

HONG KONG BLIND SPORTS FEDERATION
(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY BY GUARANTEE)

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

溫漢球會計師事務所
H K WAN CPA & CO

CERTIFIED PUBLIC ACCOUNTANTS

Audit and assurance, and taxation

HONG KONG BLIND SPORTS FEDERATION

(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY BY GUARANTEE)

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HONG KONG BLIND SPORTS FEDERATION
(incorporated in Hong Kong with limited liability by guarantee)

Opinion

We have audited the financial statements of Hong Kong Blind Sports Federation ("the Federation") set out on pages 4 to 14, which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and 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 2022, and of its financial performance and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standard for Private Entities 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 Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Councillors and Those Charged with Governance for the Financial Statements

The councillors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance and for such internal control as the councillors 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 councillors are responsible for assessing the Federation'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 councillors either intend to liquidate the Federation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Federation's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HONG KONG BLIND SPORTS FEDERATION
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Auditor's Responsibility for the Audit of 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. 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:

- 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 Federation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the councillors.
- Conclude on the appropriateness of the councillors' 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 Federation'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 Federation 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HONG KONG BLIND SPORTS FEDERATION
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Auditor's Responsibility for the Audit of Financial Statements (continued)

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.

H K Wan CPA & Co
Certified Public Accountants
Hong Kong,

HONG KONG BLIND SPORTS FEDERATION

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2022

	<i>Note</i>	2022 HK\$	2021 HK\$
Revenue	4	2,533,877	2,053,371
Activity expenses		(1,517,984)	(1,193,847)
Gross profit		1,015,893	859,524
Other income	5	1,030,414	1,059,627
Administrative expenses		(1,764,930)	(1,685,031)
Surplus before tax	6	281,377	234,120
Income tax expense	7	-	-
Surplus for the year		281,377	234,120
Other comprehensive surplus		-	-
Total comprehensive surplus		281,377	234,120

The annexed notes form an integral part of these financial statements.

HONG KONG BLIND SPORTS FEDERATION

STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

		2022 HK\$	2021 HK\$
	<i>Note</i>		
Non-current asset			
Property, plant and equipment	9	<u>47,366</u>	<u>50,956</u>
Current assets			
Account receivables and prepayment		908,104	502,821
Cash and cash equivalents	10	<u>2,345,432</u>	<u>2,900,248</u>
		<u>3,253,536</u>	<u>3,403,069</u>
Current liabilities			
Accrual and other payables		39,501	253,236
Received in advance		<u>437,000</u>	<u>657,765</u>
		<u>476,501</u>	<u>911,001</u>
Net current assets		<u>2,777,035</u>	<u>2,492,068</u>
Net assets		<u>2,824,401</u>	<u>2,543,024</u>
Equity			
Designated fund	11	560,000	560,000
Accumulated fund		<u>2,264,401</u>	<u>1,983,024</u>
		<u>2,824,401</u>	<u>2,543,024</u>

Approved and authorised for issue by the Councillors

.....
Ngan Chi Wing

.....
Leung Yuet Ming

The annexed notes form an integral part of these financial statements.

HONG KONG BLIND SPORTS FEDERATION

STATEMENT OF CHANGES IN ACCUMULATED FUND

For the year ended 31 March 2022

	<i>Designated fund HK\$</i>	<i>Accumulated fund HK\$</i>	<i>Total HK\$</i>
At 1 April 2020	560,000	1,748,904	2,308,904
Total comprehensive surplus for the year	<u>-</u>	<u>234,120</u>	<u>234,120</u>
At 31 March 2021 and 1 April 2021	560,000	1,983,024	2,543,024
Total comprehensive surplus for the year	<u>-</u>	<u>281,377</u>	<u>281,377</u>
At 31 March 2022	<u>560,000</u>	<u>2,264,401</u>	<u>2,824,401</u>

The annexed notes form an integral part of these financial statements.

HONG KONG BLIND SPORTS FEDERATION

STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

		2022 HK\$	2021 HK\$
	<i>Note</i>		
Operating activities			
Surplus before tax		281,377	234,120
Adjustment for:			
- Bank interest income		(4)	(3)
- Depreciation of property, plant and equipment	6	20,950	17,478
Operating surplus before changes in working capital		302,323	251,595
Increase in account receivables and prepayment		(405,283)	(9,007)
(Decrease)/increase in accruals and other payables		(213,735)	243,236
(Decrease)/increase in received in advance		(220,765)	150,988
Cash (used in)/generated from operations		(537,460)	636,812
Bank interest received		4	3
Net cash (used in)/generated from operating activities		(537,456)	636,815
Investing activities			
Payment for the purchase of equipment		(17,360)	-
Net cash used in investing activities		(17,360)	-
Net (decrease)/increase in cash and cash equivalents		(554,816)	636,815
Cash and cash equivalents at 1 April	10	2,900,248	2,263,433
Cash and cash equivalents at 31 March	10	2,345,432	2,900,248

The annexed notes form an integral part of these financial statements.

HONG KONG BLIND SPORTS FEDERATION

ACCOUNTING POLICIES AND EXPLANATORY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. General information

Hong Kong Blind Sports Federation (the Federation) is the federation incorporated in Hong Kong. The address of its registered office and principal place of business is 10/F, Block A3, Yee Lim Industrial Centre, 2-28 Kwai Lok Street, Kwai Chung, New Territories, Hong Kong. The Federation's principal activities is to raise awareness of sports practice for people with visual impairment so as to achieve their best possible integration and contribute to the development of sport opportunities for them. There are three classes of members in the Federation, namely, individual members, associate member and honorary members. Except honorary members, every member shall have 1 vote. Every member of the Federation undertakes to contribute to the assets of the Federation, not exceeding the sum of Ten Hong Kong Dollars.

2. Basis of preparation and accounting policies

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.

Revenue recognition

Revenue is recognised in profit or loss provided it is probable that the economic benefits will flow to the Federation and the revenue and costs, if applicable, can be measured reliably, as follows:

(a) Activities income

Revenue from activities is recognized when the amounts had been received and the activities completed.

(b) Rental income

Rental income from operating leases is recognized in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the user's benefit.

(c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(d) Donations receive

Revenue arising from various donations is recognized when a donation is received.

HONG KONG BLIND SPORTS FEDERATION

ACCOUNTING POLICIES AND EXPLANATORY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

2. Basis of preparation and accounting policies (continued)

Revenue recognition (continued)

(e) Membership fee received

Revenue arising from membership is recognized when the fee is received.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. Assets held under finance leases, for which there is no reasonable certainty that the Federation will obtain ownership at the end of the lease term, are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the terms of the relevant lease. The following annual rates are used for the depreciation of property, plant and equipment:

Fixtures and equipment	20%
Computer equipment	20%

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

HONG KONG BLIND SPORTS FEDERATION

ACCOUNTING POLICIES AND EXPLANATORY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

2. Basis of preparation and accounting policies (continued)

Impairment of non-financial assets, other than inventories

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

Judgements

Significant estimates and assumptions concerning the future may be required in selecting and applying accounting methods and policies in these financial statements. The following is a review of the more significant estimates and assumptions used in the preparation of these financial statements.

HONG KONG BLIND SPORTS FEDERATION

ACCOUNTING POLICIES AND EXPLANATORY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. Key sources of estimation uncertainty

Depreciation

The Federation depreciates the property, plant and equipment in accordance with the accounting policies stated in note 2. The estimated useful lives reflect the councillors estimate of the periods that the Federation intends to derive future economic benefits from the use of these assets.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of property, plant and equipment

Items of property, plant and equipment are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value-in-use calculation requires the Federation to estimate the future cash flows expected to arise from the relevant cash-generating unit and a suitable discount rate is used in order to calculate the present value.

4. Revenue

Revenue, which is also the Federation's turnover, represents enrolment fees and sponsorship received from the activities during the year.

	<i>2022</i>	<i>2021</i>
	<i>HK\$</i>	<i>HK\$</i>
Activities income	<u><u>2,533,877</u></u>	<u><u>2,053,371</u></u>

HONG KONG BLIND SPORTS FEDERATION

ACCOUNTING POLICIES AND EXPLANATORY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

5. Other income

	<i>2022</i>	<i>2021</i>
	<i>HK\$</i>	<i>HK\$</i>
Bank interest income	4	3
Donation received	584,703	582,000
Government grant	-	202,254
Labour and welfare Bureau Fund	24,443	850
Membership fees received	11,520	14,520
Rental income	60,000	60,000
Service fee income	24,744	-
SWD Partnership Fund for the Disadvantaged	325,000	200,000
	<u>1,030,414</u>	<u>1,059,627</u>

6. Surplus before tax

The following items have been recognised as expenses in determining surplus before tax:

	<i>2022</i>	<i>2021</i>
	<i>HK\$</i>	<i>HK\$</i>
Auditor's remuneration	12,000	11,000
Depreciation of property, plant and equipment	20,950	17,478
Operating lease charges on property rental	240,000	240,000
Staff costs	1,323,720	1,299,358
Comprising:		
- Mandatory Provident Fund contributions	46,378	48,081
- Salaries, wages and other benefits	1,277,342	1,251,277

7. Income tax expense

No provision for Hong Kong profits tax has been made as the Federation is exempted under Section 88 of the Hong Kong Inland Revenue Ordinance.

HONG KONG BLIND SPORTS FEDERATION

ACCOUNTING POLICIES AND EXPLANATORY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

8. Councillors' remuneration

No Councillors' remuneration as defined in section 383(1) of the Companies Ordinance were paid or payable for the both years.

9. Property, plant and equipment

	<i>Computer equipment HK\$</i>
Cost	
At 1 April 2021	87,390
Additions	<u>17,360</u>
At 31 March 2022	<u>104,750</u>
Accumulated depreciation	
At 1 April 2021	36,434
Charge for the year	<u>20,950</u>
At 31 March 2022	<u>57,384</u>
Net carrying amount	
At 31 March 2022	<u><u>47,366</u></u>
At 31 March 2021	<u><u>50,956</u></u>

10. Cash and cash equivalents

	<i>2022 HK\$</i>	<i>2021 HK\$</i>
Cash at bank and on hand	<u><u>2,345,432</u></u>	<u><u>2,900,248</u></u>

11. Designated fund

The contributions to designated fund are for the purchase of the Federation's office premises.

HONG KONG BLIND SPORTS FEDERATION

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2022

12. Commitments under operating leases

At the year-end, the Federation had outstanding commitment under non-cancellable operating lease that fall due as follows:

	<i>2022</i> <i>HK\$</i>	<i>2021</i> <i>HK\$</i>
Within one year	240,000	-
Later than one year but within five years	-	-
	240,000	-

13. Events after the balance sheet date

The outbreak of the COVID-19 pandemic has impacted economic activities worldwide. For the financial year ended 31 March 2022, the impact of COVID-19 have been reflected in this set of financial statements.

As the situation is still evolving and will be affected by the degree to which governments are able to contain the spread of the virus in countries where the Federation operates, the full impact of the COVID-19 pandemic on the Federation's performance for the financial year ending 31 March 2023, could not be reasonably ascertained when this set of financial statements was authorised for issuance.

The Federation is taking steps to proactively manage the businesses and take the necessary actions to ensure that the long-term business prospects of the Federation remain stable.

14. Approval of financial statements

The financial statements were approved and authorised for issue by the Councillors on .

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THE FOLLOWING DETAILED INCOME STATEMENT HAS BEEN PREPARED FOR
MANAGEMENT PURPOSES ONLY AND DOES NOT FORM PART OF THE AUDITED
FINANCIAL STATEMENTS

HONG KONG BLIND SPORTS FEDERATION

DETAILED INCOME STATEMENT

For the year ended 31 March 2022

	<i>Sch</i>	2022 HK\$	2021 HK\$
Revenue			
Activities income		2,533,877	2,053,371
Cost of services			
Activity expenses		<u>1,517,984</u>	<u>1,193,847</u>
Gross profit		<u>1,015,893</u>	<u>859,524</u>
Other income			
Bank interest income		4	3
Donation received		584,703	582,000
Government grant		-	202,254
Labour and welfare Bureau Fund		24,443	850
Membership fees received		11,520	14,520
Rental income		60,000	60,000
Service fee income		24,744	-
SWD Partnership Fund for the Disadvantaged		<u>325,000</u>	<u>200,000</u>
		<u>1,030,414</u>	<u>1,059,627</u>
Administrative expenses	1	<u>(1,764,930)</u>	<u>(1,685,031)</u>
Surplus before tax		<u>281,377</u>	<u>234,120</u>

HONG KONG BLIND SPORTS FEDERATION

DETAILED INCOME STATEMENT

For the year ended 31 March 2022

Administrative expenses

Schedule 1

	2022 HK\$	2021 HK\$
Advertising and promotion	500	400
Auditor's remuneration	12,000	11,000
Bank charges	3,814	3,200
Depreciation of property, plant and equipment	20,950	17,478
Entertainment	7,125	7,850
Insurance	9,289	9,762
Mandatory provident fund contribution	46,378	48,081
Postage and courier	1,095	1,063
Printing and stationery	11,089	11,651
Rent and rates	240,000	240,000
Repair and maintenance	20,403	20,582
Salaries, wages and other benefits	1,277,342	1,251,277
Secretarial and accountancy fee	20,000	22,000
Staff welfare	17,220	-
Subscription and membership fee	4,586	4,440
Sundry expenses	4,727	4,325
Telephone and internet charges	20,860	17,806
Travelling and transportation	47,552	14,116
	<u>1,764,930</u>	<u>1,685,031</u>