

Five Districts Business Welfare Association

Financial Statement

For the year ended

31st March 2021

嘉德執業會計師事務所有限公司

Pondus (CPA) Limited

CERTIFIED PUBLIC ACCOUNTANTS



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Five Districts Business Welfare Association

香港五區工商總會

Directors' Report

董事報告

The Directors present their report and the annual financial statements of the association for the financial year ended 31st March 2021.

本會董事呈上他們的報告及本會截至 2021 年 3 月 31 日止財政年度的周年財務報表。

Directors 董事

The names of persons who were the directors of the association during the financial year are as follow:

本財政年度屬於本會的董事的人士的姓名如下：

Ng Si Kim 伍斯儉	Ng Wah Churk 伍華卓	Chan Tat Man 陳達文
Chu Sek Lam 朱錫林	Chan Hung Kee 陳鴻基	Tang Hon Chau Michael 鄧漢秋
Chiu Ning Po 趙寧波	Yuen Kwok Sheung 阮國常	Lau Cheung Loi Andy 劉祥耒
Chow Yuet Yan Kenneth 鄒悅仁	Yam Kim Man Rockie 任劍文	Yan Man Fai 甄文輝
Lee Kwok Hing 李國慶	Kwong Wai Yip 鄺偉業	Ho Sum Kuen 何深權
Lam Wing Tim 林永添	Tong Wan Leung 唐允良	Yan Chiew Foon 甄兆寬
Ng Sze Man 伍斯民	Leung Po Kwong 梁寶光	Au-Yeung Wing Kenneth 歐陽永
Tam Kwok Leung 譚國亮	Fung Tat Sham 馮達生	Fung Kwok Kwong 馮國光
Tong Yuk Cheung 湯溢璋	Yue Suen Leung 余孫良	Wen Siu Hung 溫兆雄
Eng Hung Shum 伍鴻深	Chiu Tsz Kei 趙子基	Yan Kwan Kuen 甄焜權
Wong Shu Pun Louis 黃樹斌	Wong Tse Yu 黃子裕	Chu Tat Man 朱達文
Lui Sek Lun 雷石麟	Ng Ching Man 伍精民	Wong Kit Keung 黃傑強
Li Hok Chuen 李學泉	Chan Che Keung Lawrence 陳子強	
Ho Wah Kam 何華錦	Leung Hoi Ming 梁海明	Ng Chak Ye 伍澤雨
Hui Siu Kwong 許小光	Chow Sheung Mo Sammy 鄒尚武	
Yuen Tze Lam 阮子琳	Chan Tung Ngok Tong 陳東岳	

Lor Chee Chuen 羅志全	(Resigned on 16 th April 2021)
Yan Ming 甄明	(Resigned on 16 th April 2021)
Chan Chak Ming 陳卓明	(Resigned on 16 th April 2021)
Kwan Ming Chow 關明洲	(Resigned on 16 th April 2021)
Chu Siu Lun 朱兆麟	(Resigned on 16 th April 2021)
Wong Kuen 黃昆	(Resigned on 16 th April 2021)
Chan Wai Ming 陳偉銘	(Appointed on 16 th April 2021)
Lam Ka Yin 林嘉彥	(Appointed on 16 th April 2021)
So Yuet Wing 蘇悅榮	(Appointed on 16 th April 2021)
Yip Chung Ling 葉松齡	(Appointed on 16 th April 2021)
Sze-To Wai Tun 司徒維敦	(Appointed on 16 th April 2021)
Wan Hung Shing 尹鴻勝	(Appointed on 16 th April 2021)
Wan Hung Kwong 尹鴻廣	(Appointed on 16 th April 2021)

Five Districts Business Welfare Association

香港五邑工商總會

Directors' Report (continued)

董事報告(續)

Directors (continued)董事(續)

Lee Kai Shun Eric 李啟舜 (Appointed on 16th April 2021)

Yan Yui Bun 甄銳本 (Appointed on 16th April 2021)

Yuen Kim Ming 阮劍鳴 (Appointed on 16th April 2021)

Principal activities 主要活動

The association's principal activities are to make investments in properties for rental income.

本會首要會務為投資物業作收租用途。

Permitted indemnity provision 獲准許的彌償條文

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more directors of the association.

在本財政年度，本會不存在任何有約束力而能使本會一名或多名董事受惠的獲准許的彌償條文。

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the association.

在這份報告獲批准時，本會不存在任何有約束力而能使本會一名或多名董事受惠的獲准許的彌償條文。

Management contract 管理合約

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

本會在本年度終結或於本年度內，並無參與本會委員直接或間接擁有重大利益之重要合約。

Business review 業務審視

The association falls within reporting exemption for the financial year. Accordingly, the association is exempted from preparing a business review.

本會就本財政年度屬於提交報告方面獲豁免的公司。因此，本會獲豁免編制業務審視。

Five Districts Business Welfare Association

香港五邑工商總會

Directors' Report (continued)

董事報告(續)

Directors' interests 董事的利害關係

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

在本年度內，本會並無給予委員有任何利益或其他公司之股份及債券之利益安排。

Equity-linked agreements 股票掛鈎協議

During the financial year, the association had not entered into equity-linked agreement.

在本財政年度，本會並無簽立任何股票掛鈎協議。

At the end of the financial year, the association subsisted of no equity-linked agreement.

在本財政年度終結時，本會並不存在由本會訂立的股票掛鈎協議。

Approval of directors' report 董事報告的批准

This report was approved by the Directors on 03 NOV 2021

這份報告獲公司董事批准

On behalf of the Board

代表本會董事



Yan Man Fai 甄文輝

Director 董事

Hong Kong 香港

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION**

(Incorporated in Hong Kong under Companies Ordinance and limited by guarantee)

Opinion

We have audited the financial statements of **Five Districts Business Welfare Association** (“the Association”) set out on pages 8 to 21, which comprise the statement of financial position as at 31st March 2021, and the statement of comprehensive income, statement of changes in fund, 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 31st 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.

Other Information

The Committee Members are responsible for the other information. The other information obtained at the date of the auditor’s report is information included in the directors’ report set out on pages 1 to 3, 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.

INDEPENDENT AUDITOR'S REPORT (Continued)
TO THE MEMBERS OF
FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION

(Incorporated in Hong Kong under Companies Ordinance and limited by guarantee)

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee Members and Those Charged with Governance for the Financial Statements

The Committee Members are responsible for the preparation of financial statements that give a true and fair view in accordance with the HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Committee 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 Committee 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 Committee 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. This report is made solely to you, as a body, in accordance with section 405 of the 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 the report.

INDEPENDENT AUDITOR'S REPORT (Continued)
TO THE MEMBERS OF
FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION

(Incorporated in Hong Kong under Companies Ordinance and limited by guarantee)

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, 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 audit 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 Committee Members.
- Conclude on the appropriateness of the Committee Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

INDEPENDENT AUDITOR'S REPORT (Continued)
TO THE MEMBERS OF
FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION

(Incorporated in Hong Kong under Companies Ordinance and limited by guarantee)

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

- 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.

For and on behalf of
Pondus (CPA) Limited



WONG Ka Chung, Auditor
Practising Certificate No. P06479

Room 704, 7/F., Gee Tuck Building,
18 Bonham Strand, Hong Kong.

03 NOV 2021

FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2021

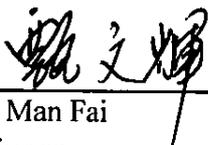
	<u>Note</u>	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Income	5	1,085,169.22	1,401,546.53
Other income	6	-	25,462,500.00
		<u>1,085,169.22</u>	<u>26,864,046.53</u>
Administrative and other operating expenses		<u>(758,594.47)</u>	<u>(894,704.20)</u>
Surplus on operation	7	<u>326,574.75</u>	<u>25,969,342.33</u>
Other comprehensive income			
Change in the revaluation surplus for property, plant and equipment		300,000.00	6,180,000.00
Sub-total of other comprehensive income		<u>300,000.00</u>	<u>6,180,000.00</u>
Total comprehensive surplus for the year		<u>626,574.75</u>	<u>32,149,342.33</u>

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

FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2021

	Note	<u>2021</u> HK\$	<u>2020</u> HK\$
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment	8	9,412,646.50	9,112,948.75
Investment properties	9	42,982,500.00	42,982,500.00
		<u>52,395,146.50</u>	<u>52,095,448.75</u>
<u>CURRENT ASSETS</u>			
Accounts receivable and other receivables		6,750.00	10,500.00
Deposits and prepayments		14,150.00	7,185.00
Temporary payment		181,935.00	26,793.40
Cash and cash equivalents	10	5,593,518.84	5,689,827.73
		<u>5,796,353.84</u>	<u>5,734,306.13</u>
<u>CURRENT LIABILITIES</u>			
Accruals and other payables		370,469.06	374,979.06
Deposits received		198,050.00	216,050.00
Received in advance		13,000.00	-
Bank overdrafts	10	-	247,696.71
		<u>581,519.06</u>	<u>838,725.77</u>
NET CURRENT ASSETS		5,214,834.78	4,895,580.36
NET ASSETS		<u>57,609,981.28</u>	<u>56,991,029.11</u>
<u>ASSOCIATION FUNDS</u>			
Property fund	13	195,056.00	195,056.00
Fund from FDBWA Nursery Foundation Committee	14	1,103,101.16	1,102,225.87
Fund from FDBWA Joint School Scout Committee	15	8,907.30	8,905.18
Education fund	16	392,916.02	401,416.01
General fund	17	46,571,937.80	46,245,363.05
Accumulated other comprehensive income			
- Revaluation Surplus		9,338,063.00	9,038,063.00
		<u>57,609,981.28</u>	<u>56,991,029.11</u>

Approved and authorized for issue by the Executive Committee on 03 NOV 2021


 Yan Man Fai
 Chairman


 Tang Hon Chau Michael
 Executive Committee Member

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

FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 31ST MARCH 2021

	Property Fund HK\$	FDBWA Nursery Foundation Committee HK\$	Fund from FDBWA Joint School Scout Committee HK\$	Education Fund HK\$	General Fund HK\$	Accumulated Other Comprehensive Income (Revaluation Surplus) HK\$	Total HK\$
Balance as at							
01.04.2019	195,056.00	1,095,919.03	8,894.28	464,323.33	20,276,020.72	2,858,063.00	24,898,276.36
Surplus on operation	-	-	-	-	25,969,342.33	-	25,969,342.33
Revaluation surplus	-	-	-	-	-	6,180,000.00	6,180,000.00
Refunded to school for activities held	-	-	-	(66,872.80)	-	-	(66,872.80)
Interest income	-	6,306.84	10.90	3,965.48	-	-	10,283.22
Balance as at 31.03.2020	195,056.00	1,102,225.87	8,905.18	401,416.01	46,245,363.05	9,038,063.00	56,991,029.11
Balance as at							
01.04.2020	195,056.00	1,102,225.87	8,905.18	401,416.01	46,245,363.05	9,038,063.00	56,991,029.11
Surplus on operation	-	-	-	-	326,574.75	-	326,574.75
Revaluation surplus	-	-	-	-	-	300,000.00	300,000.00
Refunded to school for activities held	-	-	-	(9,050.00)	-	-	(9,050.00)
Interest income	-	875.29	2.12	550.01	-	-	1,427.42
Balance as at 31.03.2021	195,056.00	1,103,101.16	8,907.30	392,916.02	46,571,937.80	9,338,063.00	57,609,981.28

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

FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021

	<u>Note</u>	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Cash flows from operating activities			
Surplus on operation		326,574.75	25,969,342.33
Adjustment for:			
Surplus on changes in fair value of investment properties		-	(25,462,500.00)
Depreciation		7,698.25	6,218.00
Interest received		(7,169.22)	(2,996.53)
		<u>327,103.78</u>	<u>510,063.80</u>
Decrease in accounts receivable and other receivables		3,750.00	8,300.00
Increase in deposit and prepayments		(6,965.00)	-
(Increase)/decrease in temporary payment		(155,141.60)	155,141.60
(Decrease)/increase in accruals and other payables		(4,510.00)	3,860.00
(Decrease)/increase in deposits received		(18,000.00)	34,112.90
Increase/(decrease) in rental fee received in advance		13,000.00	(1,500.00)
		<u>159,237.18</u>	<u>709,978.30</u>
Cash flows from investing activities			
Interest received		7,169.22	2,996.53
Purchase of fixed assets		(7,396.00)	(6,199.00)
		<u>(226.78)</u>	<u>(3,202.47)</u>
Cash flows from financing activities			
Interest received from FDBWA Nursery Foundation Committee		875.29	6,306.84
Interest received from FDBWA Joint School Scout Committee		2.12	10.90
Withdrawal from Education Fund		(9,050.00)	(66,872.80)
Interest received from Education Fund		550.01	3,965.48
Net cash used in financing activities		<u>(7,622.58)</u>	<u>(56,589.58)</u>
Net increase in cash and cash equivalents		151,387.82	650,186.25
Cash and cash equivalents at 31.03.2020	10	<u>5,442,131.02</u>	<u>4,791,944.77</u>
Cash and cash equivalents at 31.03.2021	10	<u>5,593,518.84</u>	<u>5,442,131.02</u>

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

FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2021

1. General

The association was incorporated in Hong Kong on January 11, 1954 with liability limited by guarantee.

The principal activity of the association during the year was provision of welfare services to its members.

2. Basis of preparation

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of Hong Kong Companies Ordinance. They have been prepared under accrual basis of accounting and on the basis that the association is a going concern. The measurement basis is under the historical cost convention as modified by the revaluation of land and building and investment properties. A summary of significant accounting policies adopted by the association is set out in note 3.

3. Principal accounting policies

a) Property, plant and equipment

Except for land and building, property, plant and equipment are measured at initial recognition at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The residual values and useful lives of the property, plant and equipment are reviewed when there are indications that the residual value or useful life of an asset has been a significant change since the end of previous reporting period. If necessary, the residual value, depreciation method or useful life of that asset is amended prospectively to reflect the new expectation. Depreciation is calculated using the straight line method to write off the depreciable amount of each property, plant and equipment to profit or loss unless it is included in the carrying amount of another asset over its estimated useful life. The following estimated useful lives are used for the depreciation of property, plant and equipment.

Leasehold improvements	10%
Furniture, fixtures and equipment	25%

On disposal or retirement, the cost together with associated accumulated depreciation and impairment losses, if any, of the property, plant and equipment are derecognised and any gain or loss arising from the disposal is recognised in profit or loss.

FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2021

3. Principal accounting policies (continued)

b) Land and building

Land and buildings are measured at initial recognition at cost and subsequently at revalued amount, being the fair value at the date of valuation, less subsequent accumulated depreciation and accumulated impairment losses, if any. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of reporting period. Upon revaluation, the original cost is adjusted to zero; the previous revalued amount, if any, is adjusted to the new revalued amount; the accumulated depreciation and accumulated impairment losses, if any, are adjusted to zero too. If there is any surplus after adjustments, the surplus of valuation will firstly offset against the outstanding deficit of revaluation, if any, of the same asset previously recognised in profit and loss; the balance, if any, will be recognised in other comprehensive income under the heading Revaluation Surplus. If there is any deficit after adjustments, the deficit of valuation will firstly offset against the outstanding revaluation surplus, if any, of the same asset in other comprehensive income; the balance, if any, will be recognised in profit or loss. When a revalued asset is retired or disposed of, the revaluation surplus included in other comprehensive income in respect of the asset is transferred directly to retained surplus. Transfers from revaluation surplus to retained surplus are not made through profit or loss.

c) Investment properties

Investment properties are properties held by the association as an owner to earn rental or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes, or sale in the ordinary course of business. It also includes a property interest held by a lessee under an operating lease which otherwise meets the definition of an investment property and can be measured at fair value without undue cost or effort on an ongoing basis.

On initial recognition, the cost of a purchased investment property comprises their purchase price and any directly attributable expenditure.

After initial recognition, investment properties whose fair value can be measured reliably without undue cost or effort on an ongoing basis is measured at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. These valuations are reviewed annually by external valuers. Changes in fair values are recognised in profit or loss.

FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2021

3. Principal accounting policies (continued)

d) Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and cash which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the Association's cash management are included as a component of cash and cash equivalents.

e) Revenue

Revenue consists of turnover and other revenue but excludes the reversal of impairment and of provisions. Turnover comprises revenue generated from the principal activities of the Association.

- a) Anniversary celebration donations is recognized on cash basis.
- b) Entrance and subscription fees are recognized on cash basis.
- c) Interest income is accrued on a time proportion basis on the principal outstanding and at the rates applicable.
- d) 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 benefits.

f) Related company

- a) A person or a close member of that person's family is related to the association if that person:
 - i) has control or joint control over the association;
 - ii) has significant influence over the association; or
 - iii) is a member of the key management personnel of the association or of a parent of the association.

FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2021

3. Principal accounting policies (continued)

f) Related company (continued)

b) A entity is related to the association if any of the following conditions applies:

- i) The entity and the association 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 association or an entity related to the association.
- vi) The entity is controlled or jointly controlled by a person identified in (a).
- vii) A person identified in (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).

g) Employee benefits

Salaries, annual bonus, paid annual leave and other leave, contribution 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 measured at their present values.

The association operates a defined contribution plan under mandatory provident fund plan. The association pays contributions to the independent administrator on a mandatory basis. The association has no further payment obligations once the contributions are paid. The contributions are recognised as employee benefit expense when they are incurred and the cost can be measured reliably.

FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2021

3. Principal accounting policies (continued)

h) Trade and other receivable

Trade and other receivables are measured at initial recognition at transaction price (including transaction costs) and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any. A provision of impairment of trade 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. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss.

i) Impairment of non-current assets other than financial assets

At the end of each reporting period, non-current assets other than financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is any indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is less than the carrying amount, 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 is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

j) Government grants

Government grants are recognised as income over periods necessary to match them with the related costs they are intended to compensate, on a systematic basis when there is reasonable assurance that the association will comply with the conditions attaching of them and the grants will be received. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the association, with no future related costs, is recognised as income of the period in which it becomes receivable. Government grants received before the revenue recognition criteria are recognised as a liability.

FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2021

4. Critical accounting judgements and key sources of estimation uncertainty

Fair value of investment properties is determined by the Directors on the basis of a valuation made by a valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued.

5. Income

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
The analysis of income is as follows:		
Celebration Banquet Receipts	24,500.00	45,450.00
Entrance and Subscription Fees	1,500.00	16,500.00
Interest Received	7,169.22	2,996.53
Rental Income	989,000.00	1,319,100.00
Donation Received	-	1,800.00
Government Subsidy - Employment Support Scheme	54,000.00	-
Sundry Income	9,000.00	15,700.00
	<u>1,085,169.22</u>	<u>1,401,546.53</u>

6. Other income

Surplus on changes in fair value of investment properties	<u>-</u>	<u>25,462,500.00</u>
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7. Surplus on operation

Surplus for the year arrived at after charging:

Auditors' Remuneration	12,600.00	12,600.00
Depreciation	7,698.25	6,218.00
Staff Costs:		
- Contributions to Defined Contribution Retirement Plans	11,125.00	9,750.00
- Salaries and Allowances	338,050.00	299,200.00

and after crediting:

Rental Income from Investment Properties	989,000.00	1,319,100.00
Less: Outgoings	(61,920.00)	(58,230.00)
Net Rental Income	<u>927,080.00</u>	<u>1,260,870.00</u>

FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2021

8. Property, plant and equipment

	<u>Land and Building HK\$</u>	<u>Furniture, Fixtures and Equipment HK\$</u>	<u>Leasehold Improvements HK\$</u>	<u>Total HK\$</u>
Cost/Valuation				
At 01.04.2020	9,100,000.00	202,466.35	448,400.00	9,750,866.35
Addition at cost	-	7,396.00	-	7,396.00
Increase in fair values	300,000.00	-	-	300,000.00
As at 31.03.2021	<u>9,400,000.00</u>	<u>209,862.35</u>	<u>448,400.00</u>	<u>10,058,262.35</u>
Accumulated Depreciation and Impairment				
At 01.04.2020	-	189,517.60	448,400.00	637,917.60
Charge for the year	-	7,698.25	-	7,698.25
As at 31.03.2021	<u>-</u>	<u>197,215.85</u>	<u>448,400.00</u>	<u>645,615.85</u>
Carrying values at 31.03.2021	<u>9,400,000.00</u>	<u>12,646.50</u>	<u>-</u>	<u>9,412,646.50</u>
Carrying values at 31.03.2020	<u>9,100,000.00</u>	<u>12,948.75</u>	<u>-</u>	<u>9,112,948.75</u>

9. Investment properties

	<u>2021</u>
	<u>HK\$</u>
Opening carrying amount	42,982,500.00
Net surplus from fair value adjustment	-
Closing carrying amount	<u>42,982,500.00</u>

The investment properties are leasehold properties held in Hong Kong under medium-term leases (over 20 years but less than 50 years) and long-term leases (over 50 years).

The fair value of all investment properties are measured based on valuation made by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued.

FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2021

10. Cash and cash equivalents

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Fixed deposits with bank	2,775,629.87	2,775,961.44
Cash at bank	2,810,714.47	2,906,242.19
Cash at hand	7,174.50	7,624.10
	<u>5,593,518.84</u>	<u>5,689,827.73</u>

Cash, cash equivalents and bank overdraft including the following for the purpose of the statement of cash flows:

Cash and cash equivalents	5,593,518.84	5,689,827.73
Bank overdraft	-	(247,696.71)
	<u>5,593,518.84</u>	<u>5,442,131.02</u>

11. Executive Committee Members' Remuneration

- a. Executive Committee Members' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance (Cap. 622) and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

The Executive Committee Member received no remuneration for their services to the association during the year (2020: Nil).

- b. Loans, quasi-loans and other dealings in favour of Executive Committee Members, controlled bodies corporate and other connected entities
There were no loans to Executive Committee Members and bodies corporates controlled by them.
- c. Executive Committee Member's material interests in transactions, arrangements or contracts
The Executive Committee Members were of the opinion that no transactions, arrangements and contracts of significance in relation to the association's business to which the association was a party and in which a director of the association had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year and the previous year.
- d. Guarantee to banks for loans granted to Executive Committee Members of the association
The association had not paid or incurred any liability for the purpose of fulfilling the guarantee or discharging the security given to banks for loans granted to the Executive Committee Members during the year and the previous year.

FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2021

11. Executive Committee Members' Remuneration (continued)

e. There were no consideration provided to or receivable by third parties for making available the services of a person as Executive Committee Member or in any other capacity while Executive Committee Member.

12. Taxation

The association is entitled to be exempted under section 88 of the Inland Revenue Ordinance since January 3,1967 and therefore exempts from Hong Kong Profits Tax under the Ordinance.

13. Property Fund

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Balance brought forward and carried forward	<u>195,056.00</u>	<u>195,056.00</u>

14. Fund from FDBWA Nursery Foundation Committee

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Balance brought forward	1,102,225.87	1,095,919.03
Add: Interest received	875.29	6,306.84
Balance carried forward	<u>1,103,101.16</u>	<u>1,102,225.87</u>

15. Fund from FDBWA Joint School Scout Committee

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Balance brought forward	8,905.18	8,894.28
Add: Interest received	2.12	10.90
Balance carried forward	<u>8,907.30</u>	<u>8,905.18</u>

16. Education Fund

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Balance brought forward	401,416.01	464,323.33
Add: Interest received	550.01	3,965.48
Less: Refunded to school for activities held	(9,050.00)	(66,872.80)
Balance carried forward	<u>392,916.02</u>	<u>401,416.01</u>

FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION
NOTES TO THE ACCOUNTS
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17. General Fund

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Balance brought forward	46,245,363.05	20,276,020.72
Surplus on operation	326,574.75	25,969,342.33
	<u>326,574.75</u>	<u>25,969,342.33</u>
Balance carried forward	<u>46,571,937.80</u>	<u>46,245,363.05</u>

18. Operating lease commitment

The future minimum lease payments under non-cancellable operating lease in aggregate are analysed as follow:

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Acted as lessor		
Not later than one year	898,935.00	762,000.00
Later than one year and not later than five years	1,296,767.00	315,000.00
Later than five years	-	-
	<u>2,195,702.00</u>	<u>1,077,000.00</u>