

香港失明人互聯會
HONG KONG FEDERATION OF THE BLIND
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

陳巧敏執業會計師
CHAN HAU MAN
Certified Public Accountant
Hong Kong

香港失明人互聯會
HONG KONG FEDERATION OF THE BLIND
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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EXPRESSED IN HONG KONG DOLLARS

INDEPENDENT AUDITORS' REPORT
TO THE EXECUTIVE COMMITTEE OF

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

Opinion

We have audited the financial statements set out on pages 3 to 15, which comprise the statement of financial position as at 31 March 2021, statement of profit or loss and other comprehensive income, state 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 our opinion, the financial statements give a true and fair view of the financial position of the association as at 31 March 2021, 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 and have been properly prepared in compliance with the Hong Kong Companies Ordinance (Cap. 622).

Basis of opinion

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

Other information

The directors are responsible for the other information. The other information comprises all information included in the directors' report 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 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 directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the Hong Kong Financial Reporting Standards issued by the HKICPA 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.

In preparing the financial statements, the directors 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 directors 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.

CHAN HAU MAN

Certified Public Accountant

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 contents 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 directors.
- Conclude on the appropriateness of the directors' 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.

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.



CHAN HAU MAN
Certified Public Accountant
Hong Kong

Hong Kong Dated, 28 August 2021

香港失明人互聯會
HONG KONG FEDERATION OF THE BLIND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 HK\$	2020 HK\$
REVENUE			
Government subvention	3	3,165,874.00	2,618,579.00
Less: surplus repaid to S.W.D		-	(1,188.00)
		3,165,874.00	2,617,391.00
Lottery fund		40,000.00	38,000.00
Specific grants and donations		2,810,765.01	3,159,406.35
Community chest		391,160.00	345,200.00
Membership fee		21,594.00	16,690.00
Foundation fee income		468.00	332.00
Flag day income		217,126.99	576,718.03
Rental and rates		7,508.00	7,442.00
Activities income		-	-
		6,654,496.00	6,761,179.38
OTHER REVENUE			
Bank interest received		49,355.49	111,954.32
Sundry income		11,935.00	490.89
		6,715,786.49	6,873,624.59
ADMINISTRATIVE EXPENSES		(5,635,869.62)	(4,737,555.48)
SURPLUS FOR THE YEAR		1,079,916.87	2,136,069.11

The annexed notes from page 7 to 15 form an integral part of these financial statements.

香港失明人互聯會
HONG KONG FEDERATION OF THE BLIND
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	Headquarters HK\$	Shun Lee Centre HK\$	2021 HK\$	2020 HK\$
NON CURRENT ASSETS					
Office equipment	5	-	-	-	6,476.38
CURRENT ASSETS					
Deposit and prepayment		7,000.00	2,000.00	9,000.00	2,000.00
Accounts receivables		22,370.40	998.00	23,368.40	1,300.00
Cash and bank balances		2,951,250.81	1,948,321.35	4,899,572.16	3,846,249.40
Fixed deposits		5,486,050.72	-	5,486,050.72	5,436,769.32
		8,466,671.93	1,951,319.35	10,417,991.28	9,286,318.72
LESS: CURRENT LIABILITIES					
Accounts payables		767.30	59,107.31	59,874.61	-
Receipts in advance		998.00	34,406.70	35,404.70	50,000.00
		1,765.30	93,514.01	95,279.31	50,000.00
NET CURRENT ASSETS		8,464,906.63	1,857,805.34	10,322,711.97	9,236,318.72
NET ASSETS		8,464,906.63	1,857,805.34	10,322,711.97	9,242,795.10
Represented by:					
AGENCY RESERVES					
General Fund		8,464,906.63	936,219.27	9,401,125.90	8,415,085.87
Non-Current-Asset Fund		-	-	-	6,476.38
Social Welfare Reserve Fund		-	921,586.07	921,586.07	821,232.85
		8,464,906.63	1,857,805.34	10,322,711.97	9,242,795.10

The financial statements on page 3 to 15 were approved and authorised for issue by the Board of Executive Committee Members on 28 August 2021 and are signed on its behalf by:-

Ng Suk Ha

NG Suk Ha
Chairperson

C.L. Wong

WONG Chun Leung
Treasurer

HONG KONG FEDERATION OF THE BLIND
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 MARCH 2021

Social Welfare Reserve Fund

	Lump Sum Grant Reserve	Provident Fund Subvention Surplus	Reserve of Rent and Rates	Reserve of Central Item	Subtotal	Non-Current Asset Fund	General Fund	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 1 April 2019	486,439.15	241,880.54	(46,728.00)	-	681,591.69	28,751.76	6,396,382.54	7,106,725.99
Surplus/(Deficit) for the year	101,081.59	18,617.09	(2,332.90)	-	117,365.78	-	521,364.59	638,730.37
Transfer								
- Adjustment: Claw-back of Rent & Rates Rent & Rates Y2018-19; Letter Ref: SWD SF/SAS/4-55/1(328)	1,188.00	-	(1,188.00)	-	-	-	-	-
- Depreciation charged	22,275.38	-	-	-	22,275.38	(22,275.38)	-	-
- Assets acquired	-	-	-	-	-	-	-	-
- Non-Social Welfare Reserve Fund	-	-	-	-	-	-	1,497,338.74	1,497,338.74
At 31 March 2020	610,984.12	260,497.63	(50,248.90)	-	821,232.85	6,476.38	8,415,085.87	9,242,795.10
Surplus/(Deficit) for the year	122,849.93	9,402.61	2,860.70	-	135,113.24	-	445,610.58	580,723.82
Transfer								
- Adjustment letter ref: SWD SF/SI/4-65/72(328) III	(37,598.74)	(3,637.66)	-	-	(41,236.40)	-	41,236.40	-
- Depreciation charged	6,476.38	-	-	-	6,476.38	(6,476.38)	-	-
- Assets acquired	-	-	-	-	-	-	-	-
- Non-Social Welfare Reserve Fund	-	-	-	-	-	-	499,193.05	499,193.05
At 31 March 2021	702,711.69	266,262.58	(47,388.20)	-	921,586.07	-	9,401,125.90	10,322,711.97

The annexed notes from page 7 to 15 form an integral part of these financial statements.

香港失明人互聯會
HONG KONG FEDERATION OF THE BLIND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 <u>HK\$</u>	2020 <u>HK\$</u>
Profit/(Loss) before taxation	1,079,916.87	2,136,069.11
Adjustment for:		
Adjustment made in general fund	-	-
Bank interest received	(49,355.49)	(111,954.32)
Depreciation	6,476.38	22,275.38
Operating profit/(loss) before working capital changes	<u>1,037,037.76</u>	<u>2,046,390.17</u>
(Increase)/Decrease in:-		
Deposit and prepayment	(7,000.00)	-
Accounts receivables	(22,068.40)	(300.00)
Increase/(Decrease) in:-		
Accounts payables	59,874.61	-
Receipts in advance	<u>(14,595.30)</u>	<u>50,640.00</u>
Cash generated from operations	1,053,248.67	2,096,730.17
Interest paid	-	-
Profits tax refund/(paid)	<u>-</u>	<u>-</u>
Net cash flows from operating activities	<u>1,053,248.67</u>	<u>2,096,730.17</u>
Cash flows from investing activities		
Bank interest received	<u>49,355.49</u>	<u>111,954.32</u>
Net cash flows from investing activities	<u>49,355.49</u>	<u>111,954.32</u>
Cash flows from financing activities		
Payment of finance lease liabilities	<u>-</u>	<u>-</u>
Net cash flows from financing activities	<u>-</u>	<u>-</u>
Increase/(Decrease) in cash and cash equivalents	1,102,604.16	2,208,684.49
Cash and cash equivalents at the beginning of year	<u>9,283,018.72</u>	<u>7,074,334.23</u>
Cash and cash equivalents at the end of year	<u><u>10,385,622.88</u></u>	<u><u>9,283,018.72</u></u>
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	4,899,572.16	3,846,249.40
Fixed deposits	<u>5,486,050.72</u>	<u>5,436,769.32</u>
	<u><u>10,385,622.88</u></u>	<u><u>9,283,018.72</u></u>

The annexed notes from page 7 to 15 form an integral part of these financial statements.

香港失明人互聯會
HONG KONG FEDERATION OF THE BLIND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. **GENERAL**

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. Its registered office and principal place of business at G/F, Shun Lee Estate Community Centre, No. 2 Shun Chi Street, Kwun Tong, Kowloon, Hong Kong.

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

The association’s financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong, and the requirements of the Hong Kong Companies Ordinance.

The financial statements comply with the Hong Kong Financial Reporting Standards and on the basis that the association is a going concern. The measurement base adopted is the historical cost convention.

The application of the new and revised Hong Kong Financial Reporting Standards has no material effects on the Association’s financial performance and positions.

2. **PRINCIPAL ACCOUNTING POLICIES**

The principal accounting policies which have been adopted in the preparation of the financial statement of the association are set out below: -

a) **Revenue recognition**

The Association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the association’s activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the receipts have been resolved. The Association bases its estimates on historical results, taking into consideration, the type of transaction and the specifics of each arrangement.

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

Government subvention is recognised on receivable basis.

Charitable receipts and activities income are recognised on actual receipt basis.

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

香港失明人互聯會
HONG KONG FEDERATION OF THE BLIND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. PRINCIPAL ACCOUNTING POLICIES (CON'D)

b) Office equipment

Office equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of office equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rate used for depreciation is 20% .

c) Impairment losses

An assessment is made at each reporting date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the statement of profit or loss and other comprehensive income. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior periods.

d) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the rates of exchange prevailing at the reporting date or at the relevant forward contract rates where applicable. Exchange differences are included in the statement of profit or loss and other comprehensive income. Transactions during the year are converted into Hong Kong dollars at the rates of exchange ruling at the dates of transactions.

e) Related parties

Parties are considered to be related to the association if the association has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the association and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the association where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the association or of any entity that is a related party of the association.

f) Employee benefits

The association provides defined contribution plans based on Hong Kong practices and regulations. The plans cover full-time employees and provide for contributions at rates specified in the terms of the scheme. The association's contributions relating to defined contribution plans are charged to statement of profit or loss and other comprehensive income in the year to which they relate.

香港失明人互聯會
HONG KONG FEDERATION OF THE BLIND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. PRINCIPAL ACCOUNTING POLICIES (CON'D)

h) Accounts receivables

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

i) Accounts payables

Accounts payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

j) Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

k) Provisions and contingent liabilities

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Association, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

l) Critical accounting estimates and judgement

The association's management 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 Hong Kong Financial Reporting Standards. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

香港失明人互聯會
HONG KONG FEDERATION OF THE BLIND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. REVENUE

Revenue represents Government subvention, grants and donations received during the year.

	2021	2020
	<u>HK\$</u>	<u>HK\$</u>
Government subvention	3,165,874.00	2,618,579.00
Specific grants and donations	<u>2,810,765.01</u>	<u>3,159,406.35</u>

4. SURPLUS FOR THE YEAR

Surplus for the year is arrived at:-
after charging:-

	2021	2020
	<u>HK\$</u>	<u>HK\$</u>
Auditors' remuneration	11,000.00	11,000.00
Depreciation	6,476.38	22,275.38
Government rent, rates and management fee	4,647.30	9,774.90
Key management personal remuneration	761,986.67	777,110.98
Other staff costs	<u>3,488,445.54</u>	<u>2,898,468.06</u>

and (crediting):-

Bank interest received	<u>(49,355.49)</u>	<u>(111,954.32)</u>
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5. OFFICE EQUIPMENT

	<u>Headquarters</u>	<u>Shun Lee</u>	<u>Total</u>
	<u>HK\$</u>	<u>Centre</u>	<u>HK\$</u>
<u>Cost</u>			
At 1/4/2019	48,690.00	455,187.90	503,877.90
Additions	-	-	-
At 31/3/2020	<u>48,690.00</u>	<u>455,187.90</u>	<u>503,877.90</u>
Additions	-	-	-
At 31/3/2021	<u>48,690.00</u>	<u>455,187.90</u>	<u>503,877.90</u>
<u>Accumulated depreciation</u>			
At 1/4/2019	48,690.00	426,436.14	475,126.14
Charge for the year	-	22,275.38	22,275.38
At 31/3/2020	<u>48,690.00</u>	<u>448,711.52</u>	<u>497,401.52</u>
Charge for the year	-	6,476.38	6,476.38
At 31/3/2021	<u>48,690.00</u>	<u>455,187.90</u>	<u>503,877.90</u>
<u>Net book value</u>			
At 31/3/2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31/3/2020	<u>-</u>	<u>6,476.38</u>	<u>6,476.38</u>

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

香港失明人互聯會
HONG KONG FEDERATION OF THE BLIND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. <u>ACCOUNTS RECEIVABLES</u>	2021 <u>HK\$</u>	2020 <u>HK\$</u>
Headquarter	22,370.40	-
Shun Lee Centre	998.00	1,300.00
	<u>23,368.40</u>	<u>1,300.00</u>
7. <u>INCOME TAX</u>		
No provision for Hong Kong profits tax has been provided as the Association is exempted from profits tax under the provision of section 88 of the Inland Revenue Ordinance.		
8. <u>SOCIAL WELFARE DEVELOPMENT FUND ("SWDF")</u>	2021 <u>HK\$</u>	2020 <u>HK\$</u>
<u>SWDF Phase 2 社福發展基金(第二期)</u>		
Balance at the beginning of year	352,660.43	352,660.43
Add: Allocation from SWDF	-	-
Less: Expenditure during the year	-	-
Balance at the end of year	<u>352,660.43</u>	<u>352,660.43</u>
<u>SWDF Phase 3 社福發展基金(第三期)</u>		
Balance at the beginning of year	928,840.47	519,688.20
Add: Allocation from SWDF	21,500.00	494,645.00
Interest received	24.50	571.47
Less: Expenditure during the year		
Expenditure for projects under scope A	(43,425.00)	(34,465.00)
Expenditure for projects under scope B (non-IT)	-	-
Expenditure for projects under scope B (IT)	(265,642.00)	(25,220.00)
Expenditure for administrative support	-	(26,379.20)
Balance at the end of year	<u>641,297.97</u>	<u>928,840.47</u>
9. <u>BLOCK GRANT RESERVE</u>	2021 <u>HK\$</u>	2020 <u>HK\$</u>
Balance at the beginning of year	42,417.04	34,129.08
Add: Block grant received during the year	40,000.00	38,000.00
Less: Expenditure during the year	(40,613.40)	(29,712.04)
Balance at the end of year	<u>41,803.64</u>	<u>42,417.04</u>

10. FLAG DAY FUND

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香港失明人互聯會
HONG KONG FEDERATION OF THE BLIND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. FLAG DAY FUND (CON'D)

The unused balance HK\$1,892,066.47 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 reporting date. 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, Disable elderly life education & maintenance service, and Newly blind training since 31 March 2021.

11. 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.

12. FINANCIAL INSTRUMENTS

The company has classified its financial assets and financial liabilities in the following categories:

	2021	2020
	<u>HK\$</u>	<u>HK\$</u>
<u>Financial asstes at amortised costs</u>		
Loan and receivables		
Deposit and prepayment	9,000.00	2,000.00
Accounts receivable	23,368.40	1,300.00
Cash and bank balances	10,385,622.88	9,283,018.72
	<u>10,417,991.28</u>	<u>9,286,318.72</u>
<u>Financial liabilities at amortised costs</u>		
Accounts payable	59,874.61	-
Receipts in advance	35,404.70	50,000.00
	<u>95,279.31</u>	<u>50,000.00</u>

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2021.

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

香港失明人互聯會
HONG KONG FEDERATION OF THE BLIND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. FINANCIAL INSTRUMENTS(CON'D)

a) Credit risk

Credit risk is the risk that a party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation.

Carrying amounts of financial assets as at reporting date, which represented the amounts of maximum exposure to credit risks, were as follows :-

	2021	2020
	<u>HK\$</u>	<u>HK\$</u>
Deposit and prepayment	9,000.00	2,000.00
Accounts receivables	23,368.40	1,300.00
Cash and bank balances	10,385,622.88	9,283,018.72
	<u>10,417,991.28</u>	<u>9,286,318.72</u>

The Company's credit risk is primarily attributable to cash and cash equivalents. The Company's cash and cash equivalents were held by major financial institutions located in Hong Kong which the management believes are of high credit quality. Accordingly, the overall credit risk is considered limited.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risks by monitoring its liquidity position through periodic preparation of cash flows and cash balances forecasts and periodic evaluation of the ability of the Company to meet its financial obligations.

Maturities of the financial liabilities of the Company as at reporting date were as follows :-

Total amounts of contractual undiscounted obligations :-	2021	2020
	<u>HK\$</u>	<u>HK\$</u>
Accounts payables	59,874.61	-
Receipts in advance	35,404.70	50,000.00
	<u>95,279.31</u>	<u>50,000.00</u>
Due for payment:-		
Within one year or on demand	<u>95,279.31</u>	<u>50,000.00</u>

As the Company maintains sufficient liquid funds, the liquidity risk is considered limited.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest-rate risk which is attributable to the Company's cash and cash equivalents held with financial institutions. The risk is considered limited as the range of interest rates fluctuation is not significant.

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12. FINANCIAL INSTRUMENTS(CON'D)

d) Price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument traded in the market will fluctuate because of changes in market prices.

As at reporting date, the company did not have financial assets exposed to market price risks.

e) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's exposure to foreign currency risk arises mainly from certain bank deposits together with interest accrued thereon which are denominated in foreign currencies.

Carrying amounts of financial assets and financial liabilities as at reporting date that exposed to currency risks were as follows:

	2021 <u>HK\$</u>	2020 <u>HK\$</u>
Cash at bank - USD	3,772,181.32	-
Should Hong Kong dollars had strengthened/weakened 1% against United States Dollars, the surplus for the year ended 31 March 2021 would be decreased/increased by HK\$48,500.00(2020: HK\$0).		

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

(for management information purposes only)

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HONG KONG FEDERATION OF THE BLIND

FSA SERVICES

DETAILED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2021

	2021 <u>HK\$</u>	2020 <u>HK\$</u>
<u>REVENUE</u>		
Government subvention	3,165,874.00	2,618,579.00
Less: surplus repaid to S.W.D	-	(1,188.00)
	3,165,874.00	2,617,391.00
Lottery fund	40,000.00	38,000.00
Specific grants and donations	616,628.50	1,014,899.47
Community chest	391,160.00	345,200.00
Membership fee	21,594.00	16,690.00
Rental and rates	7,508.00	7,442.00
	<u>4,242,764.50</u>	<u>4,039,622.47</u>
<u>OTHER REVENUE</u>		
Bank interest received	19.83	1,561.78
Sundry income	-	10.89
	<u>4,242,784.33</u>	<u>4,041,195.14</u>
<u>ADMINISTRATIVE EXPENSES</u>		
Advertising	4,219.00	4,260.00
Audit fee	11,000.00	11,000.00
Bank charges	325.00	660.00
Depreciation	6,476.38	22,275.38
Electricity and water	11,104.58	25,118.44
Government rent, rates and management fee	4,647.30	9,774.90
Insurance	12,030.94	18,763.62
Mandatory provident fund	198,874.63	155,521.53
Postage and stamp	123.20	68.90
Printing and stationery	23,229.28	19,630.92
Repairs and maintenance	37,613.86	18,854.40
Specific activities expenses	933,191.24	607,666.67
Staff salaries	3,088,391.11	2,607,691.27
Staff welfare	1,850.00	820.00
Subscription	2,330.00	2,330.00
Sundry expenses	5,550.60	8,096.40
Telephone, fax and broadband	30,404.00	30,737.64
Travelling	4,273.10	7,184.30
	<u>4,375,634.22</u>	<u>3,550,454.37</u>
<u>SURPLUS FOR THE YEAR</u>	<u>(132,849.89)</u>	<u>490,740.77</u>

(for management information purposes only)

香港失明人互聯會

HONG KONG FEDERATION OF THE BLIND

NON-FSA SERVICES

DETAILED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2021

	2021 <u>HK\$</u>	2020 <u>HK\$</u>
<u>REVENUE</u>		
Specific grants and donations	2,194,136.51	2,144,506.88
Foundation fee income	468.00	332.00
Flag day income	217,126.99	576,718.03
Activities income	-	-
	<u>2,411,731.50</u>	<u>2,721,556.91</u>
<u>OTHER REVENUE</u>		
Bank interest received	49,335.66	110,392.54
Sundry income	11,935.00	480.00
	<u>2,473,002.16</u>	<u>2,832,429.45</u>
<u>ADMINISTRATIVE EXPENSES</u>		
Activities expenses	109,533.90	43,555.80
Bank charges	1,200.00	-
Mandatory provident fund	43,476.47	34,029.90
Insurance	7,073.14	250.00
Professional fee	-	6,000.00
Specific activities expenses	179,261.89	221,905.07
Staff salaries	919,690.00	878,336.34
Staff welfare	-	3,010.00
Travelling	-	14.00
	<u>1,260,235.40</u>	<u>1,187,101.11</u>
SURPLUS FOR THE YEAR	<u>1,212,766.76</u>	<u>1,645,328.34</u>