Report of the Directors

Audited Financial Statements

PANGAIA SOLUTIONS LIMITED

Year ended 31 March 2023

ANTHONY C. C. KAM & CO.
Certified Public Accountants
HONG KONG

PANGAIA SOLUTIONS LIMITED

CONTENTS

	Pages
REPORT OF THE DIRECTORS	1
INDEPENDENT AUDITOR'S REPORT	2 - 4
AUDITED FINANCIAL STATEMENTS	
Statement of profit or loss and accumulated funds	5
Statement of financial position	6
Statement of cash flows	7
Notes to the financial statements	8 – 13

PANGAIA SOLUTIONS LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended to 31 March 2023.

Principal activities
The Company's principal activities are Not-for-profit management consulting services.

Results
The results of the Company for year ended 31 March 2023 and its financial position as at that date are set out in the accompanying financial statements.

Plant and equipment
Details of movements in the plant and equipment of the Company are set out in note 9 to the financial statements.

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

Lucia Loposova
Li Kwok Yee, Justen

In accordance with the Company's articles of Company, the Directors shall holds office for an unlimited period of time.

Directors' interests
At no time during the period was the Company a party to any arrangements to enable the Company's directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

No contract of significance to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

Permitted indemnity provision
A permitted indemnity provision for the benefit of the Directors of the Company is currently in force throughout the period.

Auditor
Messrs. Anthony C. C. Kam & Co. retire and, being eligible, offer themselves for re-appointment.

On behalf of the Directors

.....
Director, Lucia Loposova
Hong Kong
20 OCT 2023

INDEPENDENT AUDITOR'S REPORT

To the members of
PANGAIA SOLUTIONS LIMITED
(incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Pangaia Solutions Limited ("the Company") set out on pages 5 to 13, which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and accumulated funds and statement of cash flows for the year ended 31 March 2023, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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 ("HKSAs") 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 Foundation 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 Auditor's 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 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.

香港灣仔港灣道6-8號瑞安中心17樓1701室 電話：(852) 2868 2181 傳真：(852) 2804 6386
RM 1701, 17/F SHUI ON CENTRE, 6-8 HARBOUR ROAD, WANCHAI, HONG KONG. TEL: (852) 2868 2181 FAX: (852) 2804 6386

To the members of
PANGAIA SOLUTIONS LIMITED
(incorporated in Hong Kong and limited by guarantee)

Information Other than the Financial Statements and Auditor's Report Thereon (continued)

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 that give a true and fair view in accordance with HKFRS for Private Entities 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 committee members 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.

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. This report is made 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:

To the members of
PANGAIA SOLUTIONS LIMITED
(incorporated in Hong Kong and limited by guarantee)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 committee members.

- Conclude on the appropriateness of the committee members' 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.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Anthony C.C. Kam & Co.

Anthony C.C. Kam & Co.
Certified Public Accountants (Practising)
Hong Kong
20 OCT 2023

PANGAIA SOLUTIONS LIMITED

STATEMENT OF PROFIT OR LOSS AND ACCUMULATED FUNDS

Year ended 31 March 2023

	Notes	Year ended 31 March 2023 HK$	Period from 1 February 2021 (date of incorporation) to 31 March 2022 HK$
REVENUE	3	446,886	146,000
Other income	4	2,105,621	530,323
		2,552,507	676,323
Administrative expenses		(2,373,479)	(642,175)
Finance cost	5	(4)	(2)
SURPLUS BEFORE TAX	6	179,024	34,146
Taxation	8	(9,097)	-
SURPLUS FOR THE YEAR		169,927	34,146
Accumulated fund at the beginning of the year		34,146	-
Accumulated fund at the end of the year		204,073	34,146

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

PANGAIA SOLUTIONS LIMITED

STATEMENT OF FINANCIAL POSITION

31 March 2023

	Notes	2023 HK$	2022 HK$
NON-CURRENT ASSET			
Plant and equipment	9	-	4,199
CURRENT ASSETS			
Cash and bank balances		80,802	1,314,015
Grant receivable from ECF		219,618	-
Deposit		-	7,000
		300,420	1,321,015
CURRENT LIABILITIES			
Accruals and other payables		7,240	57,050
Loan from a director	10	80,010	15,010
Fund received in advance		-	1,219,008
Tax payable		9,097	-
		96,347	1,291,068
NET CURRENT ASSETS		204,073	29,947
NET ASSETS		204,073	34,146
REPRESENTED BY:			
Accumulated fund		204,073	34,146

Approved on behalf of the Committee members by:

Lucia Loposova
Director

Li Kwok Yee, Justen
Director

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

PANGAIA SOLUTIONS LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 March 2023

	Year ended 31 March 2023 HK$	Period from 1 February 2021 (date of incorporation) to 31 March 2022 HK$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	179,024	34,146
Adjustment for:		
Depreciation	4,199	4,199
Interest income	(225)	(8)
Operating profit before working capital changes	182,998	38,337
Increase in grant receivable from ECF	(219,618)	-
Decrease/ (increase) in deposits	7,000	(7,000)
(Decrease)/ increase in accruals and other payables	(49,810)	57,050
Increase in loan from a director	65,000	15,010
(Decrease)/ increase in fund received in advance	(1,219,008)	1,219,008
Net Cash (used in)/ generated from operating activities	(1,233,438)	1,322,405
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to plant and equipment	-	(8,398)
Interest received	225	8
Net cash generated from investing activities	225	(8,390)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(1,233,213)	1,314,015
Cash and cash equivalents at beginning of year	1,314,015	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	80,802	1,314,015
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	80,802	1,314,015

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

1. GENERAL INFORMATION

Pangaia Solutions Limited (the "Company") is incorporated in Hong Kong under the Hong Kong Companies Ordinance on 1 February 2021. The Company was limited by guarantee and do not have any share capital. Under the provisions of the Company's Articles of Company, every member shall, in the event of the Company being wound up, contribute to the assets of the Company to the extent not exceeding HK$10.

The registered office of the Company is located at Room 10, 2/F., Block A, Kam Ling Court, 532-538 Queen's Road West, Shek Tong Tsui, Hong Kong Island. The Company's principal activities are Not-for-profit management consulting services.

These financial statements of the Company are presented in Hong Kong Dollars ("HK$"), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are payable 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 purposes of the statement of cash flows.

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.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Revenue recognition

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:

(i) Revenue arising from activities is recognized when the activities rendered have been completed;
(ii) Revenue arising from course is recognized when the course rendered have been completed;
(iii) Revenue arising from sponsorship is recognized when the sponsorship received; and
(iv) Bank interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

Plant and equipment and depreciation

Plant and equpment are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the plant and equpment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the plant and equpment, the expenditure is capitalised as an additional cost of the plant and equipment.

The gain or loss on disposal or retirement of the plant and equipment recognised in profit or loss is the difference between the sales proceeds and the carrying amount of the relevant asset.

Depreciation is calculated on the straight-line method to write off the cost of each asset. The principal annual rates used for this purposes are as follows:

Office equipment	50%

Impairment of assets

At the end of each reporting period, both internal and external sources of information are considered to assess whether there is any indication that plant and equipment and other assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the statement of profit or loss and accumulated funds.

Receivables

Receivables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of profit or loss and accumulated funds.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Payables

Payables are initially recognised at transaction price and subsequently measured at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

Related parties

For the purposes 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 Company if that person:
- (i) is a member of the key management personnel of the Company or of a parent of the Company;
- (ii) has control over the Company; or
- (iii) has joint control or significant influence over the Company or has significant voting power in it.

(b) An entity is related to the Company if any of the following conditions applies:
- (i) the entity and the Company 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 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 either the Company or an entity related to the Company. If the Company 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.
- (viii) a person identified in (a)(ii) has significant influence over the entity or significant voting power in it.
- (ix) a person or close member of that person's family has both significant influence over the entity or significant voting power in it and joint control over the Company.
- (x) a member of the key management personnel of the entity or of a parent of the entity, or a close member of that member's family, has control or joint control over the Company or has significant voting power in it.

3. REVENUE

	Year ended 31 March 2023 HK$	Period from 1 February 2021 (date of incorporation) to 31 March 2022 HK$
Activities income	-	54,000
Course income	-	16,000
Sponsorship	446,886	76,000
	446,886	146,000

4. OTHER INCOME

	Year ended 31 March 2023 HK$	Period from 1 February 2021 (date of incorporation) to 31 March 2022 HK$
Bank interest income	225	8
Bank rebate income	10	-
Consultancy fee income	336,405	-
Government grant	1,713,980	530,315
Membership fee income	24,300	-
Sundry income	5,851	-
Ticket income from event	24,850	-
	2,105,621	530,323

5. FINANCE COST

	Year ended 31 March 2023 HK$	Period from 1 February 2021 (date of incorporation) to 31 March 2022 HK$
Interest on bank overdraft	4	2

6. SURPLUS BEFORE TAX

Surplus before tax is arrived at after charging:

	Year ended 31 March 2023 HK$	Period from 1 February 2021 (date of incorporation) to 31 March 2022 HK$
Auditor's remuneration		
- Statutory audit	4,200	4,000
- Other service	14,000	8,000
Consultancy fee	294,831	172,049
Depreciation	4,199	4,199
Mandatory Provident Fund contributions	30,358	15,750
Rent and rates	47,250	15,000
Staff costs (excluding committee members' remuneration)		
salaries and allowances	607,160	315,000

7. DIRECTORS' REMUNERATION

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

	Year ended 31 March 2023 HK$	Period from 1 February 2021 (date of incorporation) to 31 March 2022 HK$
Fees	-	-
Salaries and allowances	-	-

8. TAXATION

	2022 HK$	2021 HK$
Tax charge for the year	9,097	-

On 21 March 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Company is entitled to the tax exemption under section 88 of the Inland Revenue Ordinance with effect from 24 March 2023.

9. PLANT AND EQUIPMENT

	Office equipment HK
Cost:	
At 1 April 2022 and at 31 March 2023	8,398
Accumulated depreciation:	
At 1 April 2022	4,199
Provided for the year	4,199
At 31 March 2023	8,398
Net carrying amount:	
At 31 March 2023	-
At 31 March 2022	4,199

10. LOAN FROM A DIRECTOR

The amount is unsecured, non-interest bearing and repayable on demand.

11. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 20 OCT 2023

(For management purposes only - not part of the financial statements)

PANGAIA SOLUTIONS LIMITED

DETAILED INCOME STATEMENT

Year ended 31 March 2023

	Year ended to 31 March 2023 HK$	Period from 1 February 2021 (date of incorporation) to 31 March 2022 HK$
REVENUE		
Activities income	-	54,000
Course income	-	16,000
Sponsorship	446,886	76,000
	446,886	146,000
OTHER INCOME		
Bank interest income	225	8
Bank rebate income	10	-
Consultancy fee income	336,405	-
Government grant	1,713,980	530,315
Membership fee income	24,300	-
Sundry income	5,851	-
Ticket income from event	24,850	-
	2,105,621	530,323
	2,552,507	676,323
ADMINISTRATIVE EXPENSES		
Accounting fee	6,000	-
Advertising	6,275	3,190
Auditor's remuneration		
- Statutory audit	4,200	4,000
- Other service	14,000	8,000
Bank charges	1,063	1,672
Business registration fee	150	-
Bin stickers	120	-
Bins & weighting baskets	10,725	-
Consultancy fee	294,831	172,049
Design agency fee	35,000	27,500
Depreciation	4,199	4,199
Dry waste collection	41,060	-
Event catering	27,064	-
Event expenses	-	30,100
Final result presentation event	6,000	-
Food waste collection	109,514	-
Insurance	1,001	9,025
Kick-off event	7,300	-
Mandatory Provident Fund contribution	30,358	15,750
Monthly engagement event	4,000	-
Balance c/d	602,860	275,485

(For management purposes only - not part of the financial statements)

PANGAIA SOLUTIONS LIMITED

DETAILED INCOME STATEMENT

Year ended 31 March 2023 (continued)

	Year ended to 31 March 2023 HK$	Period from 1 February 2021 (date of incorporation) to 31 March 2022 HK$
ADMINISTRATIVE EXPENSES		
Balance b/d	602,860	275,485
Operational expenses	-	20,122
Printing and stationery	23,447	4,810
Protection and sorting equipment	161	-
Rent and rates	47,250	15,000
Salaries and allowance	607,160	315,000
Software licenses	8,039	8,101
Speaker honoraria	3,000	-
Sundry expenses	4,739	566
Tech. & IT	197,000	-
Travelling expenses	848	-
Transportation	422	-
Video production	71,890	-
Venue rental – events	769,806	-
Workshop provider	24,000	-
Waste-related technical equipment expenses	-	3,000
Website	3,457	91
Zero-waste festival	9,400	-
	2,373,479	642,175
FINANCE COST		
Interest on bank overdraft	4	2
PROFIT BEFORE TAX	179,024	34,146