

HONG KONG FEDERATION OF THE BLIND

香港失明人互聯會

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

HONG KONG FEDERATION OF THE BLIND
香港失明人互聯會

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HONG KONG FEDERATION OF THE BLIND

Report on the Audit of the Financial Statements

I have audited the financial statements of Hong Kong Federation of the Blind (the Association) set out on pages 4 to 18 which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the financial position of the Association as at 31 March 2019, 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 Companies Ordinance.

Basis for Opinion

I conducted my audit in accordance with Hong Kong Standards on Auditing ("HKASs") issued by the HKICPA. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The Executive Committee Members are responsible for the other information. The other information comprises all information included in the Executive Committee Members' report, but does not include the financial statements and the auditor's report thereon.

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

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

INDEPENDENT AUDITOR'S REPORT - CONTINUED

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

The Executive Committee 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 Companies Ordinance, and for such internal control as the Executive 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 Executive 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 Executive 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 Responsibilities for the Audit of the Financial Statements

My 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 my opinion. 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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.

INDEPENDENT AUDITOR'S REPORT - CONTINUED

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee Members.
- Conclude on the appropriateness of the Executive 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.



Hon So Fan
Certified Public Accountant (Practising)
Hong Kong
14 August, 2019

HONG KONG FEDERATION OF THE BLIND

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019	2018
		HK\$	HK\$
Revenue	5	5,346,180.94	4,962,084.35
Other revenue	6	62,694.35	31,243.20
Administrative expenses		<u>(4,359,766.81)</u>	<u>(4,775,738.98)</u>
Surplus for the year	7	<u>1,049,108.48</u>	<u>217,588.57</u>

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STATEMENT OF FINANCIAL POSITION**AS AT 31 MARCH 2019**

	Note	Headquarters	Shun Lee	2019	2018
		HK\$	Centre	HK\$	HK\$
Non-current assets					
Office equipment	9	-	28,751.76	28,751.76	63,543.74
Current assets					
Accounts receivable	10	1,000.00	-	1,000.00	-
Utility deposit		-	2,000.00	2,000.00	2,000.00
Cash and cash equivalents	11	5,608,861.53	1,465,472.70	7,074,334.23	5,990,762.77
		<u>5,609,861.53</u>	<u>1,467,472.70</u>	<u>7,077,334.23</u>	<u>5,992,762.77</u>
Current liabilities					
Other payables		-	-	-	255,694.86
Receipts in advance		3,050.00	(3,690.00)	(640.00)	436,219.60
		<u>3,050.00</u>	<u>(3,690.00)</u>	<u>(640.00)</u>	<u>691,914.46</u>
Net Current Assets		<u>5,606,811.53</u>	<u>1,471,162.70</u>	<u>7,077,974.23</u>	<u>5,300,848.31</u>
NET ASSETS		<u>5,606,811.53</u>	<u>1,499,914.46</u>	<u>7,106,725.99</u>	<u>5,364,392.05</u>
Represented by:					
Agency Reserves					
General fund		5,606,811.53	789,571.01	6,396,382.54	4,552,437.65
Non-current-asset fund		-	28,751.76	28,751.76	63,543.74
Social welfare reserve fund		-	681,591.69	681,591.69	748,410.66
		<u>5,606,811.53</u>	<u>1,499,914.46</u>	<u>7,106,725.99</u>	<u>5,364,392.05</u>

The financial statements on pages 4 to 18 were approved and authorised for issue by the Board of Executive Committee Members on 14 August 2019 and are signed on its behalf by:



Tang Kwong Po
Chairman

Leung Yat Ming
Treasurer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Social welfare reserve fund					Non-current asset fund			General fund		Total
	Lump sum grant reserve	Provident fund subvention	Reserve of surplus	Rent and Rates	Reserve of central item	Subtotal HK\$	HK\$	HK\$	HK\$	HK\$	
As at 31 March 2017											
Adjustment Item - Letter Ref.(7.1) in SWD SF/SAS/4-65/72(328):											
(a)(i) PF surplus understated in Note 8 of 2014-15 AFR.											
(a)(ii) One-off allocation under the "Keep Clean 2015 @ Hong Kong: Our Home" Campaign incorrectly included in LSG.											
(a)(iv), (a)(v) & (c)(i) Refund of CI surplus incorrectly reported under LSG (\$15,328+\$2,593.14)											
(b) Transfer of PF Reserve for Snapshot Staff to that for non-Snapshot Staff omitted											
(c)(ii) To absorb the deficits of CA/PA Posts in 2007-08 and 2008-09											
Revised Balance as 31 March 2017	452,340.90	233,851.71	(37,497.00)	147,274.50	795,970.11	110,805.12	4,240,028.25	5,146,803.48			
Deficit absorbed by own resources	322,938.28	9,246.62	(8,936.00)	(146,905.50)	176,343.40	-	41,245.17	217,588.57			
Transfer											
- Rent and rates surplus repaid to S.W.D in 2017-18	1,483.00	-	(1,483.00)	-	-	47,261.38	(47,261.38)	-	-	-	
- Depreciation charged	47,261.38	-	-	-	-	-	-	-	-	-	
- Assets acquired	-	-	-	-	-	-	-	-	-	-	
- Non-social welfare reserve fund	(271,164.23)	-	-	-	-	(271,164.23)	-	-	271,164.23	-	
At 31 March 2018	552,859.33	243,098.33	(47,916.00)	369.00	748,410.66	63,543.74	4,552,437.65	5,364,392.05			
Deficit absorbed by own resources	(101,581.16)	(1,217.79)	1,188.00	-	(101,610.95)	0.00	242,126.24	140,515.29			
Transfer											
- Adjustment	-	-	-	(369.00)	-	-	-	693,225.46	693,225.46	-	
- Adjustment: letter ref. (4) in SWD SF/SAS/4-55/1(328)	369.00	-	-	-	34,791.98	(34,791.98)	-	-	-	-	
- Depreciation charged	34,791.98	-	-	-	-	-	-	-	-	-	
- Assets acquired	-	-	-	-	-	-	-	908,593.19	908,593.19	-	
- Non-social welfare reserve fund	-	-	-	-	-	-	-	-	-	-	
At 31 March 2019	486,439.15	241,880.54	(46,728.00)	-	68,591.69	28,751.76	6,396,382.54	7,106,725.99			

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STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED 31 MARCH 2019**

	2019 HK\$	2018 HK\$
OPERATING ACTIVITIES		
Surplus for the year	1,049,108.48	217,588.57
Adjustment for:		
Adjustment made in general fund	693,225.46	-
Bank interest income	(61,497.43)	(30,643.20)
Depreciation	34,791.98	55,619.38
Operating surplus before movements in working capital	<u>1,715,628.49</u>	<u>242,564.75</u>
(Increase)/ decrease in accounts receivable	(1,000.00)	7,755.04
Decrease in other payables	(255,694.86)	(59,048.85)
Decrease in receipts in advance	(436,859.60)	(131,202.10)
Decrease in accruals	<u>-</u>	<u>(7,755.04)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>1,022,074.03</u>	<u>52,313.80</u>
INVESTING ACTIVITIES		
Bank interest received	<u>61,497.43</u>	<u>30,643.20</u>
NET CASH FROM INVESTING ACTIVITIES	<u>61,497.43</u>	<u>30,643.20</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,083,571.46	82,957.00
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>5,990,762.77</u>	<u>5,907,805.77</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>7,074,334.23</u>	<u>5,990,762.77</u>
Represented by:		
Bank balances	<u>7,074,334.23</u>	<u>5,990,762.77</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Hong Kong Federation of the Blind ("the Association") is a society registered in accordance with the provision of section 5A(1) of the Societies Ordinance. The address of the registered office and principal place of operation of the Association are located at G/F., Shun Lee Estate Community Centre, No.2 Shun Chi Street, Kwun Tong, Kowloon.

The financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Association.

The principal activities of the Association are to encourage visually impaired people to fight for equal society.

2. Adoption of revised Hong Kong Reporting Standards

The Association's financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKSAs) 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. A summary of significant accounting policies is set out in note 3.

The application of the new and revised HKFRSs has no material effects on the Association's financial performance and positions.

3. Significant accounting policies

Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance ("CO").

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the respective notes, if appropriate.

The principal accounting policies are set out below.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

3. Significant accounting policies - continued

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

(i) Association fee received

Revenue from Association fee is recognised upon the admittance and registration of visually impaired people.

(ii) Government subvention

Government subvention is recognised on receivable basis.

(iii) Bank interest income

Bank interest income is recognised on a time proportion basis on the amount of outstanding deposits at the applicable interest rates.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (MPF Scheme) are recognised as an expense when employees have rendered service entitling them to the contributions.

Office equipment

Office equipment are stated in the statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. The costs of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use.

Subsequent expenditure relating to office equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the enterprise. If not, the expenditure is treated as an expense in the period in which it is incurred.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of office equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of office equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

3. Significant accounting policies - continued

Impairment losses on tangible assets

At the end of the reporting period, the Association reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Association's cash management are also included as a component of cash and cash equivalents for the purpose of statement of cash flows.

Accounts payable

Accounts payable are initially measured at fair value and, after initial recognition, at mortised cost, except for short-term payables with no stated interest rate and effect of discounting being immaterial, that are measured at their original invoice amount.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

4. Critical accounting judgements and key sources of estimation uncertainty

The Association's Executive Committee Members makes assumptions, estimates and judgements in the process of applying the Association's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the Executive Committee Members reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

(a) Key assumption and other key sources of estimation uncertainty

Certain key assumptions and risk factors in respect of the financial risk management are set out in note 13. In the opinion of Executive Committee Members, there is no other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities with the financial year.

(b) Critical judgements in applying the Association's accounting policies

In the opinion of Executive Committee Members, there is no critical judgement in applying the Association's accounting policies.

5. Revenue

	2019 HK\$	2018 HK\$
Government subvention	2,492,077.00	2,388,952.00
Less: surplus repaid to S.W.D	(369.00)	(148,388.50)
	2,491,708.00	2,240,563.50
Lottery fund	37,000.00	36,000.00
Specific grants and donations	1,680,174.73	2,307,922.85
Community chest	335,100.00	325,300.00
Membership fee	11,679.00	12,402.00
Foundation fee income	176.00	196.00
Flag day income	780,700.61	-
Rental and rates	7,406.00	7,464.00
Activities income	2,236.60	32,236.00
	<hr/> <u>5,346,180.94</u>	<hr/> <u>4,962,084.35</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

6. Other revenue

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

	2019 HK\$	2018 HK\$
Bank interest income	61,497.43	30,643.20
Sundry income	<u>1,196.92</u>	<u>600.00</u>
	<u><u>62,694.35</u></u>	<u><u>31,243.20</u></u>

7. Surplus for the year

Surplus for the year is stated:

	2019 HK\$	2018 HK\$
After charging the following items:		
Auditor's remuneration	12,000.00	11,500.00
Depreciation	34,791.98	55,619.38
Government rent, rates and management fee	6,218.00	16,400.00
Staff cost		
- salaries and allowances	3,037,186.02	2,648,837.63
- provident fund contributions	185,561.42	160,627.30
- staff welfare	<u>13,130.00</u>	<u>10,848.70</u>

8. Income tax expense

The Association is exemption from Hong Kong profits tax by reason of its charitable status under Section 88 Inland Revenue Ordinance.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

9. Office equipment

	Headquarters HK\$	Shun Lee Centre HK\$	Total HK\$
Cost			
At 1 April 2017	48,690.00	455,187.90	503,877.90
Addition during the year	-	-	-
At 1 April 2018	48,690.00	455,187.90	503,877.90
Addition during the year	-	-	-
At 31 March 2019	48,690.00	455,187.90	503,877.90
Accumulated depreciation			
At 1 April 2017	40,332.00	344,382.78	384,714.78
Charge for the year	8,358.00	47,261.38	55,619.38
At 1 April 2018	48,690.00	391,644.16	440,334.16
Charge for the year	-	34,791.98	34,791.98
At 31 March 2019	48,690.00	426,436.14	475,126.14
Carrying amounts			
At 31 March 2019	-	28,751.76	28,751.76
At 31 March 2018	-	63,543.74	63,543.74

The depreciation is calculated on straight line basis on an annual rate of 20% .

10. Accounts receivables

	Headquarters HK\$	Shun Lee Centre HK\$	2019 HK\$	2018 HK\$
Accounts receivables	1,000.00	-	1,000.00	-

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2019****11. Cash and cash equivalents**

	Headquarters HK\$	Shun Lee Centre HK\$	2019 HK\$	2018 HK\$
Cash and bank balances	1,281,462.60	1,465,472.70	2,746,935.30	2,724,097.32
Fixed deposits	4,327,398.93	-	4,327,398.93	3,266,665.45
	<u>5,608,861.53</u>	<u>1,465,472.70</u>	<u>7,074,334.23</u>	<u>5,990,762.77</u>

12. Flag day fund

		2019 HK\$	2018 HK\$
(a) Flag day balance			
Balance as at 1 April		<u>717,232.85</u>	<u>958,637.10</u>
Flag day income			
Others		301,189.00	-
Street collection		497,312.10	-
Total income (note 5)		<u>798,501.10</u>	-
Less: Flag day expenses (note b)		<u>(17,800.49)</u>	-
		<u>780,700.61</u>	-

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2019****12. Flag day fund - continued**

	2019 HK\$	2018 HK\$
Usage of the donations collected		
Staff salaries	-	-
Mandatory provident fund	-	-
	<hr/>	<hr/>
Specific activities expenses:		
Capabilities development of the visually impaired (發展視障人士才能計劃)	-	11,300.00
Barrier Free Education Program (社區無障礙教育)	-	3,360.00
Talent development class of the visually impaired (發展視障人士潛能興趣班)	4,975.80	18,532.60
Development scheme for the family of disabled persons (拓展殘疾人士家庭服務)	60,873.00	204,420.75
Social and Recreational activities for visual impairment (視障人士康樂及社交活動)	-	2,535.70
Employment support scheme for disabled persons (殘疾人士就業支援服務)	2,062.75	-
Disable elderly life education & maintenance service (殘疾長者生命教育及維修服務)	67,786.00	1,255.20
	<hr/>	<hr/>
Total specific activities expenses	135,697.55	241,404.25
	<hr/>	<hr/>
Balance as at 31 March	135,697.55	241,404.25
	<hr/>	<hr/>
	1,362,235.91	717,232.85
	<hr/>	<hr/>
(b) Flag day expenses		
Insurance	1,670.68	-
Printing and stationery	1,016.50	-
Professional fee	3,000.00	-
Purchase and cleaning of flag bags	1,040.00	-
Sundry	3,005.60	-
Transportation	8,067.71	-
	<hr/>	<hr/>
	17,800.49	-
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

12. Flag day fund - continued

The unused balance of HK\$1,362,235.91 will be carried forward and be retained in the General Reserve of the Association and included in the Association's Hong Kong dollar bank savings account and fixed deposit as at 31 March 2019. In addition, the amount has been used for the Barrier Free Education Program, Talent development class of the visually impaired, Development scheme for the family of disabled persons, Social and recreational activities for visual impairment, Employment support scheme for disabled persons, and Disable elderly life education & maintenance service since 31 March 2019.

13. Capital risk management

The Association's objectives when managing capital are to safeguard the Association's ability to continue as a going concern in order to carry out its principal activities. The Association's overall strategy remains unchanged from prior year.

In order to maintain or adjust the capital structure, the Association may appeal for donations from the general public.

14. Financial instruments

(a) Categories of financial instruments

	2019	2018
	HK\$	HK\$
Financial assets		
Loan and receivables		
Accounts receivable	1,000.00	-
Utility deposit	2,000.00	2,000.00
Cash and cash equivalent (note 11)	<u>7,074,334.23</u>	<u>5,990,762.77</u>
	<u>7,077,334.23</u>	<u>5,992,762.77</u>
Financial liabilities		
Financial liabilities at amortised cost		
Other payables	-	255,694.86
Receipts in advance	<u>(640.00)</u>	<u>436,219.60</u>
	<u>(640.00)</u>	<u>691,914.46</u>

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2019.

HONG KONG FEDERATION OF THE BLIND

香港失明人互聯會

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

14. Financial instruments - continued

The Association is exposed to credit risk and liquidity risk arising in the normal course of its operations and financial instruments. The Association's risk management objectives, policies and processes mainly focus on minimizing the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

(b) Financial risk management objectives and policies

The Association's major financial instruments include utility deposit, cash and cash equivalents and accounts payables. Details of these financial instruments are disclosed in respective notes. The risk associated with these financial instruments include: credit risk and liquidity risk.

The Executive Committee Members review and agree policies for managing each of these risks and are summarised below.

Credit risk

Credit risk is managed on an organisational basis. Credit risk arises mainly from cash at banks.

The Association's bank balances are deposited in reputable bank. As such, no significant credit risk is anticipated. The Association has policies in place for the control and monitoring of the relevant concentration of credit risk.

The Association's main sources of income are the subvention from Government and donations from other charitable institutions and general public. It has no other significant financial assets which lead to any credit risk to the Association. Accordingly, the Executive Committee Members are of the opinion that the relevant credit risk of the Association is low without any significant concentration.

The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the statement of financial position.

Liquidity risk

Prudent liquidity risk management included maintaining sufficient cash and bank balances so as to enable the Association to meet its liabilities as and when they fall due and to continue operating for the foreseeable future. The Executive Committee Members are of the opinion that the Association does not have any significant liquidity risk.

HONG KONG FEDERATION OF THE BLIND

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

15. Social welfare development fund ("SWDF")

Phase 2

	2019	2018
	HK\$	HK\$
Balance brought forward from previous year	331,847.97	331,847.97
Add: Adjustment on NGO's contribution for IT Project in 2016/2017	20,812.50	-
Less: Adjustment on interest received in 2013/2014	(0.04)	-
Balance carried forward to next year	<u>352,660.43</u>	<u>331,847.97</u>

Phase 3

	2019	2018
	HK\$	HK\$
Balance brought forward from previous year	187,650.44	-
Add: Allocation from SWDF during the financial year	379,442.00	199,186.00
Interest received during the financial year	304.76	8.44
Refund of course fee in Short-term local T&D programmes in 2017/2018	1,200.00	-
Adjustment on NGO's contribution for Non-IT Project in 2017/2018	1,311.00	-
Less: Expenditure under SWDF during the financial year	(10,440.00)	(2,804.00)
Expenditure for projects under scope A	-	(8,740.00)
Expenditure for projects under scope B (non-IT)	(39,780.00)	-
Expenditure for projects under scope B (IT)	<u>519,688.20</u>	<u>187,650.44</u>

16. Block grant reserve

	2019	2018
	HK\$	HK\$
Balance brought forward from previous year	12,395.90	72.00
Add: Block grant received during the year	37,000.00	36,000.00
Less: Expenditure during the year	(15,266.82)	(23,676.10)
Balance carried forward to next year	<u>34,129.08</u>	<u>12,395.90</u>

At the reporting date, there are no outstanding commitments in respect of F&E Replenishment and Minor Works Grant.

HONG KONG FEDERATION OF THE BLIND

香港失明人互聯會

FSA SERVICES**DETAILED STATEMENT OF PROFIT OR LOSS****FOR THE YEAR ENDED 31 MARCH 2019**

	2019 HK\$	2018 HK\$
REVENUE		
Government subvention	2,492,077.00	2,388,952.00
Less: rent and rates, and surplus repaid to S.W.D.	(369.00)	(1,483.00)
Less: programme assistants repaid to S.W.D.	-	(146,905.50)
	2,491,708.00	2,240,563.50
Lottery fund	37,000.00	36,000.00
Specific grants and donations	901,929.76	911,139.00
Community chest	335,100.00	325,300.00
Rental and rates	7,406.00	7,464.00
Membership fee	11,679.00	12,402.00
	<u>3,784,822.76</u>	<u>3,532,868.50</u>
OTHER INCOME		
Bank interest income	352.07	26.76
Sundry income	246.92	600.00
	<u>598.99</u>	<u>626.76</u>
LESS: ADMINISTRATIVE EXPENSES		
Advertising	2,726.40	1,533.60
Audit fee	12,000.00	11,500.00
Bank charges	2,125.00	-
Depreciation	34,791.98	47,261.38
Electricity and water expenses	25,608.80	24,191.20
Government rent, rates and management fee	6,218.00	16,400.00
Insurance	13,975.51	10,892.84
Mandatory provident fund	169,066.51	127,459.38
Office supplies	-	23,676.10
Postage and stamps	126.50	8.50
Printing and stationery	17,851.47	7,448.60
Repairs and maintenance	19,117.00	62,895.37
Specific activities expenses	549,731.78	1,102,341.46
Staff salaries	2,688,423.02	1,880,319.23
Staff welfare	8,000.00	-
Subscription fee	-	2,200.00
Sundry expenses	3,267.20	3,940.60
Telephone, fax and broadband	28,680.00	28,266.00
Travelling expenses	6,882.80	6,817.60
	<u>3,588,591.97</u>	<u>3,357,151.86</u>
SURPLUS FOR THE YEAR	<u>196,829.78</u>	<u>176,343.40</u>

(For management purpose only)

HONG KONG FEDERATION OF THE BLIND

香港失明人互聯會

NON-FSA SERVICES

DETAILED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	HK\$	HK\$
REVENUE		
Activities income	2,236.60	32,236.00
Flag day income	780,700.61	-
Foundation fee income	176.00	196.00
Specific grants and donations	<u>778,244.97</u>	<u>1,396,783.85</u>
	<u>1,561,358.18</u>	<u>1,429,215.85</u>
OTHER INCOME		
Bank interest income	61,145.36	30,616.44
Sundry income	<u>950.00</u>	<u>-</u>
	<u>62,095.36</u>	<u>30,616.44</u>
LESS: ADMINISTRATIVE EXPENSES		
Activities expenses	218,404.00	133,912.80
Bank charges	450.00	1,680.00
Depreciation	-	8,358.00
Mandatory provident fund	16,494.91	33,167.92
Professional fee	-	6,000.00
Specific activities expenses	181,493.93	454,634.90
Staff salaries	348,763.00	768,518.40
Staff welfare	5,130.00	10,848.70
Sundry expenses	439.00	250.00
Travelling expenses	<u>-</u>	<u>1,216.40</u>
	<u>771,174.84</u>	<u>1,418,587.12</u>
SURPLUS FOR THE YEAR	<u>852,278.70</u>	<u>41,245.17</u>