS LIMITED**

**Equipment Improvement Project**

Project number: SFDF – EIP0002

BALANCE SHEET

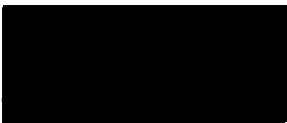

AT 31 MARCH 2022



---

		2022 <u>HK\$</u>	2021 <u>HK\$</u>
<b>Non-current assets</b>			
Property, plant and equipment	4	<u>975</u>	<u>9,121</u>
<b>Current Assets</b>			
Prepayment, deposit and other receivables		-	40,000
Bank and cash balances		74,095	156,720
		<u>74,095</u>	<u>196,720</u>
<b>NET ASSETS</b>		<u><u>75,070</u></u>	<u><u>205,841</u></u>
<b>Reserves</b>			
Surplus funds		<u><u>75,070</u></u>	<u><u>205,841</u></u>

---

Approved by :

  
\_\_\_\_\_  
  
Director

  
\_\_\_\_\_  
  
Director

**CHANGING BUSINESS LIMITED****Equipment Improvement Project**

Project number: SFDF – EIP0002

## STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1 APRIL 2021  
TO 31 MARCH 2022

	1/4/2021 to 31/3/2022 <u>HK\$</u>	1/4/2020 to 31/3/2021 <u>HK\$</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficit for the period	(130,771)	(3,518,975)
Depreciation	8,771	8,562
Interest income	(1)	(10)
Operating cash flows before working capital changes	<u>(122,001)</u>	<u>(3,510,423)</u>
Change in prepayments, deposits and others receivable	40,000	1,033,998
Change in accruals and other payables	-	(52)
<b>Net cash used in from operating activities</b>	<u>(82,001)</u>	<u>(2,476,477)</u>
<b>Cash flows from investing activities</b>		
Interest received	1	10
Purchase of property, plant and equipment	<u>(625)</u>	<u>(1,676)</u>
<b>Net cash used in investing activities</b>	<u>(624)</u>	<u>(1,666)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(82,625)	(2,478,143)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>156,720</u>	<u>2,634,863</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>74,095</u></u>	<u><u>156,720</u></u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	<u>74,095</u>	<u>156,720</u>
	<u><u>74,095</u></u>	<u><u>156,720</u></u>

## **CHANGING BUSINESS LIMITED**

### **Equipment Improvement Project**

Project number: SFDF – EIP0002

#### NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 APRIL 2021

TO 31 MARCH 2022

---

#### 1. GENERAL INFORMATION

The Equipment Improvement Project (the “Project”) (Project number: SFDF – EIP0002) was created pursuant to the Agreement made between the Government of the Hong Kong Special Administrative Region (“HKSAR”) and Changing Business Limited, and the Sustainable Fisheries Development Fund (“SFDF”) - Application Guidelines in respect of the SFDF project under the SFDF dated 27 March 2019 (“Agreement”),

The Project is principally engaged in assisting the fisherman to improve their working tools and equipments in Hong Kong. Its registered office and principal place of activities is at Flat A2, 4/F, High Win Factory Building, 47 Hoi Yuen Road, Kwun Tong, Kowloon.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below.

##### Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Project becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Project transfers substantially all the risks and rewards of ownership of the assets; or the Project neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the income and expenditure statements.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the income and expenditure statements.

##### Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Project’s cash management are also included as a component of cash and cash equivalents.



## CHANGING BUSINESS LIMITED

### Equipment Improvement Project

Project number: SFDF – EIP0002

#### NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 APRIL 2021  
TO 31 MARCH 2022

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Project and the amount of revenue can be measured reliably.

Income from government grant and fisherman contribution are recognised on cash received basis.

Interest income is recognised on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.

#### 3. DEFICIT FOR THE PERIOD

Deficit for the period is arrived at after charging the followings:

	2022	2021
	HK\$	HK\$
Directors' emoluments		
- As directors	-	-
- For management	240,000	236,000
Retirement benefits scheme contribution	14,100	13,900
Salaries, bonus and allowances excluding directors' emoluments	42,000	42,000
Total staff costs	296,100	291,900
Auditor's remuneration	20,000	20,000

#### 4. PROPERTY, PLANT AND EQUIPMENT

	Furnitures and equipment HK\$
<u>Cost</u>	
At 1 April 2021	25,686
Addition	625
At 31 March 2022	26,311
<u>Accumulated depreciation</u>	
At 1 April 2021	16,565
Provided for the period	8,771
At 31 March 2022	25,336
<u>Carrying amount</u>	
At 31 March 2022	975
At 31 March 2021	9,121

#### 5. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 29 April 2022.

----- End of Notes -----