

**SQUASH ASSOCIATION OF HONG KONG, CHINA**  
*(formerly known as Hong Kong Squash)*  
**(Limited liability by guarantee)**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2024**



## REPORT OF THE GENERAL COMMITTEE

The General Committee presents the annual report and the audited financial statements of Squash Association of Hong Kong, China (the “Association”) for the year ended 31 March 2024.

### Principal activity

The principal activity of the Association is engaged in promoting squash activities in Hong Kong.

### Results and appropriations

The results of the Association for the year ended 31 March 2024 are set out in the statement of surplus or deficit and other comprehensive income on page 7.

The financial position of the Association as at 31 March 2024 is set out in the statement of financial position on pages 8 and 9.

### Business review

In accordance with section 388(3) of the Hong Kong Companies Ordinance, the Association falls within the reporting exemption for the financial year and is therefore exempt from preparing a business review in the report of the general committee as required by Schedule 5 of the Hong Kong Companies Ordinance.

### General Committee members

The General Committee members during the financial year and up to the date of this report were:

Mr. CHIU Duncan	(Chairman)
Mr. WONG Ying Man John	(Vice Chairman)
Mr. TYEN Kwong Hui Cedric	(Honorary Secretary) (appointed on 24 April 2023)
Mr. ELLIS Charles William Andrew	(Honorary Treasurer)(appointed on 24 April 2023)
Mr. GENEVER Peter John	(Head Coach)(appointed on 24 April 2023)
Ms. MAK Sze Wan Emily	(Executive Director)(appointed on 24 April 2023)
Mr. TIEN Calvin Francis	(resigned on 6 January 2023 and and re-appointed on 24 April 2023)
Mr. CHAN Hiu Fung Nicholas, MH, JP	(appointed on 24 April 2023)
Mr. WONG Siu Kei Ivan, JP	(appointed on 24 April 2023)
Ms. YEOH Pei Chee Peggy	(appointed on 24 April 2023)
Mr. MUI Arthur	(appointed on 24 April 2023)
Mrs. DEAYTON Heather Elwyn	(appointed on 24 April 2023)
Mr. IP Lau Chuen	(appointed on 24 April 2023)
Mr. WANG Gi Ling Benedict	(appointed on 24 April 2023)

**General Committee members (continued)**

Dr. LAM King Tak Douglas	(appointed on 24 April 2023)
Dr. LEUNG Pak Yin	(appointed on 24 April 2023)
Mr. COLLINS David Jeremy	(resigned on 7 December 2023)
Mr. James Barrington	(resigned on 24 April 2023)
Mr. Chris Gordon	(resigned on 24 April 2023)
Mr. Ho Huin Choong Andrew	(resigned on 24 April 2023)
Dr. Hung Cheung Kin	(resigned on 24 April 2023)
Mr. Dallas Reid	(resigned on 24 April 2023)
Ms. Eleanor Sackett	(resigned on 24 April 2023)
Dr. Sam Li	(resigned on 24 April 2023)
Mr. Yuen Wing Keung Amos	(resigned on 24 April 2023)

Under the provision of the clause 43 of the Articles of Association of the Association, the General Committee members shall consist of no more than 18 and no less than 12 members being officers and such Individual Members who are elected or re-elected once every three years at the Annual General Meeting by the Individual Members.

**General Committee members' interests in transactions, arrangements and contracts of significance**

Except as disclosed in note 20 to the financial statements, no transactions, arrangements and contracts of significance to which the Association was a party and in which a General Committee member or a connected entity of a General Committee member had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

**Auditors**

During the year, Deloitte Touche Tohmatsu resigned as the auditors of the Association and HLB Hodgson Impey Cheng Limited were appointed by the General Committee members to fill the casual vacancy so arising. A resolution for the reappointment of HLB Hodgson Impey Cheng Limited as auditors of the Association will be proposed at the forthcoming annual general meeting.

On behalf of the General Committee



Mr. Duncan Chiu  
Chairman/Director

Hong Kong, 11 November 2024



**INDEPENDENT AUDITORS' REPORT  
TO THE GENERAL COMMITTEE OF  
SQUASH ASSOCIATION OF HONG KONG, CHINA**

*(formerly known as Hong Kong Squash)*

3

*(incorporated in Hong Kong with limited liability by guarantee)*

**Opinion**

We have audited the financial statements of Squash Association of Hong Kong, China (the "Association") set out on pages 7 to 35, which comprise the statement of financial position as at 31 March 2024, and the statement of surplus or deficit and other comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31 March 2024, and of its financial performance and its cash flows for the year ended 31 March 2024 in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Basis for opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditors' 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 matter**

The financial statements of the Company for the year ended 31 March 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 10 October 2023.

**hic.com.hk**

31/F, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong SAR  
香港中環畢打街11號置地廣場告羅士打大廈31字樓

**TEL:** +(852) 2810 8333 **FAX:** +(852) 2810 1948 **EMAIL:** hic@hic.com.hk

電話: +(852) 2810 8333 傳真: +(852) 2810 1948 電子郵件: hic@hic.com.hk

A member of HLB International, the global advisory and accounting network

本所為HLB國際成員之一 HLB國際為全球會計師事務所及商業顧問網絡



**INDEPENDENT AUDITORS' REPORT  
TO THE GENERAL COMMITTEE OF  
SQUASH ASSOCIATION OF HONG KONG, CHINA**  
*(formerly known as Hong Kong Squash)***(CONTINUED)**  
(incorporated in Hong Kong with limited liability by guarantee)

4

**Other information**

The General Committee is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' 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 the other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the General Committee and those charged with governance for the financial statements**

The General Committee is 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 General Committee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the General Committee is 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 General Committee 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.

**hic.com.hk**

31/F, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong SAR  
香港中環畢打街11號置地廣場告羅士打大廈31字樓

**TEL:** +(852) 2810 8333 **FAX:** +(852) 2810 1948 **EMAIL:** hic@hic.com.hk  
電話: +(852) 2810 8333 傳真: +(852) 2810 1948 電子郵件: hic@hic.com.hk

A member of HLB International, the global advisory and accounting network  
本所為HLB國際成員之一 HLB國際為全球會計師事務所及商業顧問網絡



**INDEPENDENT AUDITORS' REPORT  
TO THE GENERAL COMMITTEE OF  
SQUASH ASSOCIATION OF HONG KONG, CHINA**

*(formerly known as Hong Kong Squash)*(CONTINUED)

5

(incorporated in Hong Kong with limited liability by guarantee)

**Auditors' 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 auditors' report that includes our opinion. We report our opinion 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 content of this report. 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 General Committee.
- Conclude on the appropriateness of the General Committee's 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 auditors' 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 auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.

**hic.com.hk**

31/F, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong SAR  
香港中環畢打街11號置地廣場告羅士打大廈31字樓

TEL: +(852) 2810 8333 FAX: +(852) 2810 1948 EMAIL: hic@hic.com.hk

電話: +(852) 2810 8333 傳真: +(852) 2810 1948 電子郵件: hic@hic.com.hk

A member of HLB International, the global advisory and accounting network

本所為HLB國際成員之一 HLB國際為全球會計師事務所及商業顧問網絡





**INDEPENDENT AUDITORS' REPORT  
TO THE GENERAL COMMITTEE OF  
SQUASH ASSOCIATION OF HONG KONG, CHINA**  
*(formerly known as Hong Kong Squash)***(CONTINUED)**

(incorporated in Hong Kong with limited liability by guarantee)

6

**Auditors' responsibilities for the audit of the financial statements (continued)**

- 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 identified during our audit.

Certified Public Accountants

**Ng Ka Wah**

Practising Certificate Number: P06417

Hong Kong, 11 November 2024

.....

**hic.com.hk**

31/F, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong SAR  
香港中環畢打街11號置地廣場告羅士打大廈31字樓

**TEL:** +(852) 2810 8333 **FAX:** +(852) 2810 1948 **EMAIL:** hic@hic.com.hk  
電話: +(852) 2810 8333 傳真: +(852) 2810 1948 電子郵件: hic@hic.com.hk

A member of HLB International, the global advisory and accounting network  
本所為HLB國際成員之一 HLB國際為全球會計師事務所及商業顧問網絡

**STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME**

For the year ended 31 March 2024 (in HK dollars)	Notes	2024	2023
<b>INCOME</b>			
Leisure and Cultural Services Department ("LCSD")			
grants towards operating and administrative expenses	18	5,396,944	4,929,718
Subscriptions from members		474,522	456,403
Other income	7	514,801	483,868
		<b>6,386,267</b>	<b>5,869,989</b>
<b>NET SURPLUS FROM PROGRAMMES AND EVENTS</b>			
<b>Programmes and events revenue</b>			
Government subventions	8	18,920,074	15,657,566
Donations	8	2,200,000	-
Participation fees and ticket sales		5,027,957	3,153,098
Sponsorship		4,571,080	3,117,130
Miscellaneous programme income		12,660	36,615
		<b>30,731,771</b>	<b>21,964,409</b>
<b>Programmes and events expenditure</b>	9	<b>(28,896,245)</b>	<b>(20,762,612)</b>
		<b>1,835,526</b>	<b>1,201,797</b>
<b>EXPENDITURE</b>			
Auditors' remuneration		128,000	132,000
Depreciation of property, plant and equipment		106,294	42,509
Depreciation of right-of-use assets		84,175	84,558
Electricity and air-conditioning		42,372	41,519
Electronic newsletter		29,758	20,025
Insurance		160,409	101,503
Legal and professional fees		23,869	60,000
Miscellaneous expenses		227,162	146,305
Office cleaning		27,720	27,720
Pension costs		328,586	307,885
Printing, postage and stationery		80,225	61,782
Rent & rates		12,952	5,560
Repair and maintenance		52,700	54,245
Salaries		3,869,563	3,614,087
Staff administration policy-bonus & benefit		876,728	855,183
Storeroom expenses		51,300	51,300
Subscriptions		49,984	53,628
Telephone and internet		39,875	44,264
		<b>6,191,672</b>	<b>5,704,073</b>
Finance cost	10	3,354	1,552
Surplus and total comprehensive income for the year		<b>2,026,767</b>	<b>1,366,161</b>



**STATEMENT OF FINANCIAL POSITION**

At 31 March 2024	Notes	2024	2023
<b>Non-current assets</b>			
Property, plant and equipment	12	284,934	66,308
Right-of-use assets	13	103,547	19,603
		<b>388,481</b>	<b>85,911</b>
<b>Current assets</b>			
Accounts and other receivables	14	6,159,120	2,547,698
Bank balances and cash	15	19,464,575	23,457,176
		<b>25,623,695</b>	<b>26,004,874</b>
<b>Current liabilities</b>			
Accounts and other payables	16	5,314,846	5,112,873
Hong Kong Squash Open M Mark Fund	17	607,183	511,310
LCSD grant reserve	18	6,714,144	9,365,959
Hong Kong Sports Institute Limited ("HKSIL") grant reserve	19	345,456	197,058
Contract liabilities		197,187	181,765
Lease liabilities	13	84,783	20,060
		<b>13,263,599</b>	<b>15,389,025</b>
<b>Net current assets</b>		<b>12,360,096</b>	<b>10,615,849</b>
<b>Total assets less current liabilities</b>		<b>12,748,577</b>	<b>10,701,760</b>
<b>Non current liabilities</b>			
Lease liabilities	13	20,050	-
<b>Net assets</b>		<b>12,728,527</b>	<b>10,701,760</b>

At 31 March 2024	Notes	2024	2023
------------------	-------	------	------

<b>Accumulated funds</b>	<b>12,728,527</b>	<b>10,701,760</b>
--------------------------	-------------------	-------------------

\_\_\_\_\_ )  
 \_\_\_\_\_ )  
 \_\_\_\_\_ )  
 \_\_\_\_\_ )  
 \_\_\_\_\_ )

\_\_\_\_\_ )  
 \_\_\_\_\_ )  
 \_\_\_\_\_ )  
 \_\_\_\_\_ )  
 \_\_\_\_\_ )

Charles Zeller

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

**STATEMENT OF CHANGES IN FUNDS**

For the year ended 31 March 2024 (in HK dollars)

	<b>Accumulated funds</b>
At 1 April 2022	9,335,599
Surplus and total comprehensive income for the year	<u>1,366,161</u>
At 31 March 2023 and 1 April 2023	10,701,760
Surplus and total comprehensive income for the year	<u>2,026,767</u>
<b>At 31 March 2024</b>	<b><u>12,728,527</u></b>

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

**STATEMENT OF CASH FLOWS**

For the year ended 31 March 2024 (in HK dollars)	Notes	2024	2023
<b>Cash flows from operating activities</b>			
Surplus for the year		2,026,767	1,366,161
Adjustments for:			
Depreciation of right-of-use assets	13	84,175	84,558
Depreciation of property, plant and equipment	12	106,294	42,509
Interest on lease liabilities	10	3,354	1,552
Bank interest income	7	(230,193)	(131,553)
<b>Operating cash flows before movements in working capital</b>		1,990,397	1,363,227
Increase in accounts and other receivables		(3,611,422)	(514,266)
Increase in accounts and other payables		201,973	1,148,574
Increase in Hong Kong Squash Open M Mark Fund		95,873	75,124
Decrease in LCSD grant reserve		(2,651,815)	(1,185,739)
Increase/(decrease) in HKSIL grant reserve		148,398	(302,942)
Increase/(decrease) in contract liabilities		15,422	(6,518)
<b>Net cash (used in)/generated from operating activities</b>		(3,811,174)	577,460
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(324,920)	-
Interest received		230,193	131,553
<b>Net cash (used in)/generated from investing activities</b>		(94,727)	131,553
<b>Cash flows from financing activities</b>			
Repayment for lease liabilities		(86,700)	(86,699)
<b>Net cash used in financing activities</b>		(86,700)	(86,699)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(3,992,601)	622,314
<b>Cash and cash equivalents at the beginning of the year</b>		23,457,176	22,834,862
<b>Cash and cash equivalents at the end of the year</b>	15	19,464,575	23,457,176

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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024 (in HK dollars)

### 1. GENERAL

The Association was incorporated under the Hong Kong Companies Ordinance as a company limited by guarantee on 30 August 2011.

The address of the registered office and principal place of business of the Association is Hong Kong Squash Centre, 23 Cotton Tree Drive, Hong Kong.

The Association is engaged in promoting squash activities in Hong Kong.

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

The Company changed its name from Hong Kong Squash to Squash Association of Hong Kong, China on 31 May 2023.

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Association has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the current period for the preparation of the financial statements:

HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the amendments to HKFRS in the current year has had no material impact on the Association’s financial positions and performance for the current and prior years and/or on the disclosures set out in these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

---

**2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)**

**Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) - Long Service Payment (“LSP”) offsetting mechanism in Hong Kong**

In June 2022, the Government of the Hong Kong Special Administrative Region (“Government”) gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (“Amendment Ordinance”), which will come into effect from 1 May 2025 (“Transition Date”). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund (“MPF”) scheme to reduce the long service payment (“LSP”) in respect of an employee’s service from the Transition Date (the abolition of the “offsetting mechanism”). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee’s monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published the captioned accounting guidance relating to the abolition of the offsetting mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

To better reflect the substance of the abolition of the offsetting mechanism, the Association has applied the above HKICPA guidance and changed its accounting policy in connection with its LSP liability.

The change in accounting policy in the current year had no material impact on the financial statements.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

**2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)**

**New and amendments to HKFRSs in issue but not yet effective**

The Association has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement <sup>2</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>
Hong Kong Interpretations 5 (revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025.

The General Committee anticipates that the application of all amendments to HKFRSs will have no material impact on the financial statements in the foreseeable future.

**3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION**

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

The financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for services.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

**3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Association takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**Revenue from contracts with customers**

The Association recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfactions of the relevant performance obligation if the customer simultaneously receives and consumes the benefits provided by the Association’s performance as the Association performs.

Subscription income is recognised over time over the period of its validity.

A contract liability, i.e. advance payments from customers and deferred income, represents the Association’s obligation to transfer goods or services to a customer for which the Association has received consideration (or an amount of consideration is due) from the customer.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

---

**3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**Government grants and subventions**

Governments grants and subventions are recognised when there is a reasonable assurance that the Association will comply with the conditions attaching to them and that the grant or subvention will be received.

Grants subventions from government which are earmarked for specific purposes are initially recognised in the LCSD grant reserve, the Hong Kong Squash Open M Mark Fund, HKSIL grant reserve and receipts in advance classified as liabilities and then recognised in the surplus or deficit over the period necessary to match with the related costs which they are intended to compensate.

*Hong Kong Squash Open M Mark Fund*

Hong Kong Squash Open M Mark Fund represents the unspent funding at the end of the reporting period for Hong Kong Squash Open under the Major Sports Events Committee (“MSEC”) – “M” Mark Event Status and Funding Support Scheme, which is carried forward as funding for the Hong Kong Squash Open subject to the scheme rules set out by the MSEC.

*LCSD grant reserve*

LCSD grant reserve represents unspent subventions received from the LCSD in respect of specific events and competitions where those events or competitions have been completed and in respect of relevant operating and administrative expenditure of the Association.

*HKSIL grant reserve*

HKSIL grant reserve represents unspent subventions received from the HKSIL in respect of specific events and competitions where those events have been completed and in respect of relevant eligible expenditure of the Association.

**Leases**

*Definition of a lease*

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Association assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

---

**3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**Leases (continued)**

*The Association as lessee*

*Right-of-use assets*

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Association; and
- an estimate of costs to be incurred by the Association in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Association presents right-of-use assets as a separate line item on the statement of financial position.

*Lease liabilities*

At the commencement date of a lease, the Association recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Association uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

---

**3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**Leases (continued)**

*The Association as lessee (continued)*

*Lease liabilities (continued)*

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Association under residual value guarantees;
- the exercise price of a purchase option if the Association is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Association exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Association remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which case the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Association presents lease liabilities as a separate line item on the statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

**3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**Property, plant and equipment**

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Plant and equipment are stated in the statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Association's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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 each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of plant and 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 plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in surplus or deficit.

**Impairment on property, plant and equipment and right-of-use assets**

At the end of the reporting period, the Association reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. Recoverable amount is the higher of fair value less costs of disposal 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 surplus or deficit.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

**3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**Impairment on property, plant and equipment and right-of-use assets (continued)**

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 immediately in surplus or deficit

**Cash and cash equivalents**

Cash and cash equivalents presented on the statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

**Financial instruments**

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

**3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

*Financial assets*

*Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Amortised cost and interest income*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

*Impairment of financial assets to impairment assessment under HKFRS 9*

The Association performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables, deposits, other receivables, deposit placed for a life insurance policy and cash and cash equivalents), which are subject to impairment under HKFRS 9. The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the end of the reporting period. Assessment are done based on the Association’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting period as well as the forecast of future conditions.

The Association always recognise lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed individually.

For all other instruments, the Association measures the loss allowance equal to 12m ECL.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

---

**3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**Financial instruments (continued)**

*Financial assets (continued)*

*Derecognition of financial assets*

The Association derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in surplus or deficit.

*Financial liabilities and equity instruments*

*Classification as debt or equity*

Debt and equity instruments issued by the Association are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Financial liabilities at amortised cost*

Financial liabilities (including accounts and other payables and lease liabilities) are subsequently measured at amortised cost, using the effective interest method.

*Derecognition of financial liabilities*

The Association derecognises financial liabilities when, and only when, the Association's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in surplus or deficit.

**Employee benefits**

*Retirement benefit costs*

Payment to Mandatory Provident Fund Scheme (the "MPF Scheme") is recognised as an expense when employees have rendered service entitling them to the contributions. The Association operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee-administered funds.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

---

**3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**Employee benefits (continued)**

***Retirement benefit costs (continued)***

Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, with the employers' contributions subject to a cap of monthly relevant income of HK\$30,000. The Association's contributions to the scheme are expensed as incurred and vested in accordance with the scheme's vesting scales. Where employees leave the scheme prior to the full vesting of the employer's contributions, the amount of forfeited contributions is used to reduce the contributions payable by the Association.

The retirement benefits scheme contributions arising from the MPF Scheme charged to profit or loss represent contributions paid or payable to the funds by the Association at rates specified in the rules of the schemes.

For the long service payment obligation, the Association accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measure on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Association's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

**Provisions**

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value is material).

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the General Committee's best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

---

**3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**Related parties**

A party is considered to be related to the Association if:

- (a) A person, or a close member of that person's family, is related to the Association if that person:
  - (i) has control or joint control over the Association;
  - (ii) has significant influence over the Association; or
  - (iii) is a member of the key management personnel of the Association or the Association's parent.
- (b) An entity is related to the Association if any of the following conditions applies:
  - (i) the entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Association or to the Association's parent.

A related party transaction is a transfer of resources, services or obligation between the Association and a related party, regardless of whether a price is charged.

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024 (in HK dollars)

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Association's accounting policies, which are described in note 3 to the financial statements, the General Committee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate 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. However, there are no critical accounting estimates or assumptions used in these financial statements that the General Committee expect will have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 5. CAPITAL RISK MANAGEMENT

The Association aims to manage its operation in a manner that enables it to maintain a prudent level of accumulated funds so as to ensure it will be able to continue as a going concern. Accordingly, the level of activities of the Association may be adjusted in response to the availability of sponsorship, government subventions, donations and other sources of funding. The Association's overall strategy remains unchanged from the prior year.

### 6. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

	<u>2024</u>	<u>2023</u>
<b>Financial assets</b>		
Amortised cost:		
(including bank balances and cash)	<b>24,914,084</b>	25,088,932
<b>Financial liabilities</b>		
Amortised cost:	<b>5,231,763</b>	4,625,930



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024 (in HK dollars)

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies

The Association's major financial instruments include accounts and other receivables, bank balances and cash, accounts and other payables and lease liabilities. The risks associated with these financial instruments include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The General Committee manages and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

*Credit risk and impairment assessment*

The Association's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 March 2024 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

No impairment allowance for accounts and other receivables has been provided since the loss given default and exposure at default are insignificant based on historical credit loss experience. The General Committee members of the Association have also assessed all available forward-looking information, including but not limited to subsequent settlement, and concluded that there is no significant increase in credit risk.

The credit risks on bank balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The General Committee members of the Association consider the probability of default is negligible and accordingly, no loss allowance has been recognised.

*Liquidity risk*

In the management of the liquidity risk, the Association monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows. The following table shows the details of the Association's contractual maturity of the financial instruments:

	Weighted average effective interest rate	Within 1 year or on demand	More than 1 year but less than 5 years	Total contractual undiscounted cash flows	Total carrying amount
At 31 March 2024					
Non-derivative financial liabilities					
Accounts payables	-	5,126,930	-	5,126,930	5,126,930
Lease liabilities	3.25 %	86,700	20,100	106,800	104,833
		5,213,630	20,100	5,233,730	5,231,763

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

**6. FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Financial risk management objectives and policies (continued)**

*Liquidity risk (continued)*

	Weighted average effective interest rate	Within 1 year or on demand	More than 1 year but less than 5 years	Total contractual undiscounted cash flows	Total carrying amount
At 31 March 2023					
Non-derivative financial liabilities					
Accounts payables	-	4,605,870	-	4,605,870	4,605,870
Lease liabilities	2.63%	20,100	-	20,100	20,060
		4,625,970	-	4,625,970	4,625,930

**(c) Fair value of financial assets and financial liabilities that are not measured at fair value**

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The General Committee considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost at the end of each reporting period approximate to their corresponding fair values.

**7. OTHER INCOME**

	<u>2024</u>	<u>2023</u>
Achievement awards	41,880	42,720
Anti-epidemic Fund	100,170	150,255
Donations	126,330	100,000
Employment Support Scheme	-	48,000
Interest income	230,193	131,553
Others	16,228	11,340
	<u>514,801</u>	<u>483,868</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024 (in HK dollars)

8. GOVERNMENT SUBVENTIONS AND DONATIONS

<u>Government Subventions</u>	<u>2024</u>	<u>2023</u>
Hong Kong Squash Open M Mark Fund	3,685,099	2,898,092
LCSD grant reserve	11,321,332	9,744,218
HKSIL grant reserve	1,277,413	2,058,733
Arts and Sport Development Fund for Local International Events	2,375,000	577,152
Other subventions	261,230	379,371
	<u>18,920,074</u>	<u>15,657,566</u>
<u>Donations</u>	<u>2024</u>	<u>2023</u>
Hong Kong Jockey Club Charities Trust (note)	2,200,000	-

Note: During the year ended 31 March 2024, the Association recognised donations of HK\$2,200,000 in respect of sport promotion related, of which HK\$2,200,000 received from Hong Kong Jockey Club Charities Trust.

9. PROGRAMMES AND EVENTS EXPENDITURE

	<u>2024</u>	<u>2023</u>
Competition equipment	1,127,315	156,972
Hotel accommodation	1,726,943	1,228,698
Instructors and coach fees	9,423,185	7,848,092
Meal allowances	311,470	334,518
Miscellaneous	2,823,628	1,056,716
MPF contributions for part-time coaches	342,290	282,349
Officials' fees	2,358,612	1,540,985
Printing, postage and stationery	868,698	272,567
Prize money	2,957,694	2,662,784
Setting up of procourt	241,910	650,126
Souvenirs and trophies	314,147	176,345
Squash court fees	1,907,055	1,588,134
Tournament registration and entry fees	228,075	226,645
Transportation and air fares	1,188,832	1,370,978
Venue decoration	1,251,200	358,621
Media	1,026,746	923,084
Presentation, press conference and reception	798,445	84,998
	<u>28,896,245</u>	<u>20,762,612</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

**10. FINANCE COSTS**

	<u>2024</u>	<u>2023</u>
Interest on lease liabilities	3,354	1,552

**11. INCOME TAX EXPENSES**

No provision for Hong Kong Profits Tax has been provided in the financial statements as the Association is exempted under Section 24 of the Inland Revenue Ordinance.

**12. PROPERTY, PLANT AND EQUIPMENT**

	<u>Furniture, fittings and trophies</u>	<u>Computer equipment</u>	<u>Procourt</u>	<u>Total</u>
<b>Cost</b>				
At 1 April 2022	459,130	421,330	-	880,460
Written off	(13,530)	(1,300)	-	(14,830)
At 31 March 2023 and at 1 April 2023	445,600	420,030	-	865,630
Additions	-	113,596	211,324	324,920
Written off	(840)	(24,326)	-	(25,166)
At 31 March 2024	444,760	509,300	211,324	1,165,384
<b>Depreciation and impairment</b>				
At 1 April 2022	422,205	349,438	-	771,643
Charge for the year	17,285	25,224	-	42,509
Elimination on write-offs	(13,530)	(1,300)	-	(14,830)
At 31 March 2023 and at 1 April 2023	425,960	373,362	-	799,322
Charge for the year	17,286	46,743	42,265	106,294
Elimination on write-offs	(840)	(24,326)	-	(25,166)
At 31 March 2024	442,406	395,779	42,265	880,450
<b>Carrying amounts</b>				
At 31 March 2024	2,354	113,521	169,059	284,934
At 31 March 2023	19,640	46,668	-	66,308

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

**12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

The above items of plant and equipment are depreciated on a straight-line basis at the following rates or useful lives per annum:

Furniture, fittings and trophies	20%
Computer equipment	20%
Procourt	20%

During the year ended 31 March 2024, the Association acquired certain property, plant and equipment at a cost of HK\$62,762 (2023: HK\$32,138), which are funded by LCSD. The donation and grant received is directly deducted from the cost of asset.

**13. LEASES**

**(i) Right-of-use assets**

	<u>2024</u>	<u>2023</u>
Leased office	103,547	19,603

The Association has lease arrangement for office for 2 years.

**(ii) Lease liabilities**

*Lease liabilities payable:*

	<u>2024</u>	<u>2023</u>
Within one year	84,783	20,060
After one year but not exceeding two years	20,050	-
After two year but not exceeding five years	-	-
	<u>104,833</u>	<u>20,060</u>
Less: Amount due for settlement within 12 months shown under current liabilities	<u>(84,783)</u>	<u>(20,060)</u>
Amount due for settlement after 12 months	<u>20,050</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024 (in HK dollars)

13. LEASES (CONTINUED)

(iii) Amounts recognised in surplus or deficit

	<u>2024</u>	<u>2023</u>
Depreciation expense on right-of-use assets		
- Office	84,175	84,558
	<u>84,175</u>	<u>84,558</u>
Interest on lease liabilities	3,554	1,552
	<u>3,554</u>	<u>1,552</u>

(iv) Others

During the year ended 31 March 2024, the total cash outflow for leases amount to approximately HK\$86,700 (2023: HK\$86,699). The amount includes payments of principal and interest portion of lease liabilities, variable lease payments and short-term leases. These amounts could be presented in operating and financing cash flows.

14. ACCOUNTS AND OTHER RECEIVABLES

<u>Current</u>	<u>2024</u>	<u>2023</u>
Accounts receivables	5,387,890	1,570,137
Deposits	61,619	61,619
Prepayments	709,611	915,942
	<u>6,159,120</u>	<u>2,547,698</u>

The Association does not hold any collateral over the above balances.

No loss allowance of trade receivables was recognised as at 31 March 2024 and 2023.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

**15. BANK BALANCES AND CASH**

	<u>2024</u>	<u>2023</u>
Fixed deposits within 3 months	4,896,884	7,150,167
Bank balances and cash, classified as cash and cash equivalents	<u>14,567,691</u>	<u>16,307,009</u>
	<u>19,464,575</u>	<u>23,457,176</u>

The effective interest rate on short-term bank deposits ranged from 1.90% to 4.60% (2023: 0.45% to 3%) per annum.

**16. ACCOUNTS AND OTHER PAYABLES AND CONTRACT LIABILITIES**

**(a) accounts and other payables**

	<u>2024</u>	<u>2023</u>
Accounts payables	4,967,930	3,982,979
Accruals	159,000	622,891
Receipts in advance	<u>187,916</u>	<u>507,003</u>
	<u>5,314,846</u>	<u>5,112,873</u>

**(b) Contract liabilities**

Contract liabilities represent subscription fee income received from members for use in future periods. This gives rise to contract liabilities at the date of payment, until the subscriptions have expired.

**17. HONG KONG SQUASH OPEN M MARK FUND**

	<u>2024</u>	<u>2023</u>
At 1 April	511,310	436,186
Sundry income, net	3,168	231
Grants received	3,777,804	2,972,985
Released to surplus or deficit	<u>(3,685,099)</u>	<u>(2,898,092)</u>
At 31 March	<u>607,183</u>	<u>511,310</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024 (in HK dollars)

18. LCSD GRANT RESERVE

	<u>Events and competitions</u>		<u>Operating and administrative expenditure</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
At 1 April	8,416,314	10,361,551	949,645	190,147	9,365,959	10,551,698
Grants received	13,445,588	12,486,657	5,996,027	5,546,854	19,441,615	18,033,511
Released to surplus or deficit	(11,321,332)	(9,744,218)	(5,396,196)	(4,929,718)	(16,717,528)	(14,673,936)
Payable to LCSD	-	-	67,779	23,614	67,779	23,614
Refunded to LCSD (prior year)	(4,888,177)	(4,628,414)	(130)	(70)	(4,888,307)	(4,628,484)
Excess netted off the subvention (prior year)	-	91,694	-	-	-	91,694
Refunded to LCSD (current year)	(492,612)	-	-	-	(492,612)	-
Transfer	(51,300)	(150,956)	51,300	150,956	-	-
Released to purchase of property, plant and equipment (note)	-	-	(62,762)	(32,138)	(62,762)	(32,138)
At 31 March	5,108,481	8,416,314	1,605,663	949,645	6,714,144	9,365,959

These balances represent unspent subventions received from the LCSD in respect of specific events and competitions where those events or competitions have been completed and in respect of relevant operating and administrative expenditure of the Association. Included in the LCSD Grant Reserve is the Reserve Fund amounting to HK\$2,554,421 (2023: HK\$936,941) which is capped at 25% of subvention to meet the needs for development programmes. Any amount above this cap needs to be either refunded to the LCSD on demand or netted off in the following financial year.

Note: The amount of HK\$62,762 (2023: HK\$32,138) represented LCSD grants from purchase of property, plant and equipment which is directly deducted from addition of computer equipment for the year ended 31 March 2024.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

**19. HKSIL GRANT RESERVE**

	<u>2024</u>	<u>2023</u>
At 1 April	197,058	500,000
Grants received	1,640,000	1,755,040
Release to surplus or deficit	(1,277,413)	(2,058,733)
Refundable to HKSIL	(217,810)	-
Sundry income, net	3,621	751
	<u>345,456</u>	<u>197,058</u>
At 31 March	345,456	197,058

These balance represent unspent subventions received from the HKSIL in respect of specific overseas events and competitions where those events or competitions have been completed and in respect of relevant eligible expenditure of the Association. The HKSIL Grant Reserve is capped at an amount of HK\$500,000 to meet the needs for overseas title events and national squad training. Any accumulated amount in excess of HK\$500,000 should be either returned to HKSIL on demand or be netted off in the following financial year.

**20. RELATED PARTY TRANSACTIONS**

**Compensation of key management personnel**

The key management personnel is a General Committee member of the Association.

	<u>2024</u>	<u>2023</u>
Salaries	846,648	825,564
Bonus	178,554	132,488
Expenses allowance	90,360	6,560
Pension costs – MPF Scheme	18,000	18,000
	<u>1,133,562</u>	<u>982,612</u>

The Association also paid officials' and coaches' fees amounting to HK\$19,649 (2023: HK\$76,011) to 2 (2023: 2) General Committee members during the year.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 March 2024 (in HK dollars)

**21. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The table below detailed changes in the Association's liabilities arising from financing activity, including both cash and non-cash changes. Liabilities arising from financing activity are those for which cash flows were, or future cash flows will be, classified in the Association's statement of cash flows as cash flows from financing activity.

	<u>Lease liabilities</u>
At 1 April 2022	105,207
Financing cash flows	(86,699)
Interest expense	<u>1,552</u>
At 31 March 2023 and 1 April 2023	20,060
Financing cash flows	(86,700)
New lease entered	168,119
Interest expense	<u>3,354</u>
At 31 March 2024	<u><u>104,833</u></u>

**22. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the General Committee on 11 November 2024.

- End of Notes -

