



Hong Kong China Softball Association

中國香港壘球總會

HONG KONG CHINA SOFTBALL ASSOCIATION (“the Association”)

Notice of Meeting

NOTICE IS HEREBY GIVEN that an Annual General Meeting (AGM) of the Association will be held on Sunday, 29th September 2024 at 1:15 p.m. at the premises of the Association at Tin Kwong Road, Kowloon.

The Agenda will be as follows:

1. To adopt the minutes for the previous meeting.
2. To receive the Report of the President on the previous year.
3. To receive, consider and approve the Statement of Accounts of the previous year.
4. To elect members to fill the vacancies of the Executive Council in accordance with Article 38 of the Articles of Association. *
5. To appoint an Auditor.
6. To discuss any other matters[#].

Only Paid-up Members for the current financial year are entitled to attend and vote and appoint proxies if they (the Paid-up Members) themselves cannot attend – the Proxy Holder need not be a Member.

BY ORDER OF COUNCIL


Mr. WONG Chun Cheong, Franky
President

Dated: 6th September 2024

* Member should submit of nomination of the vacancies of the Executive Council members by delivering to the Secretary-General of the Hong Kong China Softball Association at Tin Kwong Road office not later than seven (7) days clear notice before the holding of AGM; otherwise, it may not be entertained.

A member should give notice of a question, suggestion, etc, by delivering to the Secretary-General of the Hong Kong China Softball Association at Tin Kwong Road office not later than fourteen (14) days clear notice before the holding of AGM and which an answer is required; otherwise, it may not be entertained.



Hong Kong China Softball Association

中國香港壘球總會

Minutes of the Annual General Meeting held on 29 October, 2023 at 1:00 p.m. at the Clubhouse of the Association, Tin Kwong Road, Kowloon.

Present:

Mr. WONG Chun Cheong	for President
Mr. NG Man Hung	for Vice-President
Mr. TERAUCHI Katsuji	for Vice-President
Mr. MAU Chun Hong	for Secretary-General
Mr. NG Yuet Kong	for Treasurer
Mr. WONG Pui Wan	for Council Member
Mr. KO Tzu Chao	for Council Member
Mr. WONG Hiu Kei	for Council Member

53 Members

(As listed on the attendance booklet)

Total : 61 members

The Annual General Meeting started at 1:00 pm upon confirmation of sufficient members to form a quorum.

1. Confirmation of the Minutes of the Annual General Meeting held on 25 September 2022

Ms. Leung Tsz Yan proposed a motion to confirm the minutes, seconded by Mr. Chung Curtis Syn Hang. The Minutes of the Annual General Meeting held on 25 September 2022 were confirmed unanimously.

2. President's Annual Report

The President presented a report summarizing the work done in the 2022-2023 season, including leagues, competitions, courses and enhancement projects.

3. Audited Accounts of the Association 2022-2023

Mr. Fung Po Hei. proposed a motion to approve the audited accounts, seconded by Ms. Lam Pui Kwan. The audited accounts prepared by Stella L.Y. Ho & Company were approved.



Hong Kong China Softball Association

中國香港壘球總會

4. Election of Office-Bearers

One nomination for office-bearers for the 2023-26 seasons was received from Mr. Tang Chi Tak

Mr. Tang Chi Tak's nomination:

<u>Name:</u>	<u>Position:</u>	<u>Seasons:</u>
Mr. NG Ka Him	for Treasurer	2023-2026

Mr. Liu Ho Fai proposed a motion to confirm the nomination en-bloc, seconded by Mr. Tsang Wai Kiu. The nomination en-bloc was duly elected as the office-bearers for the 2023-2026 season.

Ray announced the full list of office-bearers for 2023-2024

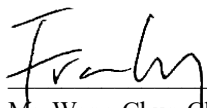
<u>Name:</u>	<u>Position:</u>	<u>Seasons:</u>
Mr. WONG Chun Cheong	for President	2021-2024
Mr. LEE Chong Fai	for Vice-President	2021-2024
Mr. TERAUCHI Katsuji	for Vice-President	2022-2025
Mr. Ng Man Hung	for Vice-President	2022-2025
Mr. MAU Chun Hong	for Secretary-General	2021-2024
Mr. NG Ka Him	for Treasurer	2023-2026
Mr. KO Tzu Chao	for Comm. League Affairs	2022-2025
Ms. LI Pui Ying	for Council Member	2022-2025
Ms. WONG Pui Wan	for Council Member	2021-2024

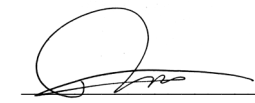
5. Appointment of Auditor

Ms. Lau Suet Man proposed a motion to re-appoint Stella L.Y. Ho & Company. as the auditor for the coming season, seconded by Ms. Pong Yui Chi. The motion was approved.

At last, the President Mr. Franky Wong thanked all the previous council members for their continuous support in the past season. As there was no other business, the AGM was adjourned at 13:53 p.m.

Confirmed by


Mr. Wong Chun Cheong
President


Mr. Mau Chun Hong
Secretary-General

HONG KONG CHINA SOFTBALL ASSOCIATION
(FORMERLY KNOWN AS HONG KONG SOFTBALL ASSOCIATION)

REPORT OF THE COUNCIL

The Council have pleasure in presenting their report together with the audited financial statements for the year ended 31st December, 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Association is to promote softball game in Hong Kong.

FINANCIAL RESULTS

The financial results of the Association for the year ended 31st December, 2023 and the state of the Association's affairs at that date are set out in the annexed Financial Statements.

NON-CURRENT ASSETS

The movements in property, plant and equipment during the year are shown in Note 2 to the annexed financial statements.

COUNCIL MEMBERS

The Council Members of the Association during the year and up to date of this report are as follows :

Mr. Ng Ka Him (Appointed on 30/9/2023)	Mr. Wong Hiu Kei (Resigned on 30/9/2023)
Mr. Wong Chun Cheong	Mr. Lee Chong Fai
Mr. Mau Chun Hong	Mr. Ng Man Hung
Mr. Ng Yuet Kong (Resigned on 30/9/2023)	Mr. Terauchi Katsuji
Ms. Wong Pui Wan	Mr. Ko Tzu Chao
Mr. Wong Willian (Resigned on 30/9/2023)	Miss. Li Pui Ying
Mr. Wong Willem (Resigned on 30/9/2023)	

The Association did not enter into any material contract in which the Council Members had interest subsisted at the end of the financial year or at any time during the year.

OTHER MATTERS


At the date of this report, the council are not aware of any circumstances not otherwise dealt with in this report and financial statements which would render any amount stated in the financial statements misleading.

AUDITORS

The Association's financial statements for the year under review have been audited by Messrs. Stella L. Y. Ho & Company who offer themselves for re-appointment.

HONG KONG, - 5 SEP 2024

On behalf of the Council


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President
Mr. Wong Chun Cheong

Ho Lai Yin, Stella
C.P.A. (Practising)

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2520 6222 (Ms. Ho)

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**STELLA L. Y. HO
& COMPANY**

Certified Public Accountants
Unit 15, 41/F., Hong Kong Plaza,
188 Connaught Road West,
Sai Wan, Hong Kong.

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真 線 話
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六 八 二 〇
八 二 〇
香港
商西
業環
中干
心諾
道西
十西
一樓
八八
五號
五室

何麗賢會計師行

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HONG KONG CHINA SOFTBALL ASSOCIATION
(FORMERLY KNOWN AS HONG KONG SOFTBALL ASSOCIATION)
FOR THE YEAR ENDED 31ST DECEMBER 2023
(incorporated in Hong Kong with limited by guarantee)

We have audited the financial statements of Hong Kong China Softball Association set out on pages 5 to 17, which comprise the statement of financial position as at 31st December, 2023 and the statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies information.

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31st December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Company Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") 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.

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

The council members are responsible for the other information. The other information comprises all information included in the Report of the Council and financial statements 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.

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 statement 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 Council Members and Those Charged with Governance for the Financial Statements

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

-to be continued-

Ho Lai Yin, Stella
C.P.A. (Practising)

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STELLA L. Y. HO & COMPANY

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HONG KONG CHINA SOFTBALL ASSOCIATION
(FORMERLY KNOWN AS HONG KONG SOFTBALL ASSOCIATION)
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(incorporated in Hong Kong with limited by guarantee)

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

(-continued-)

In preparing the financial statements, the council 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 council 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 content of the report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, 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 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 council members.
- Conclude on the appropriateness of the council 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.
- 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.

-to be continued-

Ho Lai Yin, Stella
C.P.A. (Practising)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HONG KONG CHINA SOFTBALL ASSOCIATION
(FORMERLY KNOWN AS HONG KONG SOFTBALL ASSOCIATION)
FOR THE YEAR ENDED 31 ST DECEMBER 2023
(incorporated in Hong Kong with limited by guarantee)

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.

Date: - 5 SEP 2024



STELLA L. Y. HO & COMPANY
Certified Public Accountants
Ho Lai Yin
Practising Certificate Number
P04353


HONG KONG CHINA SOFTBALL ASSOCIATION
(FORMERLY KNOWN AS HONG KONG SOFTBALL ASSOCIATION)

STATEMENT OF FINANCIAL POSITION


AS AT 31ST DECEMBER, 2023

	<u>Note</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	1.4(a) & 2	3,371,733.81	1,970,177.27
CURRENT ASSETS			
Utility Deposits		29,450.10	29,450.10
Advance payment for Slope Remedial Works		-	1,192,000.00
Temporary Payment		466,426.39	330,220.54
Cash at Bank		3,782,518.98	3,554,954.35
Cash at Bank (Reserved Fund From Government)		1,365,188.03	5,745,198.66
		5,643,583.50	10,851,823.65
CURRENT LIABILITIES			
Guarantee Deposit Received		768,500.00	694,500.00
Accrued Expenses		26,000.00	19,000.00
Sundry Creditor		478,137.09	568,235.88
Refundable to LCSD		1,705,656.00	6,627,521.81
		2,978,293.09	7,909,257.69
NET CURRENT ASSETS		2,665,290.41	2,942,565.96
TOTAL NET ASSETS		6,037,024.22	4,912,743.23
FUNDS AND RESERVES			
Building Fund (Grant from Home Affair Department)		22,000.00	22,000.00
Flood-Lighting Fund		306,600.00	306,600.00
General Fund -			
Balance brought forward		4,584,143.23	4,031,160.26
Surplus/(Deficit) for the year		1,124,280.99	552,982.97
		5,708,424.22	4,584,143.23
		6,037,024.22	4,912,743.23

Approved by the Council on: **- 5 SEP 2024**



 President



 Treasurer

Mr. Wong Chun Cheong

Mr. Ng Ka Him

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

HONG KONG CHINA SOFTBALL ASSOCIATION
(FORMERLY KNOWN AS HONG KONG SOFTBALL ASSOCIATION)

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31ST DECEMBER, 2023

	<u>2023</u> HK\$	<u>2022</u> HK\$
INCOME		
Membership Fee	535,960.00	461,050.00
Team Affiliation and Entry Fee	266,200.00	351,000.00
Concession fee from Members' Canteen	56,419.10	37,000.00
Concession fee from Softball	825,900.00	873,200.00
Contribution to Ground Maintenance from :		
Members	378,615.00	
Others	51,090.40	
Contribution to Slope Remediation	-	577,720.00
Subsidy Received from :		
L. & C. S. Department	7,723,757.82	
Hong Kong Sports Institute Limited	1,258,780.00	
Home Affairs Bureau	882,035.15	
S. F. & O. C.	20,000.00	
The Hong Kong Schools Sports Federation	24,911.00	9,909,483.97
Training Course / Tournament Entry Fee	200,816.00	86,222.00
Bank Interest	19,752.89	618.52
Sundry Income	111,299.25	58,481.40
	12,355,536.61	7,276,582.31
LESS : EXPENDITURE		
Salaries & Allowances	2,706,789.97	2,099,854.90
Rates & Government Rent	151,520.00	133,120.00
Business Registration Fee / License Fee	2,668.00	500.00
Professional Charges	190,000.00	70,000.00
MPF Contribution	163,417.56	132,731.92
Telephone, Fax & Postage	19,525.00	16,591.32
Water & Electricity	182,306.60	156,487.20
Printing & Stationery	56,829.26	82,067.77
Cleaning Charges	23,562.00	20,170.00
Bank Charges	14,825.02	5,877.11
Social Expenses	138,957.20	3,588.00
Insurance	109,643.66	74,180.60
Traffic Expenses (Incl. Air tickets)	94,447.07	50,291.00
Subscription & Advertising	7,510.28	5,127.33
Trophies, Awards & Scholarship	101,776.00	66,600.00
Entry Fee to Overseas Tournament	35,110.95	2,550.56
Repairs & Maintenance	205,669.03	31,405.00
Softball Used in League	60,000.00	44,400.00
National Team Expenses	2,398,440.32	730,565.97
Opening Ceremony Expenses	-	-
Umpires, Scorers & Duty Officers Fees	513,572.74	267,010.00
Equipment Consumed	550,186.01	310,880.84
Coaches Expenses	1,863,067.50	1,269,273.50
Audit Fee -		
Annual Financial Statements	26,000.00	19,000.00
Other Statements	32,900.00	19,000.00
Medical Expenses	47,597.99	11,782.00
Depreciation	842,933.46	492,544.32
Team Sports Training Grant for Athlete	692,000.00	608,000.00
	11,231,255.62	6,723,599.34
SURPLUS FOR THE YEAR	1,124,280.99	552,982.97

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

HONG KONG CHINA SOFTBALL ASSOCIATION
(FORMERLY KNOWN AS HONG KONG SOFTBALL ASSOCIATION)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2023

	2023	2022
	HK\$	HK\$
SURPLUS FOR THE YEAR	1,124,280.99	552,982.97
Other comprehensive income	-	-
Total comprehensive income for the year	1,124,280.99	552,982.97

HONG KONG CHINA SOFTBALL ASSOCIATION
(FORMERLY KNOWN AS HONG KONG SOFTBALL ASSOCIATION)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER, 2023

	General Fund	Flood-lighting Fund	Building Fund	Total
	HK\$	HK\$	HK\$	HK\$
Balance at 31st December, 2021	4,031,160.26	306,600.00	22,000.00	4,359,760.26
Surplus for the year 2022	552,982.97	-	-	552,982.97
Balance at 31st December, 2022	4,584,143.23	306,600.00	22,000.00	4,912,743.23
Surplus for the year 2023	1,124,280.99	-	-	1,124,280.99
Balance at 31st December, 2023	5,708,424.22	306,600.00	22,000.00	6,037,024.22

HONG KONG CHINA SOFTBALL ASSOCIATION
(FORMERLY KNOWN AS HONG KONG SOFTBALL ASSOCIATION)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER, 2023

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Cash flows from operating activities		
Surplus for the year	1,124,280.99	552,982.97
Adjustments for :		
Depreciation	842,933.46	492,544.32
Bank interest received	(19,752.89)	(618.52)
Operating cash flows before working fund changes	<u>1,947,461.56</u>	<u>1,044,908.77</u>
Increase in Temporary Payment	(136,205.85)	(1,150,392.08)
Decrease in Advance Payment	1,192,000.00	-
Decrease in Account receivable	-	-
Increase in Guarantee Deposit Received	74,000.00	227,000.00
Increase / (Decrease) in Accrued Expenses	7,000.00	(34,355.00)
(Decrease) / Increase in Sundry Creditor	(90,098.79)	182,001.80
(Decrease) / Increase Refundable to LCSD	<u>(4,921,865.81)</u>	<u>2,288,117.81</u>
Net cash (outflow) / inflow from operating activities	<u>(1,927,708.89)</u>	<u>2,557,281.30</u>
Cash flows from investing activities		
Bank Interest Received	19,752.89	618.52
Net cash inflow from investing activities	<u>19,752.89</u>	<u>618.52</u>
Cash flows from financing activities		
Purchase of Fixed Assets	<u>(2,244,490.00)</u>	<u>(94,399.00)</u>
Net cash outflow from financing activities	<u>(2,244,490.00)</u>	<u>(94,399.00)</u>
Net (decrease) / increase in cash and cash equivalents	(4,152,446.00)	2,463,500.82
Cash and cash equivalents at the beginning of the year	<u>9,300,153.01</u>	<u>6,836,652.19</u>
Cash and cash equivalents at the end of the year	<u>5,147,707.01</u>	<u>9,300,153.01</u>
Represented by :		
Cash at Bank	<u>5,147,707.01</u>	<u>9,300,153.01</u>

HONG KONG CHINA SOFTBALL ASSOCIATION
(FORMERLY KNOWN AS HONG KONG SOFTBALL ASSOCIATION)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2023

1.1 GENERAL INFORMATION

Hong Kong China Softball Association is a non-profit-making body which was incorporated under the Companies Ordinance on 17th April, 1970.

The registered office of the Association is located at Tin Kwong Road, Kowloon. During the year, the principal activity of the Association is to promote softball game in Hong Kong.

1.2 STATEMENT OF COMPLIANCE

The Association's financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong, and the requirements of the Hong Kong Companies Ordinance. Material accounting policies information is set out in note 1.4.

In the current year, the Association has applied new amendments and interpretation ("new HKFRSs) issued by the HKICPA which are or have become effective.

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting years have been prepared and presented. Accordingly, no prior period adjustment has been required.

IMPACT OF NEW HKICPA GUIDANCE ON THE ACCOUNTING IMPLICATIONS OF THE ABOLITION OF THE MPF_LSP OFFSETTING MECHANISM

In June 2022, the Government of the Hong Kong SAR (the "Government") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance"), which will eventually abolish the statutory right of an employer to reduce its log service payment ("LSP") and severance payment payable to a Hong Kong employee by drawing on its mandatory contributions to the mandatory provident fund ("MPF") scheme (also known as the "offsetting mechanism"). The Government has subsequently announced that the Amendment Ordinance will come into effect from 1 May 2025 (the "Transition Date"). Separately, the Government is also expected to introduce a subsidy scheme to assist employers after the abolition.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides guidance on the accounting considerations relating to the offsetting mechanism and the abolition of the mechanism.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2023

1.2 STATEMENT OF COMPLIANCE – (Continued)

IMPACT OF NEW HKICPA GUIDANCE ON THE ACCOUNTING IMPLICATIONS OF THE ABOLITION OF THE MPF_LSP OFFSETTING MECHANISM – (Continued)

The Association has assessed the implications of this new guidance on the above accounting policies. The management has commenced the processes on implementing the change including additional data collection and impact assessment. The Association expects to adopt this guidance with retrospective application in its annual financial statements for the year ending not later than 31 December 2024.

1.3 BASIS OF PREPARATION

The financial statements are presented in Hong Kong dollars. The measurement basis used in the preparation of the financial statements is under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2023

1.4 MATERIAL ACCOUNTING POLICIES

a) Property, Plant and Equipment

Property, plant and equipment are stated at cost less depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after the property, plant and equipment having been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalized as an additional cost of the property, plant and equipment.

Where assets are sold or retired, their cost or valuation and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the statement of profit or loss.

b) Depreciation

Depreciation on property, plant and equipment is calculated on the cost over their estimated useful lives provided on the reducing balance method at 20% per annum.

c) Revenue Recognition

Membership fee, team affiliation and entry fee, concession fee from softball, contribution to ground maintenance from members and others, subsidy received, training course entry fee, bank interest and sundry income are recognized and accounted for on the cash basis.

d) Employee Benefits

Paid Leave

The Association provides paid annual leave to its employees under the Employment Ordinance. In this year, any leave which remains untaken as at the end of reporting period is carried forward and utilized by the respective employees in the future. No accrual needs to be made at the end of reporting period for the expected future cost of such paid leave earned by the employees.

Long Service Payments

Certain employees have completed the required number of periods of service to the Association in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Association is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

A provision has not been recognized in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Association.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2023

1.4 MATERIAL ACCOUNTING POLICIES – (Continued)

d) Employee Benefits – (Continued)

Mandatory Provident Fund

The Association operates a defined contribution Mandatory Provident Fund Retirement benefits scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Association in an independently administered fund. The Association’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

e) Cash and cash equivalents

For the purpose of the cash flow statements, cash and equivalents comprise cash on hand and demand deposits.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

f) Receivables

After the adoption of HKFRS 15, the Funds recognises revenue as the Funds satisfies a performance obligation by transferring a promised service(i.e. an asset). When a performance obligation is satisfied, the Funds recognises as revenue the amount of the transaction price (which excludes estimates of variable consideration that are constrained in accordance with HKFRS 15) that is allocated to that performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2023

1.4 MATERIAL ACCOUNTING POLICIES – (Continued)

g) Payables

Payables are recognized initially at fair value and subsequently measured at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2. PROPERTY, PLANT AND EQUIPMENT

	Total at 31/12/2022	<u>Additions</u>	Total at 31/12/2023
	HK\$	HK\$	HK\$
At Cost :			
Improvement	4,805,934.00	2,142,500.00	6,948,434.00
Club House	891,544.47	-	891,544.47
Fencing / Spectator Stand	544,361.75	-	544,361.75
Furniture & Fixtures	1,146,623.90	-	1,146,623.90
Equipment	623,240.54	101,990.00	725,230.54
Flood-Lighting	535,843.00	-	535,843.00
	<u>8,547,547.66</u>	<u>2,244,490.00</u>	<u>10,792,037.66</u>
	Total	Charges for	Total
	at 31/12/2022	the year	at 31/12/2023
Depreciation :			
Improvement	3,640,862.82	661,514.24	4,302,377.06
Club House	830,233.79	12,262.14	842,495.93
Fencing / Spectator Stand	479,195.73	13,033.20	492,228.93
Furniture & Fixtures	712,628.55	86,799.07	799,427.62
Equipment	378,710.66	69,303.98	448,014.64
Flood-Lighting	535,738.84	20.83	535,759.67
	<u>6,577,370.39</u>	<u>842,933.46</u>	<u>7,420,303.85</u>
Net Book Value	<u>1,970,177.27</u>		<u>3,371,733.81</u>

HONG KONG CHINA SOFTBALL ASSOCIATION
(FORMERLY KNOWN AS HONG KONG SOFTBALL ASSOCIATION)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2023

3. TAXATION

During the year under review, the Association's receipt from members is more than 50% of its total gross receipts. No Profits Tax for the year of assessment 2023/2024 therefore is necessary to be provided in the financial statements.

4. CAPITAL MANAGEMENT

The Association's objectives when managing capital are :

- To safeguard the Association's ability to continue as a going concern, so that it continues to provide returns and benefits for Association;
- To support the Association's stability and growth; and
- To provide capital for the purpose of strengthening the Association's risk management capability.

The Association actively and regularly reviews and manages its capital structure to ensure optimal capital structure and Association's returns and benefit, taking into consideration the future capital requirements of the Association and capital efficiency, projected operating cash flows and projected capital expenditure.

The Association's operation is mainly sourced from Membership fee, Team Affiliation and Entry Fee, Concession fee from Softball, Contribution to Ground Maintenance, Subsidy Received, Training Course Entry fee, Bank Interest and Sundry Income.

The Association is not subject to either internally or externally imposed capital requirements.

As in prior years, the Association monitors capital by reviewing the level of capital that is at the disposal of the Association ("adjusted capital") Adjusted capital comprises all components of accumulated funds. The adjusted capital of the Association at 31st December, 2023 was HK\$ 6,037,024.22 (31/12/2022 : HK\$4,912,743.23).

HONG KONG CHINA SOFTBALL ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2023

5. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ACCOUNTING YEAR ENDED 31 ST DECEMBER, 2023

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31st December, 2023 and which have not been adopted in these financial statements.

The Association is in the process of marking an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Association's results of operations and financial position.

6. FINANCIAL INSTRUMENTS

The Association has classified its financial assets in the following categories :

	<u>2023</u>	<u>2022</u>
	<u>Financial assets</u>	<u>Financial assets</u>
	<u>at amortized cost</u>	<u>at amortized cost</u>
	HK\$	HK\$
Current Assets (Per Statement of Financial Position)	5,643,583.50	10,851,823.65

The Association classified its financial liabilities in the following categories :

	<u>2023</u>	<u>2022</u>
	<u>Other financial liabilities</u>	<u>Other financial liabilities</u>
	HK\$	HK\$
Current Liabilities (Per Statement of Financial Position)	2,978,293.09	7,909,257.69

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2023

7. FINANCIAL RISK MANAGEMENT

The Association is exposed to various kinds of risks in its operation and financial instruments. The Association's risk management objectives and policies mainly focus on minimizing the potential adverse effects of these risks on the Association by closely monitoring the individual exposure as follows :

a) Currency risk

Since HK dollars is pegged to US dollars, there is no significant exposure expected on US dollars transactions and balances.

b) Fair value

All non-current financial assets are carried at cost and not materially different from their fair values since 1 January 2023.

b) Liquidity risk

The Association manages its liquidity risk by regularly monitoring current and expected liquidity requirements and ensuring sufficient liquid cash to meet the Association's liquidity requirements in the short and long term.

8. CHANGE OF NAME

The Council changed the name from Hong Kong Softball Association to Hong Kong China Softball Association on 16 June 2023.