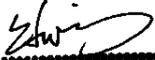




Adventure-Ship Limited

31 March 2020

This is a certified true copy


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Edwin Cheung
General Secretary
Adventure-Ship Ltd 



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Directors' Report

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 March 2020.

Incorporation details

Adventure-Ship Limited ("the Society") was incorporated on 26 October 1977 under the Hong Kong Companies Ordinance as a private company limited by guarantee and therefore does not have any share capital. The details of the liability of its members and principal place of business are set out in note 1 to the financial statements.

Principal activity

The principal activity of the Society is to advance the education of young people and others in Hong Kong by providing sea adventures for those who would not otherwise have such opportunity.

Funds

Details of movements in funds of the Society are set out in note 12 to the financial statements.

Directors

The directors during the financial year and up to the date of this report were:

Ir. Dr. David Ho Chi Shing, Chairman
Mr. Daniel Yau Chi Choi, Vice-Chairman
Mr. Christopher Julian Pooley, Vice-Chairman
Mr. Terence Cheung Chi Ming (Resigned on 1 July 2019)
Ms. Patricia Yeung Pik Wah
Ir. Prof. Steve Wong Siu Fai
Mr. Andrew Chan Weng Yew
Mr. Philip Wong Kin Chung
Mr. Martin Andrew Cresswell
Capt. Wu Ka Shun

In accordance with Article 35 of the Society's Articles of Association, Messrs. David Ho Chi Shing, Steve Wong Siu Fai and Patricia Yeung Pik Wah will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

At no time during the year was the Society a party to any arrangement to enable the directors of the Society to acquire benefits by means of the acquisition of shares in or debentures of the Society or any other body corporate.

Directors' interests in transactions, arrangements or contracts

No contract of significance to which the Society was a party, and in which a director of the Society had a material interest, subsisted at the end of the year or at any time during the year.

Auditor

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as honorary auditors of the Society is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



David Ho Chi Shing

Chairman

Hong Kong, 13 JAN 2021



Independent auditor's report to the members of Adventure-Ship Limited

(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Adventure-Ship Limited ("the Society") set out on pages 6 to 21, which comprise the statement of financial position as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in funds and cash flow statement 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 Society as at 31 March 2020 and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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 ("HKSAAs") 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 Society in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than 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 Adventure-Ship Limited (continued)

(Incorporated in Hong Kong and limited by guarantee)

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Society'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 directors either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 judgement and maintain professional scepticism 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 Society's internal control.



Independent auditor's report to the members of Adventure-Ship Limited (continued)

(Incorporated in Hong Kong and limited by guarantee)

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Society'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 Society 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 the directors 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.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

13 JAN 2021

Statement of profit or loss and other comprehensive income for the year ended 31 March 2020

(Expressed in Hong Kong dollars)

	Note	2020 \$	2019 \$
Revenue			
Trip fees		1,770,970	2,049,835
Donations		17,604	12,900
Grants and subventions	3	6,810,835	5,395,142
Bank interest income		62,260	69,414
Sundry income		676,259	15,128
		9,337,928	7,542,419
Expenditure			
Accountancy fee		65,200	74,100
Depreciation	6	1,139,084	1,133,457
Drydocking expenses		1,422,963	1,086,921
Fuel		229,298	408,691
Insurance		348,219	265,790
License fee		23,894	25,599
Local travelling and transportation		38,985	39,979
Mooring fees		28,200	28,200
Postage		2,023	4,245
Printing and stationery		19,038	13,233
Program expenses		265,939	141,066
Repairs and maintenance		1,365,134	390,023
Salaries, wages and allowances		4,418,796	3,805,276
Staff education		9,039	14,170
Staff provident fund		186,817	165,305
Sundry expenses		69,416	88,229
Supplies for office and ship		18,006	10,488
Telephone expenses		12,648	12,822
Water and electricity		19,844	22,368
		9,682,543	7,729,962
Deficit and total comprehensive income for the year		(344,615)	(187,543)

The notes on pages 12 to 21 form part of these financial statements.

0105

Statement of financial position at 31 March 2020

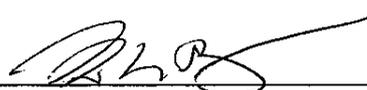
(Expressed in Hong Kong dollars)

	Note	2020 \$	2019 \$
Non-current assets			
Property, plant and equipment	6	6,269,708	7,408,792
Prepayments		2,509,121	-
		8,778,829	7,408,792
Current assets			
Deposits, prepayments and other receivables		18,600	58,764
Grant receivable from The Hong Kong Jockey Club Charities Trust	7	-	66,376
Time deposits		10,040	2,987,967
Cash and bank balances		5,014,711	3,316,719
		5,043,351	6,429,826
Current liabilities			
Grant refundable to The Hong Kong Jockey Club Charities Trust	7	(121,851)	-
Contract liabilities	8	(688,060)	(879,785)
Other payables and accruals	9	(1,720,132)	(1,314,123)
The Hong Kong Jockey Club Charities Trust - Community Project Grant	10	(186,973)	(661,629)
Exchange program fund	11	(16,744)	(16,744)
		(2,733,760)	(2,872,281)
Net current assets		2,309,591	3,557,545
Total assets less current liabilities		11,088,420	10,966,337

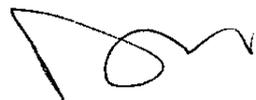
Statement of financial position at 31 March 2020 (continued)
(Expressed in Hong Kong dollars)

	Note	2020 \$	2019 \$
Non-current liabilities			
Deferred income - The Hong Kong Jockey Club Funding of motor vessel "JC Huan"		(6,191,173)	(7,223,214)
Deferred income - The Sir Robert Ho Tung Charitable Fund Funding of automatic fire- fighting system		-	(14,695)
Deferred income - The Sir Robert Ho Tung Charitable Fund Funding of safety devices		(700)	(3,500)
Deferred income - The Sir Robert Ho Tung Charitable Fund Funding of rescue boat		(19,150)	(31,916)
Deferred income - The Hong Kong Jockey Club Funding of "JC Huan" equipment		(2,219,000)	(690,000)
		<u>(8,430,023)</u>	<u>(7,963,325)</u>
NET ASSETS		<u>2,658,397</u>	<u>3,003,012</u>
FUNDS	12		
The Hong Kong Jockey Club Millennium Cup & Sweepstakes Donations	12(b)	92,104	92,104
General reserve fund	12(c)	1,363,420	1,708,035
Ship operation fund	12(d)	1,154,999	1,154,999
Sponsorship fund	12(e)	47,874	47,874
		<u>2,658,397</u>	<u>3,003,012</u>

Approved and authorised for issue by the board of directors on **13 JAN 2021**



David Ho Chi Shing
Director



Daniel Yau Chi Choi
Director

The notes on pages 12 to 21 form part of these financial statements.

0107

Statement of changes in funds for the year ended 31 March 2020

(Expressed in Hong Kong dollars)

	<i>The Hong Kong Jockey Club Millennium Cup & Sweepstakes Donations</i> \$	<i>General reserve fund</i> \$	<i>Ship operation fund</i> \$	<i>Sponsorship fund</i> \$	<i>Total</i> \$
Balance at 1 April 2018	92,104	1,895,578	1,154,999	47,874	3,190,555
Change in funds for the year ended 31 March 2019:					
Deficit and total comprehensive income for the year	-	(187,543)	-	-	(187,543)
Balance at 31 March 2019 and 1 April 2019	92,104	1,708,035	1,154,999	47,874	3,003,012
Change in funds for the year ended 31 March 2020:					
Deficit and total comprehensive income for the year	-	(344,615)	-	-	(344,615)
Balance at 31 March 2020	<u>92,104</u>	<u>1,363,420</u>	<u>1,154,999</u>	<u>47,874</u>	<u>2,658,397</u>

The notes on pages 12 to 21 form part of these financial statements.

0108

Cash flow statement for the year ended 31 March 2020 (Expressed in Hong Kong dollars)

	Note	2020 \$	2019 \$
Operating activities			
Deficit for the year		(344,615)	(187,543)
Adjustments for:			
The Hong Kong Jockey Club donations - motor vessel "JC Huan"		(1,032,041)	(1,032,041)
The Sir Robert Ho Tung Charitable Fund - automatic fire-fighting system		(14,695)	(17,633)
The Sir Robert Ho Tung Charitable Fund - safety devices		(2,800)	(2,800)
The Sir Robert Ho Tung Charitable Fund - rescue boat		(12,766)	(6,384)
Depreciation	6	1,139,084	1,133,457
Bank interest income		(62,260)	(69,414)
Operating deficit before changes in working capital		(330,093)	(182,358)
Decrease in deposits, prepayments and other receivables		19,792	78,949
Decrease in grant receivable from The Hong Kong Jockey Club Charities Trust		66,376	540,623
Decrease in receipts in advance		-	(809,538)
Increase in other payables and accruals		406,009	479,604
(Decrease)/increase in contract liabilities		(191,725)	879,785
(Decrease)/increase in The Hong Kong Jockey Club Charities Trust - Community Project Grant		(474,656)	218,946
Increase in deferred income - The Hong Kong Jockey Club Funding of "JC Huan" equipment		1,529,000	690,000
Increase in grant refundable to The Hong Kong Jockey Club Charities Trust		121,851	-
Decrease in exchange program fund		-	(37,010)
Cash generated from operations		1,146,554	1,859,001
Interest received		82,632	49,042
Net cash generated from operating activities		1,229,186	1,908,043

Cash flow statement
for the year ended 31 March 2020 (continued)
(Expressed in Hong Kong dollars)

	<i>Note</i>	2020 \$	2019 \$
Investing activities			
Payment for the purchase of property, plant and equipment		(2,509,121)	(154,970)
Decrease/(increase) in time deposits with original maturity of over three months at acquisition		<u>2,977,927</u>	<u>(2,977,952)</u>
Net cash generated from/(used in) investing activities		<u><u>468,806</u></u>	<u><u>(3,132,922)</u></u>
Net increase/(decrease) in cash and cash equivalents		1,697,992	(1,224,879)
Cash and cash equivalents at 1 April		<u>3,316,719</u>	<u>4,541,598</u>
Cash and cash equivalents at 31 March		<u><u>5,014,711</u></u>	<u><u>3,316,719</u></u>
Analysis of balances of cash and cash equivalents			
Cash and bank balances		849,400	2,198,918
Time deposits		<u>4,175,351</u>	<u>4,105,768</u>
		5,024,751	6,304,686
Less: Time deposits with original maturity of over three months at acquisition		<u>(10,040)</u>	<u>(2,987,967)</u>
Cash and cash equivalents as stated in the cash flow statement		<u><u>5,014,711</u></u>	<u><u>3,316,719</u></u>

The notes on pages 12 to 21 form part of these financial statements.

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Notes to the financial statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Corporate information

Adventure-Ship Limited (“the Society”) was incorporated in Hong Kong under the Hong Kong Companies Ordinance as a private company limited by guarantee without share capital. The liability of its members is limited to \$100 per member in the event of the Society being wound up while he/she is a member, or within one year after he/she ceases to be a member. There were 14 members (2019: 15 members) as at the end of the reporting period.

The registered office of the Society is located at 200 Shum Wan Road, Aberdeen, Hong Kong.

The principal activity of the Society is to advance the education of young people and others in Hong Kong by providing sea adventures for those who would not otherwise have such opportunity.

2 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 and the requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the Society is set out below.

The HKICPA has issued a new HKFRS 16, *Leases*, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Society.

None of these developments have had a material effect on how the Society’s results and financial position for the current or prior periods have been prepared or presented. The Society has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 Significant accounting policies (continued)

(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 experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements 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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method, at the following rates per annum:

- Motor vessel	5% - 6%
- Ship equipment	33⅓%
- Office equipment	20% - 33⅓%

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 the end of each reporting period. An impairment loss is recognised in profit or loss 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 of 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 asset. 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 profit or loss on the date of retirement or disposal.

2 Significant accounting policies (continued)

(d) Receivables

A receivable is recognised when the Society has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Society has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses as determined below:

The loss allowance is measured at an amount equal to lifetime expected credit losses ("ECLs"), which are those losses that are expected to occur over the expected life of the trade receivables. The loss allowance is estimated using a provision matrix based on the Society's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Society recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in profit or loss. The Society recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of receivables through a loss allowance account.

The gross carrying amount of a receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Society determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(e) Payables

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.

(f) 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.

(g) Employee benefits

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.

0113

2 Significant accounting policies (continued)

(h) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Society 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 of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(i) Revenue recognition

Income is classified by the Society as revenue when it arises from the provision of services in the ordinary course of the Society's business.

Revenue is recognised when a service is transferred to the customer at the amount of promised consideration to which the Society is expected to be entitled, excluding those amounts collected on behalf of third parties.

Further details of the Society's revenue and other income recognition policies are as follows:

(i) Donation income

Donation income is recognised in the period in which they are received.

(ii) Trip fee income

Trip fee income is recognised when the services are rendered.

(iii) Grant and subventions

Grants and subventions are recognised initially when there is reasonable assurance that they will be received and that the Society will comply with the conditions attaching to them. Grants and subventions that compensate the Society for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants and subventions that compensate the Society for the cost of an asset are deferred and recognised in profit or loss over the useful life of the asset.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

2 Significant accounting policies (continued)

(j) Related parties

- (a) A person, or a close member of that person's family, is related to the Society if that person:
- (i) has control or joint control over the Society;
 - (ii) has significant influence over the Society; or
 - (iii) is a member of the key management personnel of the Society or the Society's parent.
- (b) An entity is related to the Society if any of the following conditions applies:
- (i) The entity and the Society are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Society or an entity related to the Society.
 - (vi) The entity is controlled or jointly controlled by a person identified in (k)(a).
 - (vii) A person identified in (k)(a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Society or to the Society's parent.

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

3 Grants and subventions

	2020	2019
	\$	\$
The Hong Kong Jockey Club Community Charities Trust - Community Project Grant (Nautical Adventure Life Education Programme)	2,442,333	1,921,104
The Hong Kong Jockey Club - Community Project Grant (Shore-based programmes)	728,223	555,852
The Hong Kong Jockey Club - motor vessel "JC Huan"	1,032,041	1,032,041
The Hong Kong Jockey Club - Nautical Adventure Life Enhancement Project 2.0	879,277	482,028
The Community Chest of Hong Kong	1,698,700	1,377,300
The Sir Robert Ho Tung Charitable Fund - automatic fire-fighting system	14,695	17,633
The Sir Robert Ho Tung Charitable Fund - safety devices	2,800	2,800
The Sir Robert Ho Tung Charitable Fund – rescue boat	12,766	6,384
	6,810,835	5,395,142

4 Income tax

No provision for Hong Kong Profits Tax has been made as the Society is exempted from taxation under the provisions of section 88 of the Inland Revenue Ordinance (2019: Nil).

5 Directors' emoluments

No director received any fees or emoluments in respect of their services rendered to the Society during the year (2019: Nil).

6 Property, plant and equipment

	<i>Motor vessel "JC Huan"</i> \$	<i>Ship equipment</i> \$	<i>Office equipment</i> \$	<i>Total</i> \$
Cost:				
At 1 April 2018	20,395,803	196,875	29,888	20,622,566
Addition	-	154,970	-	154,970
At 31 March 2019	<u>20,395,803</u>	<u>351,845</u>	<u>29,888</u>	<u>20,777,536</u>
Accumulated depreciation:				
At 1 April 2018	(12,140,548)	(74,813)	(19,926)	(12,235,287)
Charge for the year	(1,032,041)	(91,454)	(9,962)	(1,133,457)
At 31 March 2019	<u>(13,172,589)</u>	<u>(166,267)</u>	<u>(29,888)</u>	<u>(13,368,744)</u>
Net book value:				
At 31 March 2019	<u>7,223,214</u>	<u>185,578</u>	<u>-</u>	<u>7,408,792</u>
Cost:				
At 1 April 2019 and 31 March 2020	<u>20,395,803</u>	<u>351,845</u>	<u>29,888</u>	<u>20,777,536</u>
Accumulated depreciation:				
At 1 April 2019	(13,172,589)	(166,267)	(29,888)	(13,368,744)
Charge for the year	(1,032,041)	(107,043)	-	(1,139,084)
At 31 March 2020	<u>(14,204,630)</u>	<u>(273,310)</u>	<u>(29,888)</u>	<u>(14,507,828)</u>
Net book value:				
At 31 March 2020	<u>6,191,173</u>	<u>78,535</u>	<u>-</u>	<u>6,269,708</u>

7 Grant (refundable to)/receivable from The Hong Kong Jockey Club Charities Trust

	2020 \$	2019 \$
<i>Nautical Adventure Life Enhancement Project 2.0</i>		
At 1 April	66,376	-
Recognised in profit or loss during the year	879,277	482,028
Receipts during the year	(1,067,504)	(415,652)
At 31 March	<u>(121,851)</u>	<u>66,376</u>

8 Contract liabilities

	Note	2020 \$	2019 \$
Receipts in advance	(i)	<u>688,060</u>	<u>879,785</u>

Notes:

- (i) All contract liabilities at 1 April 2019 were recognised as revenue during the year. At 31 March 2020, the balance is expected to be recognised as revenue within one year.

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

The Society receives 50% of the contract value as a deposit from customers when they sign the trip application form. This deposit is recognised as a contract liability until the trips are completed. The rest of the consideration is typically paid when one month prior to the trip.

9 Other payables and accruals

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

10 The Hong Kong Jockey Club Charities Trust - Community Project Grant

	2020 \$	2019 \$
At 1 April	661,629	442,683
Recognised in profit or loss during the year	<u>(474,656)</u>	<u>218,946</u>
At 31 March	<u>186,973</u>	<u>661,629</u>

11 Exchange program fund

	2020 \$	2019 \$
At 1 April	16,744	53,754
Utilised during the year	<u>-</u>	<u>(37,010)</u>
At 31 March	<u>16,744</u>	<u>16,744</u>

The fund represents donation earmarked for overseas and local exchange programs, such as internship program and student placement.

12 Funds

(a) Funds management

The Society's primary objectives when managing fund are to safeguard the Society's ability to continue as a going concern to support the Society's stability and growth and to provide adequate funds for the purpose of achieving the Society's short to long term objectives.

The Society's fund structure is regularly reviewed to ensure it is able to meet its liabilities as and when they fall due for the foreseeable future. Adjustments are made to the fund structure in light of changes in the Society's sources of funding, to the extent that these do not conflict with the directors' fiduciary duties towards the Society or the requirements of the Hong Kong Companies Ordinance.

There has been no change in the Society's fund management practices as compared to prior year and the Society is not subject to any externally imposed fund requirements in either the current or prior years.

(b) The Hong Kong Jockey Club Millennium Cup & Sweepstakes Donations

The fund represents donation from The Hong Kong Jockey Club Millennium Cup & Sweepstakes Donations which is earmarked for certain designated purposes and programmes.

(c) General reserve fund

The fund represents the accumulated surplus of the Society's operations.

(d) Ship operation fund

The fund represents the reserve of the Society for the operation of the ship.

(e) Sponsorship fund

The fund represents the reserve of the Society for sponsoring trips.

13 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Society's business. The Society's exposure to these risks and the financial risk management policies and practices used by the Society to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Society. The Society's credit risk is primarily attributable to cash and bank balances and time deposits. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Society's exposure to credit risk arising from cash and bank balances and time deposits are limited because the counterparty are banks with sound credit rating, for which the Society considers to have low credit risk.

13 Financial risk management and fair values of financial instruments (continued)

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

(b) Liquidity risk

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

Except for deferred income, the remaining contractual maturities at the end of the reporting period of the Society's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Society can be required to pay, are within one year or on demand.

(c) Interest rate risk

At the end of the reporting period, the Society did not hold any assets or liabilities which would expose the Society to significant interest rate risk.

(d) Currency risk

The Society has no exposure to foreign currency risk as all of the Society's transactions are denominated in Hong Kong dollars.

(e) Fair values

The carrying amounts of the Society's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 March 2020 and 2019.

13 Comparative figures

Certain comparative figures have been adjusted to conform to current year's presentation.

14 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2020

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard which are not yet effective for the year ended 31 March 2020 and which have not been adopted in these financial statements.

The Society is in the process of making an assessment of what the impact of these developments 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 Society's financial statements.

Detailed statement of profit or loss and
other comprehensive income
for the year ended 31 March 2020
(Expressed in Hong Kong dollars)

	2020				Total \$
	General operation \$	The Hong Kong Jockey Club donations of motor vessel "JC Huan" \$	The Hong Kong Jockey Club - Community Project Grant (Shore-based programmes) \$	The Hong Kong Jockey Club - Nautical Adventure Life Enhancement Project 2.0 \$	
Revenue					
Trip fees	1,770,970	-	-	-	1,770,970
Donations	17,604	-	-	-	17,604
Grants and subventions	4,455,292	1,032,041	728,223	595,279	6,810,835
Bank interest income	62,260	-	-	-	62,260
Sundry income	676,259	-	-	-	676,259
	<u>6,982,385</u>	<u>1,032,041</u>	<u>728,223</u>	<u>595,279</u>	<u>9,337,928</u>
Expenditure					
Accountancy fee	65,200	-	-	-	65,200
Depreciation	107,043	1,032,041	-	-	1,139,084
Drydocking expenses	1,422,963	-	-	-	1,422,963
Fuel	229,298	-	-	-	229,298
Insurance	348,219	-	-	-	348,219
License fee	23,894	-	-	-	23,894
Local travelling and transportation	32,877	-	6,108	-	38,985
Mooring fees	28,200	-	-	-	28,200
Postage	2,023	-	-	-	2,023
Printing and stationery	19,038	-	-	-	19,038
Program expenses	-	-	36,095	229,844	265,939
Repairs and maintenance	1,365,134	-	-	-	1,365,134
Salaries, wages and allowances	3,428,754	-	655,552	334,490	4,418,796
Staff education	9,039	-	-	-	9,039
Staff provident fund	142,897	-	30,468	13,452	186,817
Sundry expenses	51,923	-	-	17,493	69,416
Supplies for office and ship	18,006	-	-	-	18,006
Telephone expenses	12,648	-	-	-	12,648
Water and electricity	19,844	-	-	-	19,844
	<u>7,327,000</u>	<u>1,032,041</u>	<u>728,223</u>	<u>595,279</u>	<u>9,682,543</u>
Deficit and total comprehensive income for the year	<u>(344,615)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(344,615)</u>

Detailed statement of profit or loss and
other comprehensive income
for the year ended 31 March 2020 (continued)
(Expressed in Hong Kong dollars)

	2019				Total \$
	General operation \$	The Hong Kong Jockey Club donations of motor vessel "JC Huan" \$	The Hong Kong Jockey Club - Community Project Grant (Shore-based programmes) \$	The Hong Kong Jockey Club - Nautical Adventure Life Enhancement Project 2.0 \$	
Revenue					
Trip fees	2,049,835	-	-	-	2,049,835
Donations	12,900	-	-	-	12,900
Grants and subventions	3,428,493	1,032,041	555,852	378,756	5,395,142
Bank interest income	69,414	-	-	-	69,414
Sundry income	15,128	-	-	-	15,128
	5,575,770	1,032,041	555,852	378,756	7,542,419
Expenditure					
Accountancy fee	74,100	-	-	-	74,100
Depreciation	101,416	1,032,041	-	-	1,133,457
Drydocking expenses	1,086,921	-	-	-	1,086,921
Fuel	408,691	-	-	-	408,691
Insurance	265,790	-	-	-	265,790
License fee	25,599	-	-	-	25,599
Local travelling and transportation	34,696	-	5,283	-	39,979
Mooring fees	28,200	-	-	-	28,200
Postage	4,245	-	-	-	4,245
Printing and stationery	13,233	-	-	-	13,233
Program expenses	2,835	-	21,068	117,163	141,066
Repairs and maintenance	390,023	-	-	-	390,023
Salaries, wages and allowances	3,068,507	-	505,186	231,583	3,805,276
Staff education	14,170	-	-	-	14,170
Staff provident fund	130,390	-	24,315	10,600	165,305
Sundry expenses	68,819	-	-	19,410	88,229
Supplies for office and ship	10,488	-	-	-	10,488
Telephone expenses	12,822	-	-	-	12,822
Water and electricity	22,368	-	-	-	22,368
	5,763,313	1,032,041	555,852	378,756	7,729,962
Deficit and total comprehensive income for the year	(187,543)	-	-	-	(187,543)