

HONG KONG NETBALL ASSOCIATION LIMITED
香港投球總會有限公司

REPORTS AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

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HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 March 2010.

PRINCIPAL ACTIVITIES

The Association is engaged in promotion of the netball games and competitions within or outside Hong Kong.

ACCOUNTS

The results of the Association's operations for the year are set out in the statement of comprehensive income on page 5.

The state of the Association's affairs as at 31 March 2010 is set out in the statement of financial position on page 4.

Movements in the Association's cash flows for the year are set out in the statement of cash flows on page 6.

DIRECTORS

The directors of the Association during the year and up to the date of this report are :-

Lam Sik Min Prisca
Veronica June Arnold
Jennifer Laura Amanda Chadwick (Appointed on 2 July 2009)
Wong Wai Kwan Anna (Resigned on 2 July 2009)

In accordance with Article 30 of the Association's Articles of Association, all existing directors shall retire from office and being eligible, offer themselves for re-election.

HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

REPORT OF THE DIRECTORS

(Continued)

DIRECTORS' INTERESTS IN CONTRACTS

There were no contracts of significance to which the Association was a party and in which a director of the Association had, whether directly or indirectly, a material interest subsisting at the end of the year or at any time during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

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

AUDITORS

During the year, Messrs. Bright Union CPA Limited resigned and Messrs. Bright Union Hong Kong CPA Limited were appointed as auditors of the Association.

The financial statements for the year have been audited by Messrs. Bright Union Hong Kong CPA Limited, Certified Public Accountants (Practising), who retire and, being eligible, offer themselves for re-appointment. A resolution will be submitted to the annual general meeting to re-appoint the auditors.

On behalf of the Board

Director

Hong Kong

BRIGHT UNION HONG KONG CPA LIMITED

Certified Public Accountants (Practising)

階 陽 香 港 會 計 師 行 有 限 公 司

Units 404-405A, Wing Tuck Commercial Centre, 177-183 Wing Lok Street, Sheung Wan, H.K.
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INDEPENDENT AUDITOR'S REPORT

To the members of
HONG KONG NETBALL ASSOCIATION LIMITED
香港投球總會有限公司
(incorporated in Hong Kong with limited by guarantee)

We have audited the financial statements of Hong Kong Netball Association Limited ("the Association") set out on pages 4 to 14, which comprise the statement of financial position as at 31 March 2010, and the statement of comprehensive income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS-PE") issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 141 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.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Association as at 31 March 2010 and of its deficit and cash flows for the year then ended in accordance with HKFRS-PE and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Bright Union Hong Kong CPA Limited
Certified Public Accountants (Practising)
WONG KAM WING
Practising no. : P02179

Hong Kong

HONG KONG NETBALL ASSOCIATION LIMITED
香港投球總會有限公司

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	<u>NOTE</u>	<u>31/3/2010</u> HK\$	<u>31/3/2009</u> HK\$	<u>1/4/2008</u> HK\$
Current assets				
Inventories	(4)	44,250	54,813	48,346
Accounts receivables		2,880	3,500	66,132
Prepayment		30,080	38,904	6,844
Cash and bank balances		<u>818,958</u>	<u>919,420</u>	<u>1,025,791</u>
		<u>896,168</u>	<u>1,016,637</u>	<u>1,147,113</u>
Current liabilities				
Accounts and other payable		1,186	3,017	-
Receipts in advance		-	1,000	1,000
Deposit received		25,800	-	22,800
Provision for taxation		-	1,277	1,554
Accrued expenses		<u>135,452</u>	<u>150,964</u>	<u>195,039</u>
		<u>162,438</u>	<u>156,258</u>	<u>220,393</u>
Net assets		<u><u>733,730</u></u>	<u><u>860,379</u></u>	<u><u>926,720</u></u>
Represented by :				
Foundation funds	(5)	875,734	875,734	875,734
Accumulated (deficits)/surpluses		<u>(142,004)</u>	<u>(15,355)</u>	<u>50,986</u>
		<u><u>733,730</u></u>	<u><u>860,379</u></u>	<u><u>926,720</u></u>

The financial statements on pages 4 to 14 were approved and authorized for issue by the Executive Council on _____ and are signed on its behalf by:

Executive council member

Executive council member

The accompanying notes form an integral part of this statement of financial position.

HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2010

	<u>NOTE</u>	<u>2010</u> <u>HK\$</u>	<u>2009</u> <u>HK\$</u>
Government subventions	(6)	598,020	675,022
Other income	(7)	<u>481,592</u>	<u>766,647</u>
Total income		1,076,612	1,441,669
Administrative expenses	(8)	<u>(1,206,262)</u>	<u>(1,508,287)</u>
Deficit before tax		(126,650)	(66,618)
Taxation	(9)	<u>1</u>	<u>277</u>
Deficit for the year		(126,649)	(66,341)
Accumulated (deficit)/surplus at start of year		<u>(15,355)</u>	<u>50,986</u>
Accumulated deficit at ended of year		<u><u>(142,004)</u></u>	<u><u>(15,355)</u></u>

The accompanying notes form an integral part of this statement of comprehensive income.

HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2010

	<u>2010</u> HK\$	<u>2009</u> HK\$
Operating activities		
Deficit surplus before tax	(126,650)	(66,618)
Adjustments for:		
Interest income	(53)	(1,292)
Operating cash outflow before movements in working capital	(126,703)	(67,910)
Decrease/(increase) in inventories	10,563	(6,467)
Decrease in accounts receivables	620	62,632
Decrease/(increase) in prepayment	8,824	(32,060)
Decrease in receipts in advance	(1,000)	-
Increase/(decrease) in deposit received	25,800	(22,800)
(Decrease)/increase in accounts and other payable	(1,831)	3,017
Decrease in accrued expenses	(15,512)	(44,075)
Cash used in operations	(99,239)	(107,663)
Profits tax paid	(1,276)	-
Interest income	53	1,292
Net decrease in cash and cash equivalents	(100,462)	(106,371)
Cash and cash equivalents at beginning of year	919,420	1,025,791
Cash and cash equivalents at end of year	818,958	919,420
Analysis of the balance of cash and cash equivalents		
Cash and cash balances	818,958	919,420

The accompanying notes form an integral part of this cash flow statement.

HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2010

1. GENERAL

The Association is a private limited company incorporated in Hong Kong with limited by guarantee and is engaged in promotion of the netball games and competitions within or outside Hong Kong.

The addresses of the registered office and principal place of business of the Association are Room 1016, Olympic House, 1 Stadium Path, So Kon Po, Causeway Bay, Hong Kong.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS-PE) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

(a) Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first-in, first-out (FIFO) method. At each reporting date, inventories are assessed for impairment and the carrying amount is reduced to its selling price less costs to complete and sell with the impairment loss recognized immediately in profit or loss.

(b) Accounts receivables

Accounts receivables are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade 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.

(c) Accounts and other payable

Accounts and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

HONG KONG NETBALL ASSOCIATION LIMITED
香港投球總會有限公司

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2010

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

(e) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of income and retained earnings because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Association's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all temporary differences. Deferred tax assets are generally recognized for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The net carry amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Association's expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. However, the measurement of deferred tax liabilities associated with an investment property measured at fair value does not exceed the amount of tax that would be payable on its sale to an unrelated market participant at fair value at the reporting date. Deferred tax is recognized in profit or loss, except when it relates to items that are recognized in other comprehensive income or directly in equity, in which case the deferred tax is also recognized in other comprehensive income or directly in equity respectively

(f) Employee benefit obligations

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.

HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2010

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

(g) Revenue recognition

(i) Sales

Sales of goods are recognized when the Association has delivered products to the customers, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

(ii) Donations from members

Donations from members are recognised as revenue on cash basis.

(iii) Government subventions

Government subventions are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Association will comply with the conditions attaching to them. Grants that compensate the Association for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Association for the cost of an asset are deducted in arriving at the carrying amount of the asset and consequently are recognised in profit or loss over the useful life of the asset.

(g) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Association are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Hong Kong Dollars, which is the Association's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss.

HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2010

3. TRANSITION TO THE HKFRS FOR PRIVATE ENTITIES

The Association's financial statements for the year ended 31 March 2010 are its first annual financial statements prepared under accounting policies that comply with the HKFRS-PE. The Association applied full Hong Kong Financial Reporting standards (HKFRSs) to prepare its financial statements prior to the application of the HKFRS-PE.

The Association's date of transition is 1 April 2008 and the Association prepared its opening statement of financial position in compliance with the HKFRS-PE at that date.

The Association has applied all the mandatory exceptions from full retrospective application of the HKFRS-PE.

There is no material difference between the statement of financial position, statement of total comprehensive income and statement of cash flows prepared under the HKFRS-PE and that under the full HKFRSs.

4. INVENTORIES

	<u>2010</u> HK\$	<u>2009</u> HK\$
Merchandise, at cost	<u>44,250</u>	<u>54,813</u>

5. FOUNDATION FUNDS

Foundation funds represent the net aggregate amount of assets and liabilities taken over from the present unincorporated body known as the "HONG KONG NETBALL ASSOCIATION".

6. GOVERNEMENT SUBVENTIONS

	<u>2010</u> HK\$	<u>2009</u> HK\$
Government Leisure and Cultural Services Department funding	<u>598,020</u>	<u>675,022</u>

HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2010

7. OTHER INCOME

	<u>2010</u> HK\$	<u>2009</u> HK\$
LCSD Hong Kong Netball League – Team fees	21,500	19,600
LCSD – School Sport: Easy sport programme	3,417	3,000
LCSD – Netball development tournament team fees	2,280	1,800
LCSD – Summer netball training courses entry fees	4,290	4,730
LCSD – School sport: Sport demonstration	4,595	250
LCSD – School sport: Outreach Coaching Programme	6,570	8,760
LCSD – Elementary netball training registration fees	1,760	5,060
LCSD – Umpiring theory and practical course fees	3,350	4,100
LCSD – Easy sport competition	-	1,989
LCSD – Young Athletes Training Scheme Enrollment fee	9,000	9,450
LCSD – 6 th Asian Youth Championship	-	30,000
LCSD – 7 th ANC – Remaining balance of prepayment	7,013	-
LCSD – School sport: Sport Carnival	367	4,295
Package Services of Conducting Activity: Netball promotional activity	1,100	-
HK Coaching Committee – Subvention of Coaching Courses	27,202	24,494
Coaching courses – Attendee fee	10,300	6,820
Sports Federation & Olympic Committee of Hong Kong, China – Subvention of Festival of Sport – Netball Tournament	3,620	3,620
HKNA End of Season Function	10,130	15,640
HKNA inter-school invitational netball tournament – entry fee	2,800	6,600
HKNA – Junior Netball League	5,100	-
HKNA – Outreach Coaching	32,700	-
Mixed league team registration fees	16,000	14,820
Advanced Umpiring Course Singapore March 2009 council member contribution	-	2,000
Umpiring Sponsorship from Allied Pickfords	-	10,000
Miscellaneous Umpiring income	4,175	-
Youth / U21 selling of Ankle brace	11,130	-
Men’s League	1,200	-
Sales of trading goods	37,500	51,232
HKIED Teachers Netball Workshop	-	9,000
HKNA membership fees	252,640	255,285
Sponsorship in cash for 6 th AYC	-	234,000
Fund Raising for 6 th AYC	-	22,510
Fines for LCSD-Hong Kong Netball League 07/08	-	13,800
Sundry income	1,800	2,500
Bank interest income	53	1,292
	<u>481,592</u>	<u>766,647</u>

HONG KONG NETBALL ASSOCIATION LIMITED
香港投球總會有限公司

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2010

8. ADMINISTRATIVE EXPENSES

	<u>2010</u> HK\$	<u>2009</u> HK\$
LCSD – HK Netball League Expenses	69,343	44,086
ANF meeting , July 2008,Hong Kong	-	5,159
ANF meeting , July 2009,Malaysia	5,822	-
LCSD – School Sport: Easy sport programme expenses	7,008	13,558
LCSD – Netball development tournament expenses	7,637	4,129
LCSD – Summer training courses expenses	5,150	5,118
LCSD – School sport: Sport demonstration expenses	10,123	3,068
LCSD – School sport: Outreach Coaching expenses	13,140	12,719
LCSD – Elementary netball training course expenses	2,496	5,234
LCSD – Umpiring theory and practical Course expenses	11,764	-
LCSD – School sport competition expenses	-	1,440
LCSD –Young Athletes Training Scheme expenditure	20,155	25,811
LCSD – Mixed netball league	265	-
LCSD – National Squad Training (Senior / Open)	29,703	6,608
LCSD – School Sport : Sport Carnival	-	3,670
LCSD – Asian umpires camp – March 2010	2,629	-
Service package coach fee	600	-
HKNA Inter-School League (0809)	2,250	3,068
Advance Umpiring Courses Singapore , March 2009 expenses	-	19,679
Umpiring T-shirt expenses	-	2,498
Coaching courses expenses	18,794	22,043
Thanks coach schemes expenses	10,010	12,870
Men’s League expenses	1,274	380
HKNA Umpiring Course	-	11,352
Miscellaneous umpiring expenses	16,553	-
HKNA End of Season Function expenditure	16,151	29,486
HKNA inter-school invitational netball tournament expenditure	5,186	6,835
HKNA Junior Netball League	7,100	-
Joint university netball tournament	2,690	5,792
Youth / U21	46,479	13,612
Chinese Taipei 6 th Asian Youth Championship Accommodation & Meals Expenditure	-	78,651
7 th Asian Netball Championship Expenditure	129,473	-
6 th Asian Youth Netball Championship – Hong Kong	-	502,229
6 th Asian Youth – Hong Kong Team Expenses	-	115,409
LCSD-National Junior Squad Training – Coach fee and venue charges	10,384	37,564
Sports Federation & Olympic Committee of Hong Kong, China –Festival of Sport – Netball Tournament expenditures	3,627	3,649
IFNA Members Congress – Aug 2009	21,317	-
Malaysia tour – Youth Squad	38,387	-
Development Squad	17,888	-
Secondary School Promotion	120	301
Asian Coaches Clinic (event cancelled) Venue Charges	-	1,888
Auditors’ remuneration	12,000	12,000
Staff quarter – rent imbursement	30,000	-
Salaries	463,121	329,490
Mandatory provident fund contribution	23,734	15,588
Third party liability insurance	14,462	9,600
Cost of sales for trading goods	63,873	59,374
Consumables stores	-	12,486
Administration expenses	36,047	44,271
Transportation	29,507	27,517
Miscellaneous	-	55
	<u>1,206,262</u>	<u>1,508,287</u>

HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2010

9. TAXATION

	<u>2010</u> HK\$	<u>2009</u> HK\$
Profits tax		
- Over-provision for prior year	<u>(1)</u>	<u>(277)</u>

Hong Kong profits tax has not been provided for in the financial statements as the Association did not derive any assessable profit for the year.

For the year ended 31 March 2009, Hong Kong profits tax has been provided for in the financial statements at 16.5% on the estimated assessable profits less taxation losses brought forward and tax concessions for the year.

Deferred tax has not been provided for in the financial statements in respect of tax losses available to offset future profits as it is not certain that the tax losses will be utilized the foreseeable future.

The charge for the year can be reconciled to the deficit per the statement of comprehensive income as follows:

	<u>2010</u> HK\$	<u>2009</u> HK\$
Deficit before tax	<u>(126,650)</u>	<u>(66,618)</u>
Tax at the domestic income tax rate of 16.5% (2009:16.5%)	(20,897)	(10,992)
Tax effect of income not taxable for tax purposes	(9)	(213)
Over-provision of tax	(1)	(277)
(Utilizations of) / increase in tax losses previously not recognized and tax concession	<u>20,906</u>	<u>11,205</u>
Tax expenses for the year	<u><u>(1)</u></u>	<u><u>(277)</u></u>

9. DIRECTORS' REMUNERTION

Neither fees nor other remunerations are paid to the directors of the Association during the year.

HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2010

10. EMPLOYEE BENEFIT OBLIGATIONS

The Association operates a Mandatory Provident Fund Scheme (the MPF scheme) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the plan vest immediately.

11. CONTINGENT LIABILITIES

The liability of the members is limited. Every member of the Association undertakes to contribute to the assets of the Association in the event of its being wound up during the time that he or she is a member, or within one year thereafter, for payment of the debts and liabilities of the Association contracted before the time at which he or she ceases to be a member, and of the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding the sum of One Hong Kong Dollars.