

**THE HONG KONG HOCKEY ASSOCIATION**  
**香港曲棍球總會**

**(Limited by guarantee)**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2021**

## THE HONG KONG HOCKEY ASSOCIATION

### COUNCIL MEMBERS' REPORT

The Council Members hereby present their annual report and the audited financial statements of the Association for the year ended 31 March 2021.

#### PRINCIPAL ACTIVITY

The principal activity of the Association is to control, promote and develop hockey at all levels throughout Hong Kong.

#### RESULTS AND STATE OF AFFAIRS

The results of the Association for the year ended 31 March 2021 and the state of affairs of the Association at that date are set out in the annexed financial statements.

#### COUNCIL MEMBERS

The Council Members who held office during the year and up to the date of this report were:

Sarinder Singh Dillon	President
Harcharn Singh Dillon	Vice President
Lam Wai Ling Karina	Vice President
Li Yick Fai Ernest	Hon. Secretary General
Siddick Iqbal Khan	Hon. Treasurer General
Mak Kan Chong	Chairman of Men's Section
Leela Lucette Patel	Chairwoman of Women's Section
Siu Chun Yu Derek	Chairman of Promotion & Development Section
Chan Man Hang Alfred	Chairman of Umpires' Section
Simon William James Shepherdson	Chairman of Veterans' Section

#### INTEREST OF COUNCIL MEMBERS

No contracts of significance to which the Association was a party and in which a Council Member had a material interest subsisted at the end of the year or at any time during the year.

#### AUDITORS

The auditors Messrs Kenneth S.H. Leung & Co., Certified Public Accountants (Practising), now retire and, being eligible, offer themselves for re-appointment.

For and on behalf of the Council



Sarinder Singh Dillon  
President

Hong Kong, 7 July 2021

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE HONG KONG HOCKEY ASSOCIATION  
(incorporated in Hong Kong with limited by guarantee)

### **Opinion**

We have audited the financial statements of The Hong Kong Hockey Association ("the Association") set out on pages 5 to 12, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the 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 Association as at 31 March 2021, 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 Association 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 Council Members are responsible for the other information. The other information comprises the information included in the Council Members' report, 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.

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.

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE HONG KONG HOCKEY ASSOCIATION  
(incorporated in Hong Kong with limited by guarantee) – continued

### **Responsibilities of Council Members and Those Charged with Governance for the Financial Statements**

The Council Members 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 Council Members 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 Council Members are responsible for assessing the Association'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 Council Members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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. The 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 HKSAAs 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 HKSAAs, 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council Members.

**Kenneth S.H. Leung & Co.**  
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)  
梁壽康會計師行

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Nos. 287-289 Reclamation Street, Kowloon, H.K.  
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE HONG KONG HOCKEY ASSOCIATION  
(incorporated in Hong Kong with limited by guarantee) - continued

**Auditor's Responsibilities for the Audit of the Financial Statements - continued**

- Conclude on the appropriateness of the Council 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 Association'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 Association 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.



Kenneth S.H. Leung & Co.  
Certified Public Accountants (Practising)  
Hong Kong, 7 July 2021

THE HONG KONG HOCKEY ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021 HK\$	2020 HK\$
<b>ASSETS</b>			
Current assets			
Accounts receivable		620,387	922,443
Deposits and prepayments		57,570	68,914
Cash and bank balances		<u>9,771,854</u>	<u>7,151,853</u>
		10,449,811	8,143,210
Less: Current liabilities			
Accounts payable and accrued expenses		<u>(3,427,202)</u>	<u>(1,795,977)</u>
Net assets		<u><u>7,022,609</u></u>	<u><u>6,347,233</u></u>
 <b>RESERVES</b>			
General fund		6,268,062	5,581,419
Reserve fund	5	<u>754,547</u>	<u>765,814</u>
		<u><u>7,022,609</u></u>	<u><u>6,347,233</u></u>



Sarinder Singh Dillon  
President



Siddick Iqbal Khan  
Hon. Treasurer General

The annexed notes form part of these financial statements.

THE HONG KONG HOCKEY ASSOCIATION  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021

	2021 HK\$	2020 HK\$
Revenue		
Fee from Clubs	717,363	1,658,354
Fee from promotion and development programmes	170,344	524,484
Subvention Income	4,239,645	5,452,431
Other income	17,943	59,700
	<u>5,145,295</u>	<u>7,694,969</u>
Less: Sporting expenses		
Local competitions	264,624	284,983
Local International events	-	152,617
Oversea tournaments	-	1,025,132
Squad coach, equipment and training	1,763,866	1,812,668
Promotion and development programmes	423,771	591,714
	<u>2,452,261</u>	<u>3,867,114</u>
	2,693,034	3,827,855
Less: Administrative expenses		
Staff costs	1,349,148	1,101,805
Official training and courses	-	31,382
Other administrative expenses	404,569	647,172
	<u>1,753,717</u>	<u>1,780,359</u>
Surplus for the year	<u><u>939,317</u></u>	<u><u>2,047,496</u></u>

The annexed notes form part of these financial statements.

THE HONG KONG HOCKEY ASSOCIATION

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31 MARCH 2021

	General fund HK\$	Reserve fund HK\$	Total HK\$
Balance at 1.4.2019	3,672,527	765,814	4,438,341
Claw back by LCSD	(138,604)	-	(138,604)
Surplus for the year	<u>2,047,496</u>	<u>-</u>	<u>2,047,496</u>
Balance at 31.3.2020	5,581,419	765,814	6,347,233
Claw back by LCSD	(252,674)	(11,267)	(263,941)
Surplus for the year	<u>939,317</u>	<u>-</u>	<u>939,317</u>
Balance at 31.3.2021	<u><u>6,268,062</u></u>	<u><u>754,547</u></u>	<u><u>7,022,609</u></u>

The annexed notes form part of these financial statements.



THE HONG KONG HOCKEY ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	2021 HK\$	2020 HK\$
Cash flows from operating activities		
Surplus for the year	939,317	2,047,496
Adjustments for:		
Claw back by LCSD	<u>(263,941)</u>	<u>(138,604)</u>
	675,376	1,908,892
Decrease/(Increase) in Accounts receivable	302,056	(160,342)
Decrease/(Increase) in Deposits and prepayments	11,344	(59,314)
Increase in Accounts payable and accrued expenses	1,631,225	1,505,243
Decrease in Deposits and receipts in advance	<u>-</u>	<u>(603,147)</u>
Net cash generated from operating activities as net increase in cash and cash equivalents	2,620,001	2,591,332
Cash and cash equivalents at beginning of year	<u>7,151,853</u>	<u>4,560,521</u>
Cash and cash equivalents at end of year	<u><u>9,771,854</u></u>	<u><u>7,151,853</u></u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	<u><u>9,771,854</u></u>	<u><u>7,151,853</u></u>

The annexed notes form part of these financial statements.

# THE HONG KONG HOCKEY ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Hong Kong Hockey Association is an Association limited by guarantee and not having a share capital, domiciled and incorporated in Hong Kong. Under the provision of the Association's Memorandum of Association, every member shall in the event of the Association being wound up, contribute to the assets of the Association to an amount not exceeding the sum of HK\$100. The address of its registered office and principal place of operation are Administration Block, 1st Floor, King's Park Hockey Ground, 6 Wylie Road, Kowloon, Hong Kong. The principal activity of the Association is to control, promote and develop hockey at all levels throughout Hong Kong.

### 2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The Association's financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards 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 are presented in Hong Kong dollars.

These financial statements comply with all applicable sections of HKFRS for Private Entities and have been prepared under the accrual basis of accounting and on the basis that the Association is a going concern.

The principal accounting policies applied in the preparation of these financial statements are set out in Note 3.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis of preparation

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

#### b. Impairment of assets

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

#### c. Government Grants

The Association receives certain grants towards the costs of running of hockey. Grants for training, tournaments and leagues are recognised once confirmation is received from the grant body that funds will be made available. Grants for fixed assets are shown as deferred income and recognised in the income and expenditure account over the life of the assets.

## THE HONG KONG HOCKEY ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS - continued

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

##### d. Revenue recognition

- i) Subventions from the Government are recorded in the accounting year when they are granted.
- ii) Affiliation fees, administrative fee and other sporting fees are recognised on the receipt of registration forms from clubs and players.
- iii) Interest income is recognized on a time proportion basis taking into account the principal outstanding and the interest applicable.

##### e. Sporting and administration expenses

The Leisure and Cultural Services Department (“LCSD”) subvents certain costs of the administration of the Association and the management and running of the national teams and training programmes.

Subventions for office expenses, staff costs and certain official events attended by officers of the Association are recognised once approval for these costs has been received

Subventions for specific tournaments, tours or training programmes generally relate to the national squads or the operation of the various leagues, tournaments and training programmes.

##### f. Account and other receivables

Account and other receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of account and other receivables is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables.

##### g. Account and other payables

Account and other payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

##### h. Related parties

For the purpose of these financial statements, a party is considered to be related to the Association if:

- i. the party has the ability, directly or indirectly through one or more intermediaries, to control the Association or exercise significant influence over the Association in making financial and operating policy decisions, or has joint control over the Association;
- ii. the Association and the party are subject to common control;
- iii. the party is an associate of the Association or a joint venture in which the Association is a venturer;
- iv. the party is a member of key management personnel of the Association or the Association is a parent, or close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- v. the party is a close family member of a party referred to in (i.) or is an entity under the control, joint control or significant influence of such individuals; or
- vi. the party is a post-employment benefit plan which is for the benefit of employees of the Association or of any entity that is a related party of the Association.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

## THE HONG KONG HOCKEY ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS – continued

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

##### i. Provisions and contingent liabilities

Provisions are recognized for 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 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 probable of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liability unless the probability of outflow of economic benefits is remote.

##### j. Cash and cash equivalents

Cash and cash equivalents represent short-term and highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from the date of advance.

#### 4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Estimate of fair value of current assets and liabilities

The fair value of the current assets and liabilities are assumed to approximate their carrying amounts because of the nature of their short-term maturity.

#### 5. RESERVE FUND

Under the terms of the subvention agreement with LCSD, any savings made as a result of genuine cost reduction within a programme or specific category of subvention may be retained after examination by the LCSD on the annual audited accounts on the subvention. Approval from LCSD is required for use of the Reserve fund. There is a permissible ceiling which equals 25% of the annual subvention as Reserve fund retained by the Association.

#### 6. EMOLUMENTS OF COUNCIL MEMBERS

Emoluments of the Council members disclosed pursuant to the Companies Ordinance for the year was nil.

#### 7. INCOME TAX EXPENSE

No taxation was provided as the Association is not carrying on business and the income of the Association is mainly derived from member clubs and the Government subventions.

THE HONG KONG HOCKEY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS – continued

8. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key sources of estimation of uncertainty of the Association are as follows:

Impairment of assets

Internal and external sources of information are reviewed by the Association at each date of statement of financial position to assess whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine impairment losses on the asset. Changes in facts and circumstances may result in revisions to the conclusions of whether an indication of impairment exists and revised estimates of recoverable amounts, which would affect profit or loss in future years.

9. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized to issue by the Council on 7 July 2021.