

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR
THE PHYSICALLY DISABLED**
("The Association")
香港殘疾人奧委會暨傷殘人士體育協會
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

CONTENTS

	<u>Pages</u>
Report of the Executive Committee	1 - 2
Independent Auditor's Report	3 -4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Fund and Reserves	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 32
Detailed Income and Expenditure Account	33 - 36

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED
("The Association") 香港殘疾人奧委會暨傷殘人士體育協會
REPORT OF THE EXECUTIVE COMMITTEE**

The members of the executive committee submit herewith their annual report together with the audited financial statements for the year ended 31 March 2014.

Principal Place of Activity

Hong Kong Paralympic Committee & Sports Association for the Physically Disabled ("the Association") is a charitable organisation incorporated and domiciled in Hong Kong and has its registered office and principal place of activity at Rooms 141-148, G/F., Block B, Mei Fung House, Mei Lam Estate, Shatin, New Territories, Hong Kong.

Status and Principal Activity of the Association

The Association was incorporated under the Hong Kong Companies Ordinance on 17 November 1997 to take over the management, assets and liabilities of an unincorporated body named Hong Kong Sports Association for the Physically Disabled. It is a charitable organisation limited by guarantee and is engaged in various activities to promote and organise sports and physical recreation for the physically disabled.

Financial Statements

The surplus of the Association for the year ended 31 March 2014 and the state of the Association's affairs as at that date are set out in the financial statements on pages 5 to 32.

Transfer of Reserve

HK\$700,000 of the General Fund from the surplus for the year was transferred to the Paralympic Games Reserve during the year.

Property, Plant and Equipment

Details of movements in property, plant and equipment during the year are set out in note 12 to the financial statements.

Presidents and Vice-Presidents

The president and vice-presidents during the year and up to the date of this report were:

Mrs Fung Ma Kit Han, Jenny, BBS, JP	(President) (Elected on 8 December 2013)
Mr Andy Lau, MH, JP	(Vice-President) (Elected on 8 December 2013)
Mr Michael Lee, JP	(Vice-President)
Mr Lincoln Yu	(Vice-President)

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”)香港殘疾人奧委會暨傷殘人士體育協會
REPORT OF THE EXECUTIVE COMMITTEE(CONT'D)

Executive Committee

The executive committee members during the year and up to the date of this report were:

Mrs Fung Ma Kit Han, Jenny, BBS, JP	(Stepped down on 8 December 2013)
Dr Lam James Joseph, JP	(Chairman) (Elected on 8 December 2013)
Mr Ng Chak Lin, Patrick, MH	(Vice Chairman) (Elected on 8 December 2013)
Mr Lam Sai Ying, Henry	(Hon. Treasurer)
Mr Chau Kwok Yin, Simon	(Stepped down on 8 December 2013)
Mr Chiang Tak Cheung, Silas, BBS, MH	(Appointed on 8 December 2013)
Mr Chung Wai Man	
Dr Ko Joshua	
Dr Lam Kwong Chin	
Mr Lau Sik	(Stepped down on 8 December 2013)
Ms Lee Ying Shih, Vivian	(Stepped down on 8 December 2013)
Mr Ng Shung, Apollo	
Ms Tse Kin Ching, Christine	(Appointed on 8 December 2013)
Ms Tsui Yuk Mui, Portia	(Stepped down on 8 December 2013)
Mr Wong Chiu Wah	
Ms Wu Siu Ling	

In accordance with Article 4.3 of the Association's articles of association, the present executive committee members retire and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

In accordance with Article 13.5 of the Association's articles of association, the tenure of all executive committee members shall be two years commencing from the date of the Annual General Meeting upon election and retire until their succession are elected and qualified, and are eligible for re-election provided that at least two-thirds of the Executive Committee Meetings held during the period of office have been attended.

At no time during the year was the Association a party to any arrangement to enable the executive committee members of the Association to acquire benefits by means of the acquisition of shares in or debentures of any body corporate.

No contract of significance to which the Association was a party, and in which an executive committee member of the Association had a material interests, subsisted at the end of the year or at any time during the year.

Auditors

The auditors, Messrs W. H. Tse & Company, Chartered Accountants, Certified Public Accountants (Practising), retire and, being eligible, offer themselves for re-appointment.

On Behalf of the Executive Committee

Chairman

Hong Kong, 24 SEP 2014



W. H. Tse & Company

CHARTERED ACCOUNTANTS
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

謝維慶會計師事務所

Rooms 701-703, 7/F., Kai Tak Commercial Building,
317 & 319 Des Voeux Road Central, Hong Kong.
Tel : (852) 2542 2800 Fax : (852) 2542 2663
Email : whtseco@netvigator.com
香港德輔道中317&319號啓德商業大廈7字樓701-703室

Our Ref. :

Your Ref. :

**INDEPENDENT AUDITOR'S REPORT
TO THE EXECUTIVE COMMITTEE OF THE
HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED
("The Association")香港殘疾人奧委會暨傷殘人士體育協會
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)**

We have audited the financial statements of Hong Kong Paralympic Committee & Sports Association For The Physically Disabled ("the Association") set out on pages 5 to 32, which comprise the statement of financial position as at 31 March 2014, the statement of comprehensive income, statement of changes in fund and reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Executive committee members' responsibility for the financial statements

The executive committee members of the Association are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the executive committee members determine is necessary to enable the preparation of financial statements that are free from the material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 80 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive committee members, as well as evaluating the overall presentation of the financial statements.



W. H. Tse & Company

CHARTERED ACCOUNTANTS
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

謝維慶會計師事務所

Rooms 701-703, 7/F., Kai Tak Commercial Building,
317 & 319 Des Voeux Road Central, Hong Kong.
Tel : (852) 2542 2800 Fax : (852) 2542 2663
Email : whtseco@netvigator.com
香港德輔道中317&319號啓德商業大廈7字樓701-703室

Our Ref. :

Your Ref. :

**INDEPENDENT AUDITOR'S REPORT(CONT'D)
TO THE EXECUTIVE COMMITTEE OF THE
HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED
("The Association")香港殘疾人奧委會暨傷殘人士體育協會
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)**

Auditor's responsibility(cont'd)

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Association's affairs as at 31 March 2014 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

W. H. Tse & Company
Chartered Accountants
Certified Public Accountants (Practising)

Hong Kong, 24 SEP 2014

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 HK\$	2013 HK\$
Income			
Membership fees		15,580	21,020
Donations	2	4,707,798	4,012,121
Community Chest -Baseline Allocation		437,300	465,710
Leisure and Cultural Services Department			
-subvention for salaries		1,710,792	1,699,399
Government subvention		1,887,064	1,817,178
Arts and Sports Development			
- Striving for Excellence Programme		1,440,000	1,380,000
Interest income		294,558	304,100
Other net income	3	317,064	264,210
Sponsorship grants for activities	4	10,156,946	11,578,859
Grants for acquisition of sports equipment and other assets	5	292,166	536,831
Applied against items capitalised		(292,166)	(536,831)
		<u>20,967,102</u>	<u>21,542,597</u>
Expenditure			
Sports activities, competitions and programmes:			
-International games, trainings, competitions and conferences	6	5,339,129	4,947,708
-Hong Kong competitions	7	124,916	114,125
Training programmes, continuous activities and special programmes	8	8,026,567	9,599,920
		<u>13,490,612</u>	<u>14,661,753</u>
Administration and general costs	9	5,594,689	5,306,031
		<u>19,085,301</u>	<u>19,967,784</u>
Surplus and Total Comprehensive Income for the Year		<u>1,881,801</u>	<u>1,574,813</u>

The notes on pages 9 to 32 form part of these financial statements.

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	Notes	2014		2013	
		HK\$	HK\$	HK\$	HK\$
Non-current Assets					
Property, plant and equipment	12		66,781		69,348
Other non-current financial assets	13		4,304,644		5,133,415
			<u>4,371,425</u>		<u>5,202,763</u>
Current Assets					
Inventories	14	40,205		24,125	
Accounts receivables	15	225,637		1,465,955	
Deposits and payments in advance		213,389		285,593	
Cash and cash equivalents	16	13,536,994		8,042,915	
		<u>14,016,225</u>		<u>9,818,588</u>	
Current Liabilities					
Accounts and other payables	17	1,148,740		956,160	
Receipts in advance	18	3,620,058		2,312,632	
		<u>(4,768,798)</u>		<u>(3,268,792)</u>	
Net Current Assets			<u>9,247,427</u>		<u>6,549,796</u>
Net Assets			<u>13,618,852</u>		<u>11,752,559</u>
General Fund			1,243,834		62,033
Specific Reserves					
Athletes training reserve	19	1,044,791		1,060,299	
Paralympic games reserve	20	1,518,343		818,343	
Capital reserve	21	9,811,884		9,811,884	
			<u>12,375,018</u>		<u>11,690,526</u>
Total Fund and Reserves			<u>13,618,852</u>		<u>11,752,559</u>

Approved and authorised for issue by the Executive Committee on 24 SEP 2014

Chairman

Honorary Treasurer

The notes on pages 9 to 32 form part of these financial statements.

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
STATEMENT OF CHANGES IN FUND AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2014

	General fund <u>HK\$</u>	Athletes training reserve (note 19) <u>HK\$</u>	Paralympic Games reserve (note 20) <u>HK\$</u>	Capital reserve (note 21) <u>HK\$</u>	Total <u>HK\$</u>
Balance at 1 April 2012	(1,512,780)	1,084,509	818,343	9,811,884	10,201,956
Changes in total fund and reserves for the year:					
Utilisations	-	(24,210)	-	-	(24,210)
Surplus and total comprehensive income for the year	<u>1,574,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,574,813</u>
Balance at 31 March 2013 and 1 April 2013	62,033	1,060,299	818,343	9,811,884	11,752,559
Changes in total fund and reserves for the year:					
Utilisations	-	(15,508)	-	-	(15,508)
Surplus and total comprehensive income for the year	<u>1,881,801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,881,801</u>
Transfer to Paralympic Games Reserve	<u>(700,000)</u>	<u>-</u>	<u>700,000</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2014	<u>1,243,834</u>	<u>1,044,791</u>	<u>1,518,343</u>	<u>9,811,884</u>	<u>13,618,852</u>

The notes on pages 9 to 32 form part of these financial statements.

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2014

	<u>Note</u>	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Operating Activities			
Surplus for the year		1,881,801	1,574,813
Adjustments for:			
Depreciation		38,895	29,284
Interest income		(294,558)	(304,100)
Operating Surplus before Changes in Working Capital		1,626,138	1,299,997
(Increase)/Decrease in inventories		(16,080)	83,430
Decrease in accounts receivables		1,240,318	113,350
Decrease in deposits and payments in advance		72,204	265,630
Increase/(Decrease) in accounts and other payables		192,580	(1,003,575)
Increase in receipts in advance		1,307,426	210,884
Net Cash from Operating Activities		4,422,586	969,716
Investing Activities			
Interest received		318,277	324,742
Unrealised exchange loss in other non-current financial assets		(31,084)	899
Net increase in bank deposits over three months of maturity at acquisition		(7,033,413)	-
Receipt of principal of held-to-maturity financial assets		836,136	-
Net payments for acquisition of property, plant and equipment		(36,328)	(14,035)
Net Cash/(Used in) from Investing Activities		(5,946,412)	311,606
Financing Activity			
Utilisation of athletes training reserve		(15,508)	(24,210)
Net Cash/(Used in) from Financing Activity		(15,508)	(24,210)
Net (Decrease)/Increase in Cash and Cash Equivalents		(1,539,334)	1,257,112
Cash and Cash Equivalents at 1 April		8,042,915	6,785,803
Cash and Cash Equivalents at 31 March	16	6,503,581	8,042,915

The notes on pages 9 to 32 form part of these financial statements.

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

1. Significant Accounting Policies

a) Statement of Compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong.

These financial statements comply with the applicable requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), “Accounts and Audit”, which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. A summary of the significant accounting policies adopted by the Association is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Association. The adoption of these new and revised HKFRSs has no material impact on the Association’s results of operations and financial position.

The Association has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 26).

b) Basis of Preparation of the Financial Statements

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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.

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”)香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

1. Significant Accounting Policies (cont'd)

c) Investments in Debt Securities

Investments in debt securities are initially stated at fair value, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs. Dated debt securities that the Association has the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated at amortised cost less accumulated impairment losses (see note 1(e)).

Investments are recognised/derecognised on the date the Association commits to purchase/sell the investments or they expire.

d) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(e)). Specific grants and designated donations received are allocated to reduce the acquisition cost of the asset concerned.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight line method over their estimated useful lives as follows:

- Leasehold improvements	:	Shorter of 3 years or remaining lease term
- Furniture and fittings	:	3 years
- Equipment	:	3 years
- Motor vehicles	:	3 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

The carrying amounts of property, plant and equipment are reviewed for indications of impairment at each reporting date. An impairment loss is recognised in the statement of comprehensive income if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The recoverable amount of an asset, or the cash generating unit to which it belongs, is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the statement of comprehensive income on the date of retirement or disposal.

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

1. Significant Accounting Policies (cont'd)

e) Impairment of Assets

i) Impairment of investments in debt securities

Investment in debt securities that are stated at amortised cost are reviewed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence of impairment includes observable data that comes to the attention of the Association about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;

ii) Impairment of investments in debt securities

- it becoming probable that the debtors will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For other financial assets carried at amortised cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through surplus or deficit. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

iii) Impairment of other assets

Internal and external sources of information are reviewed at each reporting date to identify indications that property, plant and equipment may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

1. Significant Accounting Policies (cont'd)

e) Impairment of Assets (cont'd)

iii) Impairment of other assets(cont'd)

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in statement of comprehensive income if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

- Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the statement of comprehensive income in the year in which the reversals are recognised.

f) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

1. Significant Accounting Policies (cont'd)

f) Inventories (cont'd)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the year in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the year the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.

g) Accounts Receivables

Accounts receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts, except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

Impairment losses for bad and doubtful debts are recognised where there is objective evidence of impairment and are measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the asset's original effective interest rate where the effect of discounting is material. Objective evidence of impairment includes observable data that comes to the attention of the Association about events that have an impact on the asset's estimated future cash flows such as significant financial difficulty of the debtor.

Impairment losses for receivables whose recovery is considered doubtful but not remote are recorded using an allowance account. When the Association is satisfied that recovery is remote, the amount considered irrecoverable is written off against debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the statement of comprehensive income.

h) Accounts and Other Payables

Accounts and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

i) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, 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, having been within three months of maturity at acquisition.

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”)香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

1. Significant Accounting Policies (cont'd)

j) Employee Benefits

- i) Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognised as an expense in the statement of comprehensive income as incurred.

k) Provisions and Contingent Liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Association has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

l) Operating Lease Charges

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Association determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Leases which do not transfer substantially all the risks and rewards of ownership to the Association are classified as operating leases.

Where the Association has the use of assets held under operating leases, payments made under the leases are charged to the statement of comprehensive income in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the statement of comprehensive income as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the statement of comprehensive income in the accounting period in which they are incurred.

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

1. Significant Accounting Policies (cont'd)

m) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Association and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the statement of comprehensive income as follows:

- i) Revenue arising from the sponsorship is recognised on an accrual basis.
- ii) Revenue arising from donations is recognised when the cash is received.
- iii) Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Association will comply with the conditions attaching to them. Grants that compensate the Association for expenses incurred are recognised as revenue in the statement of comprehensive income on a systematic basis in the same periods in which the expenses are incurred.
- iv) Interest income is recognised as it accrues using the effective interest method.
- v) Sundry income is recognised when the Association has the right to receive.

n) Translation of Foreign Currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the foreign exchange rates ruling at the reporting date. Exchange gains and losses are recognised in the statement of comprehensive income.

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”)香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

2. Donations

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Standard Chartered Marathon Donations	2,057,045	2,534,487
Sheen Peak Limited	500,000	-
Simatelex Charitable Foundation	-	318,000
IN69 傷健共融單車同樂日	160,000	-
Konica Minolta Green Concert 2012	-	104,250
Andy Lau Charity Foundation Limited	-	100,000
Hong Kong Airline ‘Fly & Care’	40,232	84,907
Donation Box at Plaza Hollywood	-	40,914
Poon Hai	-	39,172
Watsons Water	-	30,000
Yu Kam Yuen	22,030	-
Youth Square Bike Relay	-	21,500
Hong Kong Runner Limited	-	17,120
Deutsche Bank	10,000	-
Staffs of New World Development Company Limited	7,400	-
DBS Class 73	7,000	-
James Joseph Lam	5,000	9,230
Tong Ka Shing, Carlson	4,375	-
Commercial Radio Productions Limited	3,597	1,259
Lam Hoi Tik	3,000	-
Prime Concepts Limited	1,000	1,000
Others	2,300	1,250
IWAS Wheelchair Fencing Grand Prix, Hong Kong		
- Kingston International School	(a)500,000	-
Wheelchair Basketball Training Programme		
- Stone Pole Limited	430,000	-
"Run for Paralympians" Campaign		
- Wasabi Creation Limited	120,000	-
- Asia Standard Hotel Group Limited	110,000	-
- Chinese Estates Limited	79,870	-
- Rotary Club of Hong Kong Northwest	73,500	-
- ICAP (HK) Limited	69,200	-
- Alliance Engineering Company	60,000	-
- Hong Kong Sanatorium & Hospital	60,000	-
- Royal Park Hotel	60,000	-
- The Hong Kong Racehorse Owners Association		
Charitable Foundation Limited	60,000	-
- Westminster Travel Limited	60,000	-
- Wheelock and Company Limited	60,000	-
- Prince Jewellery and Watch Company	54,000	-
- Others	87,949	-

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

2. Donations (cont'd)

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Specific Donation for 40th Anniversary Octopus Cards		
- The Hong Kong and China Gas Company Limited	-	100,000
- Hoi Chak Properties Limited	-	100,000
- Pau Ka Yin & Lee Tit Sun	-	100,000
- Standard Chartered Bank	-	100,000
- Plaza Hollywood Limited	-	100,000
- Alliance Engineering Company	-	20,000
- Chui Chi Hung	-	20,000
- Happy Light Investments Limited	-	20,000
- Yu Kam Kee	-	20,000
- Lau, Chan & Ko Solicitors & Notaries	-	10,000
- Luk Wang Lung	-	10,000
- Yu Kam Yuen	-	10,000
- Lam Sai Ying	-	5,000
- Others	300	94,032
	<u>4,707,798</u>	<u>4,012,121</u>

- (a) A sum of HK\$1,000,000 received from Kingston International School would be split equally of HK\$500,000 each as donation in the financial years 2013/14 and 2014/15.

3. Other Net Income

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Net exchange gain	79,792	10,318
Social Welfare Department - Block Grant	3,138	27,000
Social Welfare Development Fund		
- current year	145,027	161,997
- underprovision in prior year	-	49,950
Others	89,107	14,945
	<u>317,064</u>	<u>264,210</u>

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

4. Sponsorship Grants for Activities

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>	
Leisure and Cultural Services Department(“LCSD”)			
International Events Held Outside Hong Kong	2,168,962	1,189,764	#
National Squad Training Programme	941,509	765,561	
Mass Participation Training Course	1,451,735	1,342,502	
Feeder Programme - Training Scheme	279,605	546,507	
Local Competition	115,232	106,849	
Official Training Programme	98,895	4,901	
AA (Part-time) for Feeder Programme & MPF Contribution	55,648	39,600	
Audit fee for Annual Accounts	49,500	49,500	
Insurance for Programmes	25,000	21,750	
Administrative Expenses	135,000	113,600	
Additional fund for Revamping Website	100,000	-	
Procurement of Computer Equipment and Software	-	52,512	*
	<u>5,421,086</u>	<u>4,233,046</u>	

Included amount from Extra Savings accrued in subvention years 2008-09 and 2009-10

* Amount funded by LCSD Reserve Fund

Sports Federation & Olympic Committee of Hong Kong, China

Intensive Awards	6,960	15,800
Annual Wheelchair Fencing Competition	9,683	7,276
	<u>16,643</u>	<u>23,076</u>

Arts and Sports Development Fund (“ASDF”)

IWAS Wheelchair Fencing Grand Prix, Hong Kong 2013	250,000	-
Asian Youth Para Games 2013	560,710	-
2012 Para Games Preparation Fund	-	344,729
London 2012 Para Games	-	1,842,648
IWAS HK Jockey Club Wheelchair Fencing World Cup 2012	-	250,000
	<u>810,710</u>	<u>2,437,377</u>

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

4. Sponsorship Grants for Activities (cont'd)

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Hong Kong Sports Institute Limited (“HKSIL”)/ Hong Kong Coaching Committee (“HKCC”)		
Elite Training Programme	1,500,000	1,200,000
Thanks Coach Scheme	10,000	10,000
Coaching Seminar	37,850	-
第二期國家殘疾人體育健身指導員師資培訓班, 中國北京	-	10,932
	<u>1,547,850</u>	<u>1,220,932</u>
The Hong Kong Jockey Club Charities Trust		
IWAS HK Jockey Club Wheelchair Fencing World Cup 2012	-	787,094
Wheelchair Fencing Development Programme	135,198	632,882
	<u>135,198</u>	<u>1,419,976</u>
Social Welfare Department (“SWD”) - Hong Kong Paralympians Fund		
Grants for Subsistence to Athletes	600,408	726,348
Grants for Programmes	407,323	342,000
	<u>1,007,731</u>	<u>1,068,348</u>
Others		
Entry fee for IWAS Wheelchair Fencing Grand Prix, Hong Kong 2013	1,115,470	-
Entry fee for IWAS HK Jockey Club Wheelchair Fencing World Cup 2012	-	431,729
Support Grant for Paralympic Games	-	489,804
Hong Kong Airline Contract Ticket	58,158	198,171
Spring Dinner Entry Fee	44,100	56,400
	<u>1,217,728</u>	<u>1,176,104</u>
	<u>10,156,946</u>	<u>11,578,859</u>

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

5. Grants for Acquisition of Sports Equipment and Other Assets

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
LCSD –National Squad Training	-	16,800
LCSD Reserve Fund	-	46,883
ASDF London 2012 Paralympic Games	-	83,295
HKSIL–Elite Training Programme	-	39,951
Simatelex Charitable Foundation	-	310,730
ASDF–Preparation Fund for Asian Para Games	48,600	-
Donation from Poon Hai	-	39,172
Donation from Stone Pole Limited	182,929	-
LCSD – Office expenses additional funding	57,499	-
Social Welfare Department – Block Grant	3,138	-
	<u>292,166</u>	<u>536,831</u>

6. Expenditure on International Games, Trainings, Competitions and Conferences

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Asian Youth Para Games 2013	612,751	-
Para-Archery World Ranking Tournament, Czech	66,059	-
Para Archery World Championships, Bangkok, Thailand	37,113	-
China Open Athletics Championships, Beijing, China	99,662	-
IPC Athletics World Championships, Lyon, France	60,314	-
6th FAZZAA International Athletics Competition, Dubai, UAE	79,287	-
Para-Badminton World Championships, Dortmund, Germany	87,713	-
Asia and Oceania Boccia Championships, Sydney, Australia	382,102	-
Konica Minolta Hong Kong Open Boccia Championships for the Disabled 2013	98,143	-
IPC Shooting World Cup, Bangkok, Thailand	36,568	-
4th Rotary Cup International Swimming Competition, Tai Chung, Taiwan	20,593	-
ITTF PTT Asian Table Tennis Regional Championships (Fa50), Beijing, China	119,612	-
10th Slovenian Open - Table Tennis (Fa40), Slovenia	98,462	-
APC Para-Tenpin Bowling Open Championships, Manila, Philippines	115,975	-
All China Wheelchair Basketball Championships, Liaoning, China	107,068	-
IWAS Wheelchair Fencing Grand Prix, Lonato, Italy	156,868	-
IWAS Wheelchair Fencing World Cup, Montreal, Canada	148,293	-
IWAS Wheelchair Fencing World Cup, Warsaw, Poland	374,498	-
IWAS Wheelchair Fencing World Championships, Budapest, Hungary	445,530	-

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”)香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

6. Expenditure on International Games, Trainings, Competitions and Conferences (cont'd)

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
IWAS Wheelchair Fencing Grand Prix, Hong Kong 2013	2,025,534	-
21st Quadrangular Meet, Macau, China	25,644	-
第五期國家殘疾人體育健身指導員師資培訓班, 中國北京	4,784	-
IPC Shooting Classification Workshop, Stoke Mandeville, Germany	16,667	-
IWBF Classification Course, Adana, Turkey	17,949	-
Archery Classification Course, Bangkok, Thailand	6,383	-
International Conference and Meetings	95,557	
London 2012 Paralympic Games, United Kingdom	-	2,032,794
British Archery International Invitational Event, United Kingdom	-	56,119
Knowsley Disability Athletics Grand Prix, United Kingdom	-	116,417
5th FAZAA International Athletics Competition, Dubai	-	71,669
Victor 3rd Asian Para-Badminton Championships 2012, Korea	-	25,270
2012 London Paralympic Games –Boccia Test Event, United Kingdom	-	97,505
2012 International Shooting Competition in Great Britain, United Kingdom	-	43,945
2012 ITTF PTT China Para Table Tennis Open, Beijing, China	-	60,574
Slovakian Open – Table Tennis (Fa40), Slovakia	-	86,901
2nd French Open- Table Tennis (Fa20), France	-	55,226
2nd APC Tenpin Bowling Championships 2012, Taipei	-	48,542
IBSA Tenpin Bowling Open Asian Championships 2012, Korea	-	100,112
2012 IWAS Wheelchair Fencing World Cup, Italy	-	304,008
2012 IWAS Wheelchair Fencing World Cup , Poland	-	317,849
IWAS Hong Kong Jockey Club Wheelchair Fencing World Cup 2012, Hong Kong	-	1,487,718
20th Quadrangular Meet, Guangzhou, China	-	25,125
第二期國家殘疾人體育健身指導員師資培訓班, 中國北京	-	16,758
IWAS Wheelchair Fencing Classifiers Training Seminar, Italy	-	1,176
	<u>5,339,129</u>	<u>4,947,708</u>

(a) Sponsorship received from LCSD Extra Savings accrued in subvention years 2008-09 and 2009-10(partial)

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

7. Expenditure on Hong Kong Competitions

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
HK Annual Archery Championships for the Disabled	17,252	14,344
HK Annual Athletics Championships for the Disabled	39,980	36,807
HK Annual Badminton Championships for the Disabled	11,818	6,611
HK Annual Boccia Championships for the Disabled	16,902	21,962
HK Annual Judo Championships for the Disabled	-	1,742
HK Annual Lawn Bowls Championships for the Disabled	14,754	4,707
HK Annual Swimming Championships for the Disabled	5,997	8,223
HK Annual Table Tennis Championships for the Disabled	8,530	12,453
HK Annual Wheelchair Fencing Championships for the Disabled	9,683	7,276
	<u>124,916</u>	<u>114,125</u>

8. Expenditure on Training Programmes, Continuous Activities and Special Programmes

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Social Welfare Department – Hong Kong Paralympians Fund		
-Grants for Subsistence to Athletes	600,408	726,348
-Training Programmes	471,993	557,596
ASDF-Striving for Excellence Programme	1,426,623	1,571,195
HKSIL Elite Training Programme	1,525,140	1,361,901
LCSD Mass Participation Training Course	1,451,735	1,342,497
LCSD Feeder Programme Training Scheme	279,604	748,290
National Squad Training	974,733	910,777
Development Programme	454,521	471,597
Year Round Programme	132,769	135,099
Wheelchair Fencing Development Programme	143,424	632,882
Wheelchair Basketball Training Programme	250,793	-
2012 Para Games Preparation Fund	-	456,083
Thanks Coach Scheme	10,121	20,058
Coaching Seminar	38,197	-
Staff Retreat	91,370	86,488
Spring Dinner	86,278	65,770
Audit fee for LCSD Annual Accounts	50,000	50,000
Athletes Licence Fee	6,018	1,366
Purchase of Wheelchairs	-	362,194
Underprovision of Programme	32,840	99,779
	<u>8,026,567</u>	<u>9,599,920</u>

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

9. Administration and General Costs

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Auditor's Remuneration	16,200	16,200
Contribution to Mandatory Provident Fund	192,588	179,701
Depreciation	38,895	29,284
Electricity, Telephone and Water	75,001	91,794
Equipment Consumables and Maintenance	49,196	48,995
Improvement Works for Secretariat Office	-	51,643
IT Support Expenses	66,130	62,380
Newsletters	15,000	49,331
Other Expenses	70,319	70,089
Professional Fees	700	700
Promotion of Activities	84,160	67,600
Provision for Gratuity	-	31,308
Provision for Long Service Payments	-	6,583
Rent, Rates and Insurance	531,666	495,447
Salaries	3,376,143	2,919,373
Stationery, Printing and Postage	145,070	141,906
Subscriptions	69,328	70,322
Social Welfare Development Fund	53,657	75,510
Social Welfare Department - Block Grant	3,318	-
Travelling and Liaison Expenses	114,735	108,290
Van Running Expenses	197,717	184,223
Issue of 40th Anniversary Octopus Cards/ Souvenirs	-	552,840
Procurement of Computer Equipment and Software	-	52,512
Revamping Website	101,773	-
Fund Raising Campaign	224,676	-
Underprovision in prior year	168,597	-
	<u>5,594,689</u>	<u>5,306,031</u>

10. Taxation

The Association is exempt from profits tax under the provisions of Section 88 of Hong Kong Inland Revenue Ordinance.

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

11. Executive Committee Members’ Remuneration

Executive committee members’ remuneration disclosed pursuant to Section 78 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622) with reference to Section 161 of the Hong Kong Companies Ordinance (Cap. 32) is as follows:

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Executive committee members’ fees	-	-
Salaries, allowances and benefits in kind	-	-
Discretionary bonuses	-	-
Retirement scheme contributions	-	-
	<hr/>	<hr/>

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”)香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

12. Property, Plant and Equipment

	<u>Leasehold improvements</u> <u>HK\$</u>	<u>Furniture and fittings</u> <u>HK\$</u>	<u>Equipment</u> <u>HK\$</u>	<u>Motor vehicles</u> <u>HK\$</u>	<u>Total</u> <u>HK\$</u>
Cost					
At 1/4/2013	187,853	33,526	130,790	971,927	1,324,096
Additions during the year	-	-	328,494	-	328,494
Grant applied against cost of property, plant and equipment	-	-	(292,166)	-	(292,166)
Disposal during the year	-	(33,468)	(1,019)	(7,010)	(41,497)
At 31/3/2014	<u>187,853</u>	<u>-</u>	<u>166,099</u>	<u>964,917</u>	<u>1,318,927</u>
Accumulated Depreciation and Impairment Losses					
At 1/4/2013	(187,852)	(33,468)	(61,503)	(971,925)	(1,254,748)
Charge for the year	-	-	(38,895)	-	(38,895)
Written back	-	33,468	1,019	7,010	41,497
At 31/3/2014	<u>(187,852)</u>	<u>-</u>	<u>(99,379)</u>	<u>(964,915)</u>	<u>(1,252,146)</u>
Net Book Value					
As at 31/3/2014	<u>1</u>	<u>58</u>	<u>66,720</u>	<u>2</u>	<u>66,781</u>

	<u>Leasehold improvements</u> <u>HK\$</u>	<u>Furniture and fittings</u> <u>HK\$</u>	<u>Equipment</u> <u>HK\$</u>	<u>Motor vehicles</u> <u>HK\$</u>	<u>Total</u> <u>HK\$</u>
Cost					
At 1/4/2012	187,853	33,526	116,755	971,927	1,310,061
Additions during the Year	-	-	550,866	-	550,866
Grants applied against cost of property, plant and equipment	-	-	(536,831)	-	(536,831)
At 31/3/2013	<u>187,853</u>	<u>33,526</u>	<u>130,790</u>	<u>971,927</u>	<u>1,324,096</u>
Accumulated Depreciation and Impairment Losses					
At 1/4/2012	(187,852)	(33,468)	(32,219)	(971,925)	(1,225,464)
Charge for the year	-	-	(29,284)	-	(29,284)
At 31/3/2013	<u>(187,852)</u>	<u>(33,468)</u>	<u>(61,503)</u>	<u>(971,925)</u>	<u>(1,254,748)</u>
Net Book Value					
As at 31/3/2013	<u>1</u>	<u>58</u>	<u>69,287</u>	<u>2</u>	<u>69,348</u>

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

13. Other Non-Current Financial Assets

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Held-to-maturity debt securities	4,304,644	5,133,415

The held-to-maturity debt securities are of United States dollars (“USD”) 300,000 face value with maturity in November 2014 and USD240,000 face value with maturity in April 2015.

14. Inventories

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Ties	11,605	11,935
Uniforms	28,600	12,190
	<u>40,205</u>	<u>24,125</u>

15. Receivables

All the receivables are expected to be recovered or recognised as an expense within one year.

At 31 March 2014 and 2013, none of the Association’s receivables were individually or collectively determined to be impaired. The Association does not hold any collateral over these balances.

16. Cash and Cash Equivalents

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Deposits with banks	7,033,413	4,586,688
Cash at bank and in hand	6,503,581	3,456,227
Cash and cash equivalents in the statements of financial position	13,536,994	8,042,915
<u>Less:</u> Deposits with banks with maturity more than 3 months at acquisition	<u>(7,033,413)</u>	<u>-</u>
Cash and cash equivalents in the statement of cash flow	<u>6,503,581</u>	<u>8,042,915</u>

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

16. Cash and Cash Equivalents (cont'd)

Included in cash and deposits with banks are the following amounts denominated in currencies other than the Association's functional currency:

	<u>2014</u>	<u>2013</u>
Great Britain Pounds (“GBP”)	GBP 17,370	GBP 24,761
Australian Dollars (“AUD”)	AUD 404	AUD 1,199
Euro (“EUR”)	EUR 61,923	EUR 50,690
United States Dollars (“USD”)	USD 66,616	USD 628,826
Renminbi (“RMB”)	RMB 5,668,868	RMB 36,612
Canadian Dollars (“CAD”)	CAD 9	CAD 9
Singapore Dollars (“SGD”)	SGD 52	SGD 42
Thai Baht (“THB”)	THB 8,851	THB 6,280

17. Accounts and Other Payables

All the accounts and other payables are expected to be settled within one year.

18. Receipts in Advance

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Membership Fee	200	-
LCSD Block Grant Reserve	1,320,503	1,379,994
LCSD office expenses additional funding	-	100,000
ASDF - Preparation Fund for Asian Para Games	1,012,382	-
ASDF - Striving for Excellence Programme	373,333	-
ASDF - London 2012 Para Games	-	588,833
Social Welfare Development Fund -Phase I	243,805	243,805
-Phase II	144,973	-
Social Welfare Department - Block Grant	24,862	-
Donation from Kingston International School for IWAS Wheelchair Fencing, Grand Prix, HK 2014 (Note 2(a))	500,000	-
	<u>3,620,058</u>	<u>2,312,632</u>

19. Athletes Training Reserve

Athletes training reserve is set up specifically for sponsoring expenses for the training of athletes.

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”)香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

20. Paralympic Games Reserve

Paralympic games reserve is set up specifically for financing paralympic events in the future.

21. Capital Reserve

Capital reserve is set up specifically for financing the Association’s capital expenditure. Such reserve was funded by surplus for the year.

22. Capital Management

The Association’s primary objectives when managing capital are to safeguard the Association’s ability to continue as a going concern. The Association defines “capital” as including all components of reserves.

The Association’s capital structure is regularly reviewed by executive committee members.

Adjustments are made to the capital structure in light of changes in economic conditions affecting the Association, to the extent that these do not conflict with the executive committee members’ duties towards the Association.

There has been no change in the Association’s capital management practices as compared with those of prior years and the Association is not subject to any externally imposed capital requirements.

23. Financial Risk Management and Fair Values of Financial Instruments

Exposure to financial risks arises in the normal course of the Association’s activities. These risks and the financial risk management policies and practices used by the Association to manage these risks are described below.

a) *Credit risk*

The Association’s credit risk is primarily attributable to deposits and payments in advance, cash and deposits with banks and listed debt instruments. The Association has a credit policy in place and the exposures to credit risks are monitored on an ongoing basis. The Association’s cash and deposits with banks are placed with major financial institutions. Investments in listed debt securities are with counterparties with sound credit standing. Given the high credit standing, management does not expect the counterparty to fail to meet its obligations.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance. The Association does not provide any guarantees which would expose the Association to credit risk.

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

23. Financial Risk Management and Fair Values of Financial Instruments (cont'd)

b) *Liquidity risk*

The Association's policy to regularly monitor its current and expected liability requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The earliest settlement dates of the Association's financial liabilities at the reporting date are all within one year or on demand and the contractual amounts of the financial liabilities are all equal to their carrying amounts.

c) *Foreign currency risk*

Apart from certain deposits with banks and investments in debt securities which are denominated in GBP, AUD, EUR, CAD, SGD, THB, USD and RMB as disclosed in notes 13 and 16, the Association has no significant exposure to foreign currency risk as the Association's transactions are denominated in Hong Kong dollars. As the Hong Kong dollar is pegged to the USD, the Association considers the risk of movements in exchange rates between the Hong Kong dollars and the USD to be insignificant. The Association ensures that the exposure for other currencies is kept at an acceptable level.

i) Exposure to currency risk

The following table details the Association's exposure at the reporting date to currency risk arising from recognised assets denominated in a currency other than the Association's functional currency of Hong Kong dollars. For presentation purposes, the amounts of the exposure are expressed in Hong Kong dollars.

HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED
("The Association") 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

23. Financial Risk Management and Fair Values of Financial Instruments (cont'd)

c) Foreign currency risk (cont'd)

i) Exposure to currency risk (cont'd)

	2014					
	USD	GBP	AUD	EUR	RMB	THB
Other non-current financial assets	4,304,644	-	-	-	-	-
Deposit with banks	-	-	-	-	7,033,413	-
Cash and Cash equivalents	515,963	224,241	2,895	660,610	85,891	320
Net exposure to currency risk	4,820,607	224,241	2,895	660,610	7,119,304	2,116

	2013					
	USD	GBP	AUD	EUR	RMB	THB
Other non-current financial assets	4,327,890	-	-	-	805,526	-
Cash and Cash equivalents	4,886,173	291,113	9,713	503,735	45,448	1,666
Net exposure to currency risk	9,214,063	291,113	9,713	503,735	850,974	1,666

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

23. Financial Risk Management and Fair Values of Financial Instruments (cont'd)

c) Foreign currency risk (cont'd)

ii) Sensitivity analysis

The following table indicates the instantaneous change on the Association's surplus and general fund that would arise if foreign exchange rates to which the Association has significant exposure at the reporting date had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the HK\$ and the USD would be materially unaffected by any changes in movement in value of the USD against other currencies.

	<u>2014</u>		<u>2013</u>	
	Increase/ (decrease) in foreign exchange rates	Effect on surplus and general fund	Increase/ (decrease) in foreign exchange rates	Effect on surplus and general fund
AUD	5%	145	5%	486
	(5%)	(145)	(5%)	(486)
EUR	5%	33,031	5%	25,187
	(5%)	(33,031)	(5%)	(25,187)
RMB	5%	355,965	5%	42,549
	(5%)	(355,965)	(5%)	(42,549)
CAD	5%	3	5%	3
	(5%)	(3)	(5%)	(3)
SGD	5%	16	5%	13
	(5%)	(16)	(5%)	(13)
THB	5%	106	5%	83
	(5%)	(106)	(5%)	(83)
GBP	5%	11,212	5%	14,556
	(5%)	(11,212)	(5%)	(14,556)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments which expose the Association to foreign currency risk at the reporting date. The analysis is performed on the same basis for 2013.

d) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2014 and 2013 due to the short-term maturities of these assets and liabilities.

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”) 香港殘疾人奧委會暨傷殘人士體育協會
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

24. Operating Lease Commitment

At 31 March 2014, the total future minimum lease payments under non-cancellable operating leases in respect of rented premises are payable as follows:

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Within one year	<u>48,300</u>	<u>93,685</u>

The Association is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of three years, at the end of which period all terms are renegotiated. None of the leases includes contingent rentals.

25. Limitation of Liability

Under the provisions of the Association’s memorandum of association, every member of the Association shall, in the event of winding up, be responsible for the debts and liabilities of the Association to the extent of HK\$100 per member.

26. Possible Impact of Amendments, New Standards and Interpretations Issued but Not Yet Effective for the Year Ended 31 March 2014

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2014 and which have not been adopted in these financial statements.

The Association as a charitable organisation is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Association’s results of operations and financial position.

In addition, the requirements of Part 9, “Accounts and Audit”, of the new Hong Kong Companies Ordinance (Cap. 622) come into operation from the Association’s first financial year commencing after 3 March 2014 (i.e. the Association’s financial year which began on 1 April 2014) in accordance with section 358 of that Ordinance. The Association is in the process of making an assessment of the expected impact of the changes in the Companies Ordinance on the financial statements in the period of initial application of Part 9. So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the financial statements.

27. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year’s presentation.

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”)香港殘疾人奧委會暨傷殘人士體育協會
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014
(For management information purpose only)

Subventions from Hong Kong Sports Institute Limited (“HKSIL”)/Hong Kong Coaching Committee (“HKCC”)

Events:	HKSIL/HKCC <u>subvention</u> <u>HK\$</u>	Actual <u>expenditure</u> <u>HK\$</u>
I) 2013 年香港週年教練研討會 - 回顧倫敦，展望里約熱內盧	37,850.00	38,197.30
II) Thanks Coach Scheme	10,000.00	10,121.00
III) Elite Training Programme for Athletes with Disabilities	1,500,000.00	1,525,140.20

I) **2013 年香港週年教練研討會**
-回顧倫敦，展望里約熱內盧
(Subvented by Hong Kong Coaching Committee)

<u>Expenses Item</u>	Actual <u>expenditure</u> <u>HK\$</u>
1) Venue fee and lunch fee	36,000.00
2) Banner	750.00
3) Printing and stationery	1,147.30
4) Souvenir	300.00
	<u>38,197.30</u>
<u>Less:</u> Non-eligible items/ excess over eligible amount Printing & Stationery (\$800.00 – \$1,147.30)	<u>(347.30)</u>
	37,850.00
HKCC subvention	<u>(37,850.00)</u>
Surplus / (Deficit)	<u>-</u>

II) **Thanks Coach Scheme**
(Subvented by Hong Kong Coaching Committee)

<u>Expenses Item</u>	
1) Catering cost for coaches	10,121.00
HKCC subvention	<u>(10,000.00)</u>
Surplus / (Deficit)	<u>(121.00)</u>

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED
("The Association") 香港殘疾人奧委會暨傷殘人士體育協會
DETAILED INCOME AND EXPENDITURE ACCOUNT (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2014
(For management information purpose only)**

Subventions from Hong Kong Sports Institute Limited ("HKSIL")/Hong Kong Coaching Committee ("HKCC") (Cont'd)

**III) Elite Training Programme for Athletes with Disabilities
(Subvented by Hong Kong Sports, Institute Limited)**

Expenses Item

1) Scholarship Athletes Expenses	64,665.00
2) Remuneration for Full Time Wheelchair Fencing Coaches	865,675.45
3) Remuneration for Full Time Table Tennis Coach	333,481.42
4) Purchase of Training Equipment	94,461.92
5) Table Tennis Intensive Training in Xian, China	55,328.83
6) Table Tennis Intensive Training in Shangdong, China	26,449.80
7) Boccia Intensive Training in Guangzhou, China	85,077.78
	<hr/> 1,525,140.20
HKSIL subvention	(1,500,000.00)
Surplus / (Deficit)	<hr/> (25,140.20) <hr/>

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED**
(“The Association”)香港殘疾人奧委會暨傷殘人士體育協會
DETAILED INCOME AND EXPENDITURE ACCOUNT (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2014
(For management information purpose only)

Hong Kong Paralympians Fund

	2014		2013	
	HK\$	HK\$	HK\$	HK\$
I) Subvention received for programme expenses				
1) Athletics Programme	60,000		-	
2) Badminton Programme	60,000		40,000	
3) Boccia Programme	80,123		94,000	
4) Lawn Bowl Programme	60,000		-	
5) Shooting Programme	-		40,000	
6) Table Tennis Programme	147,200		128,000	
7) Wheelchair Fencing Programme	-		40,000	
		407,323		342,000
Expenditure items				
1) Coaches fee				
- Athletics Programme	64,640		-	
- Badminton Programme	60,880		55,320	
- Boccia Programme	87,400		103,526	
- Lawn Bowl Programme	89,076		-	
- Shooting Programme	-		49,040	
- Table Tennis Programme	148,350		129,400	
- Wheelchair Fencing Programme	-		100,200	
	450,346		437,486	
2) Venue Hiring				
- Badminton Programme	8,319		1,416	
- Boccia Programme	13,328		12,316	
	21,647		13,732	
3) Transportation Expenses				
- Boccia Programme	-		95,108	
- Shooting Programme	-		4,130	
- Table Tennis Programme	-		7,140	
	-		106,378	

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED
("The Association") 香港殘疾人奧委會暨傷殘人士體育協會
DETAILED INCOME AND EXPENDITURE ACCOUNT (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2014
(For management information purpose only)**

Hong Kong Paralympians Fund (cont'd)

	2014		2013	
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
I) Subvention received for programme expenses (cont'd)				
Total expenditure for the year		(471,993)		(557,596)
(Over-spent) balance		(64,670)		(215,596)
Unspent balance brought forward		-		-
Expenses absorbed by the Association		64,670		215,596
Unspent balance refundable to SWD		<u>-</u>		<u>-</u>
II) Subvention grant received to athletes (Subsistence Grants to Athletes)		600,408		726,348
Subsistence grant dispatched to athletes		(600,408)		(726,348)
Unspent balance refundable to SWD		<u>-</u>		<u>-</u>