

AUDITORS COPY

**HONG KONG RECREATION MANAGEMENT
ASSOCIATION LIMITED**

**EXECUTIVE COMMITTEE'S REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020**

HONG KONG RECREATION MANAGEMENT ASSOCIATION LIMITED

**EXECUTIVE COMMITTEE'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020**

CONTENT	PAGE
EXECUTIVE COMMITTEE'S REPORT	1 - 2
INDEPENDENT AUDITOR'S REPORT	3 - 6
INCOME STATEMENT	7
STATEMENT OF FINANCIAL POSITION	8
NOTES TO THE FINANCIAL STATEMENTS	9 - 13

HONG KONG RECREATION MANAGEMENT ASSOCIATION LIMITED

EXECUTIVE COMMITTEE'S REPORT

The members of the executive committee have pleasure in submitting their report together with the audited financial statements for the year ended 31st December, 2020.

PRINCIPAL ACTIVITY

The principal activity of the Association is to promote, support and encourage education in recreation management.

RESULTS AND APPROPRIATIONS

The results of the Association for the year are set out in the income statement on page 7.

EXECUTIVE COMMITTEE

The members of the executive committee of the Association during the year were :

CHAN Joyce
HUANG Ling To, Lester
KWONG Man Lung
LAM Huen Sum, Michael
LAU Wing Chung, Patrick
LEUNG King Fat
LI Sai Sum, Sam
LUK Chi Kwong
VUT Tsz Ying
WONG Ka Yee, Allison
WONG Tat Ming, Richard
YIU Yik Ming, Edmond

In accordance with Article 38 of the Articles of Association, all retiring members of the executive committee shall be eligible for re-election.

HONG KONG RECREATION MANAGEMENT ASSOCIATION LIMITED

EXECUTIVE COMMITTEE'S REPORT (CONT'D)

PERMITTED INDEMNITY PROVISIONS

At no time during the financial year nor at the time of approval of this report were there any permitted indemnity provisions in force for the benefit of the executive committee members of the Association.

EQUITY- LINKED ARRANGMENTS

The Association has not entered into any equity-linked arrangement.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the activities of the Association were entered into or existed during the year.

AUDITOR

The financial statements have been audited by Lau & Au Yeung C.P.A. Limited who retire and, being eligible, offer themselves for reappointment.

On behalf of the Executive Committee



WONG Tat Ming, Richard
Chairman

HONG KONG, 19th April, 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HONG KONG RECREATION MANAGEMENT ASSOCIATION LIMITED
(incorporated in Hong Kong and limited by guarantee)**

Opinion

We have audited the financial statements of Hong Kong Recreation Management Association Limited ("the Association") set out on pages 7 to 13, which comprise the statement of financial position as at 31st December, 2020, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Association are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis of opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised) "Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard" 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 members of the executive committee ("committee members") are responsible for the other information. The other information comprises the information included in the executive committee's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HONG KONG RECREATION MANAGEMENT ASSOCIATION LIMITED
(incorporated in Hong Kong and limited by guarantee)**

Information other than the financial statements and auditor's report thereon (cont'd)

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

Responsibilities of committee members and those charged with governance for the financial statements

The committee members are responsible for the preparation of these financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's responsibility 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 and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HONG KONG RECREATION MANAGEMENT ASSOCIATION LIMITED
(incorporated in Hong Kong and limited by guarantee)**

Auditor's responsibility for the audit of the financial statements (cont'd)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

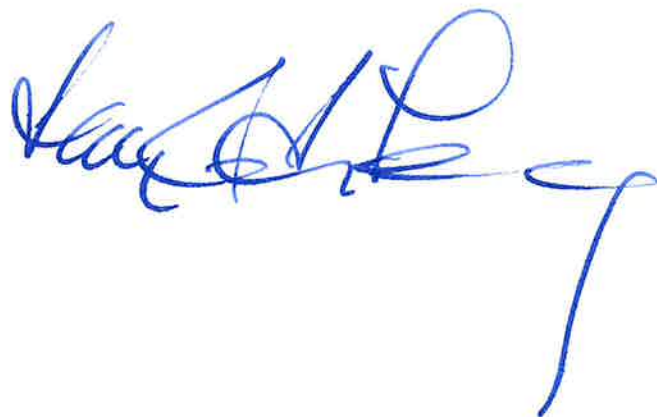
As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- 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 committee members.
- Conclude on the appropriateness of the committee members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HONG KONG RECREATION MANAGEMENT ASSOCIATION LIMITED
(incorporated in Hong Kong and limited by guarantee)**

Auditor's responsibility for the audit of the financial statements (cont'd)

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.



LAU & AU YEUNG C.P.A. LIMITED

Certified Public Accountants

HONG KONG, 19th April, 2021

Chan Lok Sang, Director

Practising Certificate Number : P01993

HONG KONG RECREATION MANAGEMENT ASSOCIATION LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2020

	Note	2020 HK\$	2019 HK\$
REVENUE	2	226,817	229,689
ADMINISTRATIVE EXPENSES (GENERAL FUND)	3	(136,699)	(152,141)
EVENTS' EXPENDITURE	4	(35,197)	(72,381)
		<u> </u>	<u> </u>
SURPLUS FOR THE YEAR		<u>54,921</u>	<u>5,167</u>

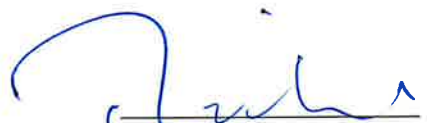
The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

HONG KONG RECREATION MANAGEMENT ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2020

	Note	2020 HK\$	2019 HK\$
CURRENT ASSETS			
Accounts and other receivables		2,500	-
Deposits and prepayments		78,990	24,018
Cash and bank balances		640,973	733,024
		<u>722,463</u>	<u>757,042</u>
LESS : CURRENT LIABILITIES			
Accounts payable		10,000	10,000
Receipts in advance		500	90,000
		<u>10,500</u>	<u>100,000</u>
NET CURRENT ASSETS		<u><u>711,963</u></u>	<u><u>657,042</u></u>
EQUITY			
General fund	7	<u><u>711,963</u></u>	<u><u>657,042</u></u>

Approved by:


Wong Tat Ming, Richard
Chairman


Huang Ling To, Lester
Treasurer

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

HONG KONG RECREATION MANAGEMENT ASSOCIATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020

REPORTING ENTITY

The Association was incorporated in Hong Kong on 10th January, 1991 under the Hong Kong Companies Ordinance as a company limited by guarantee and not having a share capital. The address of its registered office is 21st Floor, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong. The principal activity of the Association is to promote, support and encourage education in recreation management.

The reporting currency of the Association is Hong Kong Dollars, which is the currency of the primary economic environment in which the Association operates.

Under the provisions of the Articles of Association, every member shall, in the event of the Association being wound up, contribute to the assets of the Association to the extent of HK\$10. At 31st December, 2020, the Association had 539 members.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Association qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Association is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific principal accounting policies that are necessary for a proper understanding of the financial statements.

(a) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when the revenue can be measured reliably, on the following bases:

- (i) Entrance and subscription income is recognised when the right to receive payment is established.
- (ii) Advertisement income is recognised when the relevant services are provided.
- (iii) Receipt from events and sponsorships is recognised when the right to receive such revenue has been established.
- (iv) Interest income is recognized on a time-proportion basis using the effective interest method.

HONG KONG RECREATION MANAGEMENT ASSOCIATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

(b) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

(c) Trade and other receivables

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful, a provision is made and charged to the income statement.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term time deposits held with bank.

2. REVENUE

An analysis of the Association's revenue is as follows:

	2020	2019
	HK\$	HK\$
GENERAL RECEIPTS		
Advertisements	57,500	68,500
Award donation	40,000	40,000
Entrance fees	600	1,600
Interest	467	1,239
Sponsorships	30,000	30,000
Subscriptions	8,250	11,050
Sundries	-	800
	<hr/>	<hr/>
	136,817	153,189
	<hr/>	<hr/>

HONG KONG RECREATION MANAGEMENT ASSOCIATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020

2. REVENUE (CONT'D)

	2020	2019
	HK\$	HK\$
EVENTS' RECEIPTS		
Annual general meeting dinner	-	76,500
Residential Clubhouse Management Award receipts	90,000	-
	<u>90,000</u>	<u>76,500</u>
	<u>90,000</u>	<u>76,500</u>
TOTAL RECEIPTS	<u><u>226,817</u></u>	<u><u>229,689</u></u>

3. ADMINISTRATIVE EXPENSES - GENERAL FUND

	2020	2019
	HK\$	HK\$
Awards	10,000	20,160
Bank charges	1,850	2,390
Business registration fee	2,250	2,250
Printing, stationery and postages	72,617	78,446
Secretarial fee	13,905	13,505
Salary and MPF contributions	22,680	22,680
Storage	8,510	8,510
Sundry expenses	1,454	2,474
Webpage expenses	3,433	1,726
	<u>136,699</u>	<u>152,141</u>
	<u><u>136,699</u></u>	<u><u>152,141</u></u>

HONG KONG RECREATION MANAGEMENT ASSOCIATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020

4. SURPLUS FROM EVENTS

	2020 HK\$	2019 HK\$
RECEIPTS		
Annual general meeting dinner	-	76,500
Residential Clubhouse Management Award	90,000	-
	<u>90,000</u>	<u>76,500</u>
	-----	-----
EXPENDITURE		
Annual general meeting dinner	3,100	72,381
Residential Clubhouse Management Award expenses	32,097	-
	<u>35,197</u>	<u>72,381</u>
	-----	-----
SURPLUS FROM EVENTS	<u>54,803</u>	<u>4,119</u>
	=====	=====

5. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided as there is no estimated assessable profit arising in Hong Kong during the year (2019: Nil).

6. COMMITTEE MEMBERS'S REMUNERATION

The members of the executive committee had not received any fees or emoluments in respect of their services to the Association during the year (2019: Nil).

HONG KONG RECREATION MANAGEMENT ASSOCIATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020

7. CHANGES IN EQUITY - GENERAL FUND

	2020 HK\$	2019 HK\$
Balance brought forward	657,042	651,875
Advertisements	57,500	68,500
Award donation	40,000	40,000
Entrance fees	600	1,600
Interest	467	1,239
Sponsorships	30,000	30,000
Subscriptions	8,250	11,050
Sundries	-	800
General receipts	136,817	153,189
Events receipts (Note 4)	90,000	76,500
Total receipts for the year	226,817	229,689
Administrative expenditure (Note 3)	(136,699)	(152,141)
Events expenditure (Note 4)	(35,197)	(72,381)
Surplus for the year	54,921	5,167
Balance carried forward	711,963	657,042

8. APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 7 to 13 were approved by the executive committee on 19th April, 2021.