

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

REPORTS AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

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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 2014.

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 2014 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.

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	
Danielle Gwendoline Taylor	(Appointed on 15 June 2013)
Yu Po Yan Polly	(Resigned on 15 June 2013)

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.

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

Units 404-405A, 4/F., Wing Tuck Commercial Centre, 177-183 Wing Lok Street, Sheung Wan, H.K.
香港上環永樂街 177-183 號永德商業中心 4 樓 404-405A 室 Tel. : 23318206 Fax: 31101338

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 2014, 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 2014, 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 2014

	<u>NOTE</u>	<u>2014</u> HK\$	<u>2013</u> HK\$
Current assets			
Inventories	(3)	22,305	33,483
Accounts and other receivables		3,940	30,564
Prepayment		21,728	18,448
Cash and bank balances	(4)	1,277,958	1,177,167
Tax recoverable		11,392	44,903
		<u>1,337,323</u>	<u>1,304,565</u>
Current liabilities			
Receipts in advance		15,470	800
Deposit received		38,400	33,000
Accrued expenses		241,568	231,615
		<u>295,438</u>	<u>265,415</u>
Net assets		<u>1,041,885</u>	<u>1,039,150</u>
Represented by :			
Foundation funds	(5)	874,649	874,649
Accumulated deficit		(121,759)	(74,422)
Sport subvention reserve fund	(6)	288,995	238,923
		<u>1,041,885</u>	<u>1,039,150</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 2014

	<u>NOTE</u>	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Government subventions	(7)	981,452	1,062,069
Other income	(8)	<u>1,039,461</u>	<u>1,068,154</u>
Total income		2,020,913	2,130,223
Administrative expenses	(9)	<u>(2,018,063)</u>	<u>(2,060,429)</u>
Surplus before tax		2,850	69,794
Taxation	(10)	<u>(115)</u>	<u>(2,876)</u>
Surplus for the year		<u><u>2,735</u></u>	<u><u>66,918</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 2014

	<u>2014</u> HK\$	<u>2013</u> HK\$
Operating activities		
Surplus before tax	2,850	69,794
Adjustments for:		
Interest income	(53)	(53)
Operating cash (outflow) / inflow before movements in working capital	<u>2,797</u>	<u>69,741</u>
Decrease in inventories	11,178	6,428
Decrease in accounts and other receivables	26,624	21,109
Increase in prepayment	(3,280)	(6,267)
Increase in receipts in advance	14,670	-
Increase in deposit received	5,400	6,600
Increase / (decrease) in accrued expenses	<u>9,953</u>	<u>(3,359)</u>
Cash generated from operations	67,342	94,252
Tax refund / (paid)	33,396	(48,490)
Interest income	<u>53</u>	<u>53</u>
Net increase in cash and cash equivalents	100,791	45,815
Cash and cash equivalents at beginning of year	<u>1,177,167</u>	<u>1,131,352</u>
Cash and cash equivalents at end of year	<u><u>1,277,958</u></u>	<u><u>1,177,167</u></u>
Analysis of the balance of cash and cash equivalents		
Cash and cash balances	<u><u>1,277,958</u></u>	<u><u>1,177,167</u></u>

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 2014

	<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 1/4/2013	874,649	(74,422)	238,923	1,039,150
Transfer to reserve fund	-	(60,511)	60,511	-
Release of the performance incentive payments from the reserve funds as approved by Leisure and Cultural Services Department ("LCSD")	-	10,439	(10,439)	-
Net surplus for the year	<u>-</u>	<u>2,735</u>	<u>-</u>	<u>2,735</u>
At 31/3/2014	<u>874,649</u>	<u>(121,759)</u>	<u>288,995</u>	<u>1,041,885</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 2014

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

香港投球總會有限公司

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

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 2014

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 2014

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>2014</u> HK\$	<u>2013</u> HK\$
Merchandise, at cost	<u>22,305</u>	<u>33,483</u>

4. CASH AND BANK BALANCES

	<u>2014</u> HK\$	<u>2013</u> HK\$
Cash at bank		
- for Association administrative	892,425	703,328
- for Government subvention	<u>385,533</u>	<u>473,839</u>
	<u>1,277,958</u>	<u>1,177,167</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 2014

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 1/4/2013	238,923
Transfer from accumulated surplus	60,511
Release of the performance incentive payments from the reserve funds as approved by LCSD	<u>(10,439)</u>
At 31/3/2014	<u>288,995</u>

7. GOVERNMENT SUBVENTIONS

	<u>2014</u>	<u>2013</u>
	HK\$	HK\$
Sports subventions received from LCSD	<u>981,452</u>	<u>1,062,069</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 2014

8. OTHER INCOME

	<u>2014</u> HK\$	<u>2013</u> HK\$
Income from the activities under Sports Subvention Scheme by LCSD:		
LCSD – Summer netball training courses entry fees	10,010	8,580
LCSD – Elementary netball training registration fees	-	3,300
LCSD – School sport: Sport demonstration	620	1,670
LCSD – School Sport: Easy sport programme	2,960	1,400
LCSD – School sport: Outreach Coaching Programme	26,400	9,600
LCSD - Hong Kong Junior Netball League	13,650	10,950
LCSD - Hong Kong Netball League – Team fees	41,300	38,500
LCSD - Mixed league team registration fees	32,000	25,000
LCSD – Netball Development Tournament team fees	1,800	2,400
LCSD - HKNA Inter-School netball tournaments – entry fee	3,600	2,850
LCSD – Young Athletes Netball Training Scheme Enrollment fee	9,000	10,200
LCSD - Men’s League	-	1,500
LCSD – Umpiring theory and practical course fees	7,400	6,600
LCSD - Feeder Enhancement National Junior Squad Overseas Training Camp	-	45,000
LCSD - Feeder Enhancement Regional Academy Tour	12,000	10,000
LCSD – HKNA Joint University Netball Tournament	3,000	2,400
	<u>163,740</u>	<u>179,950</u>
ASDF/LCSD – Hong Kong Netball Tri-Nations Tournament	250,000	250,000
LCSD – Hong Kong Netball Tri-Nations Tournament - refund of excess funding for 2011/2012 and 2012/2013	(48,928)	-
ASDF/LCSD – Hong Kong Netball Tri-Nations Tournament-entry fees	6,000	6,000
Tri-Nations Umpiring and Coaching Workshop 11/12 and 12/13	-	35,747
Tri-Nations Umpiring and Coaching Workshop 13/14	3,190	-
HK Coaching Committee – Subvention of Coaching Courses	2,506	24,738
Coaching courses – Attendee fee	8,100	10,800
Sports Federation & Olympic Committee of Hong Kong, China – Subvention of Festival of Sport – Netball Tournament	8,000	6,950
HKNA End of Season Function	15,500	11,850
HKNA – Outreach Coaching	21,200	22,600
HKNA-Foundation Coaching Course	1,400	2,380
HKNA - HK Netball League - fines	-	100
Miscellaneous Umpiring income	11,395	-
Sales of trading goods	68,750	27,190
HKNA membership fees	519,350	476,165
Sundry income	9,205	13,631
Bank interest income	53	53
	<u>1,039,461</u>	<u>1,068,154</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 2014

9. ADMINISTRATIVE EXPENSES

	<u>2014</u>	<u>2013</u>
	HK\$	HK\$
Expenses for the activities under Sports Subvention Scheme by LCSD:		
LCSD-National Junior Squad Training – Coach fee and venue charges	27,913	36,285
LCSD – National Squad Training (Senior / Open)	25,477	31,066
LCSD – Summer Netball training courses expenses	11,339	12,048
LCSD – Elementary netball training course expenses	-	5,454
LCSD – School sport: Sport demonstration expenses	2,756	4,084
LCSD – School Sport: Easy sport programme expenses	6,656	3,264
LCSD – School sport: Outreach Coaching programme expenses	68,148	24,553
LCSD - Hong Kong Junior Netball League	32,928	23,832
LCSD Hong Kong Netball League Expenses	68,268	62,305
LCSD Hong Kong Netball League Expenses 2011/12	-	200
LCSD – Mixed Netball League	1,835	2,357
LCSD – Netball Development Tournament expenses	5,140	6,582
LCSD - HKNA Inter-school Netball Tournament expenditure	5,120	6,888
LCSD – Regional Squad Training / Regional Netball Academy	39,543	46,973
LCSD – Young Athletes Netball Training Scheme expenditure	26,035	20,424
LCSD – 8 th Asian Netball Championship Aug 2012	-	210,666
LCSD – 8 th Asian Youth Netball Championship	183,755	-
Asian Netball Federation Council Meeting	-	12,297
LCSD – Men’s League	2,752	-
LCSD – Umpiring theory and practical Course expenses	17,550	16,534
LCSD - Feeder Enhancement National Junior Squad Overseas Training Camp	-	206,663
LCSD - Feeder Enhancement Regional Netball Academy Tour	56,763	87,683
LCSD - Feeder Enhancement National Junior Squad Trading	-	3,366
LCSD – HKNA Joint University Netball tournament	4,325	4,380
LCSD – INF Members Congress	16,086	-
LCSD - Third party liability insurance	35,150	20,900
LCSD – Additional office expenses-Personnel Expenses		
Virement 2013-14	60,000	-
LCSD - Administration expenses	54,228	36,104
	<hr/>	<hr/>
Sub-total carried forward	751,767	884,908

HONG KONG NETBALL ASSOCIATION LIMITED

香港投球總會有限公司

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

9. ADMINISTRATIVE EXPENSES (Continued)

	<u>2014</u>	<u>2013</u>
	HK\$	HK\$
Sub-total brought forward	751,767	884,908
ASDF/LCSD – Hong Kong Netball Tri-Nations Tournament	393,312	315,310
Tri-Nations Umpiring and Coaching Workshop expenses	24,581	45,341
HKNA – Tri-Nations	27,869	13,772
Coaching courses expenses	10,606	36,915
HK Coaching Committee HKNA Thanks Coach Awards expenses	9,600	11,400
HKNA End of Season Function expenditure	19,224	15,603
Sports Federation & Olympic Committee of Hong Kong, China – Festival of Sport – Netball Tournament expenditures	9,536	6,950
HKNA Schools Netball Promotion Scheme	-	560
Auditors' remuneration		
- over-provision for previous year	-	(1,000)
- current year	27,700	19,000
Staff quarter – rent imbursement	-	30,000
Salaries	591,822	545,535
Mandatory provident fund contribution	32,624	27,876
Cost of sales for trading goods	59,501	29,832
Consumable stores	2,533	5,405
HK - Singapore NB Exchange (Regional Netball Academy)	-	180
HKNA - HK Netball League	-	6,356
HKNA - National Junior Squad	1,416	8,675
HKNA - National Opens Squad	6,988	1,970
HKNA - Regional Netball Academy 2011/12 and 2012/13	-	9,197
HKNA - Regional Netball Academy 2013/14	4,410	-
Transportation	19,357	30,675
HKNA – General expenses	19,509	14,304
HKNA - Foundation Coaching Course	190	665
HKNA – Umpires KL Tour	5,118	-
HKNA - Umpiring	400	-
Donation	-	1,000
	<hr/>	<hr/>
Total expenses	<u>2,018,063</u>	<u>2,060,429</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 2014

10. TAXATION

Hong Kong profits tax has been provided for in the financial statements at 16.5% (2013 : 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