

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

REPORTS AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

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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 2013.

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 2013 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.

MOVEMENTS IN SPORT SUBVENTION RESERVE FUND

Movements in sport subvention reserve fund during the year are set out in Note 6 to the financial statements on page 12.

DONATIONS

The charitable donations made during the year amounted to HK\$1,000.

DIRECTORS

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

Veronica June Arnold
Jennifer Laura Amanda Chadwick
Po Yan Polly Yu

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

The Association did not enter into any contract, other than the contracts of service with the directors or any person engaged in the full-time employment of the Association, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Association.

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

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.

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

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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 16, which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

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

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 about 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 of financial statements that give a true and fair view 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 the Association's affairs as at 31 March 2013, and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards 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 2013

	<u>NOTE</u>	<u>2013</u> HK\$	<u>2012</u> HK\$
Current assets			
Inventories	(3)	33,483	39,911
Accounts and other receivables		30,564	51,673
Prepayment		18,448	12,181
Cash and bank balances	(4)	1,177,167	1,131,352
Tax recoverable		44,903	-
		<u>1,304,565</u>	<u>1,235,117</u>
Current liabilities			
Receipts in advance		800	800
Deposit received		33,000	26,400
Accrued expenses		231,615	234,974
Tax payable		-	711
		<u>265,415</u>	<u>262,885</u>
Net assets		<u>1,039,150</u>	<u>972,232</u>
Represented by :			
Foundation funds	(5)	874,649	875,734
Accumulated (deficit) / surplus		(74,422)	76,410
Sport subvention reserve fund	(6)	238,923	20,088
		<u>1,039,150</u>	<u>972,232</u>

The financial statements on pages 4 to 16 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 2013

	<u>NOTE</u>	<u>2013</u> <u>HK\$</u>	<u>2012</u> <u>HK\$</u>
Government subventions	(7)	1,062,069	932,585
Other income	(8)	<u>1,068,154</u>	<u>980,470</u>
Total income		2,130,223	1,913,055
Administrative expenses	(9)	<u>(2,060,429)</u>	<u>(1,623,427)</u>
Surplus before tax		69,794	289,628
Taxation	(10)	<u>(2,876)</u>	<u>(711)</u>
Surplus for the year		<u><u>66,918</u></u>	<u><u>288,917</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 2013

	<u>2013</u> HK\$	<u>2012</u> HK\$
Operating activities		
Surplus before tax	69,794	289,628
Adjustments for:		
Interest income	(53)	(48)
Operating cash outflow before movements in working capital	69,741	289,580
Decrease/ (increase) in inventories	6,428	(6,473)
Decrease / (increase) in accounts and other receivables	21,109	(14,105)
Increase in prepayment	(6,267)	(7,461)
Decrease in receipts in advance	-	(41,165)
Increase/ (decrease) in deposit received	6,600	(8,700)
(Decrease) / increase in accrued expenses	(3,359)	17,651
Cash generated from operations	94,252	229,327
Tax paid	(48,490)	-
Interest income	53	48
Net increase in cash and cash equivalents	45,815	229,375
Cash and cash equivalents at beginning of year	1,131,352	901,977
Cash and cash equivalents at end of year	1,177,167	1,131,352
Analysis of the balance of cash and cash equivalents		
Cash and cash balances	1,177,167	1,131,352

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

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2013

	<u>Foundation funds</u>	<u>Accumulated surplus / (deficit)</u>	<u>Sport subvention reserve fund</u>	<u>Total</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
At 1/4/2012	875,734	76,410	20,088	972,232
Transfer to reserve fund	(1,085)	(234,046)	235,131	-
Release of the performance incentive payments from the reserve funds as approved by Leisure and Cultural Services Department ("LCSD")	-	16,296	(16,296)	-
Net surplus for the year	<u>-</u>	<u>66,918</u>	<u>-</u>	<u>66,918</u>
At 31/3/2013	<u>874,649</u>	<u>(74,422)</u>	<u>238,923</u>	<u>1,039,150</u>

HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

1. GENERAL

The Association is a private limited company with limited by guarantee incorporated in Hong Kong 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.

HONG KONG NETBALL ASSOCIATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

(d) 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

HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

(e) 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.

(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.

(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) Membership fee

Membership fee is 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.

(iv) Activities income

Activities income is recognised as revenue when the activities events have been completed.

HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

(h) 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.

3. INVENTORIES

	<u>2013</u> HK\$	<u>2012</u> HK\$
Merchandise, at cost	<u>33,483</u>	<u>39,911</u>

4. CASH AND BANK BALANCES

	<u>2013</u> HK\$	<u>2012</u> HK\$
Cash at bank		
- for Association administrative	703,328	773,010
- for Government subvention	<u>473,839</u>	<u>358,342</u>
	<u>1,177,167</u>	<u>1,131,352</u>

HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

5. FOUNDATION FUNDS

Foundation funds represent the net aggregate amount of assets and liabilities taken over from the unincorporated body known as the “Hong Kong Netball Association”.

6. SPORT SUBVENTION RESERVE FUND

Sport subvention reserve fund represents the accumulated savings or unused funds from the subventions of LCSD to meet the needs for development programmes in future. Any excess of the Reserve Funds over 25% of the subventions will be either returned to the LCSD on demand or netted off in following year’s subventions. Prior and written approval from LCSD is required before the use of the reserve fund.

	HK\$
At 1/4/2012	20,088
Transfer from accumulated surplus	235,131
Release of the performance incentive payments from the reserve funds as approved by LCSD	<u>(16,296)</u>
At 31/3/2013	<u>238,923</u>

7. GOVERNMENT SUBVENTIONS

	<u>2013</u>	<u>2012</u>
	HK\$	HK\$
Sports subventions received from LCSD	<u>1,062,069</u>	<u>932,585</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

8. OTHER INCOME

	<u>2013</u>	<u>2012</u>
	HK\$	HK\$
Income from the activities under Sports Subvention Scheme by LCSD:		
LCSD – Summer netball training courses entry fees	8,580	8,250
LCSD – Elementary netball training registration fees	3,300	2,970
LCSD – School sport: Sport demonstration	1,670	1,455
LCSD – School Sport: Easy sport programme	1,400	2,700
LCSD – School sport: Outreach Coaching Programme	9,600	7,790
LCSD - Hong Kong Junior Netball League	10,950	9,750
LCSD - Hong Kong Netball League – Team fees	38,500	33,600
LCSD - Mixed league team registration fees	25,000	27,000
LCSD – Netball Development Tournament team fees	2,400	1,680
LCSD - HKNA Inter-School netball tournaments – entry fee	2,850	3,000
LCSD - 4 th International Youth Sports Challenge – Players’ Contribution	-	24,000
LCSD – Young Athletes Netball Training Scheme Enrollment fee	10,200	8,700
LCSD - Men’s League	1,500	-
LCSD – Umpiring theory and practical course fees	6,600	6,050
LCSD - Feeder Enhancement National Junior Squad Overseas Training Camp	45,000	-
LCSD - Feeder Enhancement Regional Academy Tour	10,000	-
LCSD – HKNA Joint University Netball Tournament	2,400	1,800
	<u>179,950</u>	<u>138,745</u>
ASDF/LCSD – Hong Kong Netball Tri-Nations Tournament	250,000	250,000
ASDF/LCSD – Hong Kong Netball Tri-Nations Tournament-entry fees	6,000	6,000
Tri-Nations Umpiring and Coaching Workshop 11/12	10,825	26,271
Tri-Nations Umpiring and Coaching Workshop 12/13	24,922	-
Package Clinic Services	-	1,200
HK Coaching Committee – Subvention of Coaching Courses	24,738	30,298
Coaching courses – Attendee fee	10,800	6,600
Sports Federation & Olympic Committee of Hong Kong, China – Subvention of Festival of Sport – Netball Tournament	6,950	6,571
HKNA End of Season Function	11,850	13,300
HKNA – Outreach Coaching	22,600	22,940
WNC 2011 Coaching Seminar-Sponsored Coach expense reimbursement	-	41,235
HKNA-Foundation Coaching Course	2,380	-
Shanghai Umpiring and Coaching Course	-	26,001
HKNA - HK Netball League - fines	100	-
Miscellaneous Umpiring income	-	9,130
Sales of trading goods	27,190	36,510
HKNA membership fees	476,165	342,500
Sundry income	13,631	23,121
Bank interest income	53	48
	<u>1,068,154</u>	<u>980,470</u>

HONG KONG NETBALL ASSOCIATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

9. ADMINISTRATIVE EXPENSES

	<u>2013</u>	<u>2012</u>
	HK\$	HK\$
Expenses for the activities under Sports Subvention Scheme by LCSD:		
LCSD-National Junior Squad Training – Coach fee and venue charges	36,285	19,197
LCSD – National Squad Training (Senior / Open)	31,066	33,058
LCSD – Summer Netball training courses expenses	12,048	9,044
LCSD – Elementary netball training course expenses	5,454	5,380
LCSD – School sport: Sport demonstration expenses	4,084	4,276
LCSD – School Sport: Easy sport programme expenses	3,264	6,096
LCSD – School sport: Outreach Coaching programme expenses	24,553	18,218
LCSD - Hong Kong Junior Netball League	23,832	17,022
LCSD Hong Kong Netball League Expenses 2012/13	62,305	-
LCSD Hong Kong Netball League Expenses 2011/12	200	36,882
LCSD – Mixed Netball League	2,357	1,915
LCSD – Netball Development Tournament expenses	6,582	5,798
LCSD - HKNA Inter-school Netball Tournament expenditure	6,888	7,854
LCSD – Regional Squad Training / Regional Netball Academy	46,973	48,107
LCSD - 4 th International Youth Sports Challenge	-	104,106
LCSD –Young Athletes Netball Training Scheme expenditure	20,424	17,953
8 th Asian Netball Championship	210,666	-
Asian Netball Federation Council Meeting	12,297	-
LCSD – Umpiring theory and practical Course expenses	16,534	9,766
LCSD - Feeder Enhancement National Junior Squad Overseas Training Camp	206,663	-
LCSD - Feeder Enhancement Regional Netball Academy Tour	87,683	-
LCSD - Feeder Enhancement National Junior Squad Training	3,366	14,067
LCSD – HKNA Joint University Netball tournament	4,380	4,220
LCSD - Administration expenses	36,104	43,627
	<hr/>	<hr/>
Sub-total carried forward	864,008	406,586

HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

9. ADMINISTRATIVE EXPENSES (Continued)

	<u>2013</u>	<u>2012</u>
	HK\$	HK\$
Sub-total brought forward	864,008	406,586
ASDF/LCSD – Hong Kong Netball Tri-Nations Tournament	315,310	329,938
Tri-Nations Umpiring and Coaching Workshop expenses	45,341	76,822
HKNA – Tri-Nations	13,772	-
IFNA and ANF meeting, July 2011, Singapore	-	6,847
Coaching courses expenses	36,915	18,290
HK Coaching Committee HKNA Thanks Coach Awards expenses	11,400	10,070
Miscellaneous umpiring expenses	-	3,872
HKNA End of Season Function expenditure	15,603	13,412
HKNA Hong Kong Beach 5S 2011	-	112
Sports Federation & Olympic Committee of Hong Kong, China – Festival of Sport – Netball Tournament expenditures	6,950	6,350
WNC 2011 Coaching Seminar-Sponsored Coach expenses reimbursement	-	1,731
Shanghai Umpiring and Coaching Course	-	8,818
HKNA Schools Netball Promotion Scheme	560	1,534
Auditors' remuneration		
- over-provision for previous year	(1,000)	-
- current year	19,000	17,000
Staff quarter – rent imbursement	30,000	27,500
Salaries	545,535	530,932
Mandatory provident fund contribution	27,876	27,408
Third party liability insurance	20,900	15,604
Cost of sales for trading goods	29,832	47,575
Consumable stores	5,405	23,493
Written off the obsolete inventories	-	9,600
HK - Singapore NB Exchange (Regional Netball Academy)	180	-
HKNA - HK Netball League	6,356	-
HKNA - National Junior Squad	8,675	-
HKNA - National Opens Squad	1,970	-
HKNA - Regional Netball Academy 2011/12	5,615	-
HKNA - Regional Netball Academy 2012/13	3,582	-
Transportation	30,675	39,933
HKNA – General expenses	14,304	-
HKNA - Foundation Coaching Course	665	-
Donation	1,000	-
	<hr/>	<hr/>
Total expenses	<u>2,060,429</u>	<u>1,623,427</u>

HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

10. TAXATION

Hong Kong profits tax has been provided for in the financial statements at 16.5% (2012 : 16.5%) on the estimated assessable profits for the year less tax concession.

11. DIRECTORS' REMUNERTION

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

12. 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\$25,000. Contributions to the plan vest immediately.

13. 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