

HONG KONG FOOTWEAR ASSOCIATION LIMITED
香港鞋業商會有限公司

(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022



永栢和豐會計師事務所有限公司

WinPark CPA Company Limited

Certified Public Accountants (Practising)

**HONG KONG FOOTWEAR ASSOCIATION LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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HONG KONG FOOTWEAR ASSOCIATION LIMITED
REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

The Executive Committee present their report and the annual audited financial statements of the Association for the year ended 31 March 2022.

1. Principal activities

The principal activities of the Association are to advance the trade co-operation between manufacturers and suppliers of rubber and footwear industries.

2. Results

The results of the Association for the financial year ended 31 March 2022 are set out in the annexed financial statements.

3. Permitted indemnity provision

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more executive committee members of the Association.

4. Property, plant and equipment

Details of the movements during the year in the property, plant and equipment of the Association are set out in note 9 to the financial statements.

5. Executive committee

The following members of the Executive Committee held office during the year and up to the date of this report are:-

Cheung Kim Yu 張劍羽 (Chairman)	
Lam Siu Keung Allan 林少強 (Vice Chairman)	
Lam Kwong Tak Eddie 林廣德 (President)	
Wong Kee Lune 王麒麟	- Resigned on 1/10/2022
Fung Wing Yat 馮永逸	- Resigned on 1/10/2022
Wong Ting Kau 王庭交 (Vice Chairman)	
Lam Man Seng 林文禪 (Vice President)	
Lam Kat Sing 林吉星	- Resigned on 1/10/2022
Gao Wei Yu 高偉予 (Vice President)	
Wong Wai 王偉	- Resigned on 1/5/2022
Fung Yu Chiu 馮宇超	- Resigned on 1/10/2022
Law Ping Hung 羅炳洪 (Vice Chairman)	
Ko Wai Yip 高偉業 (Vice President)	
Cheung Chee Ming 張志明	- Resigned on 1/10/2022
Cheung Wing Ming 張永明	- Resigned on 31/12/2021
Chan Yu Chiu 陳汝柱	- Resigned on 1/10/2022
Fong Chi Wai 方志偉	- Resigned on 1/10/2022
Lee Yip Yu 李業裕	- Resigned on 1/10/2022
Fung Siu Ching 馮紹清	- Resigned on 1/10/2022
Li Chi Wah 李志華	- Resigned on 1/10/2022
Shen Haizhen 沈海珍	- Resigned on 1/10/2022
Chan Chun Hung 陳振洪	- Resigned on 1/10/2022
Chan Man Hung 陳文雄	- Resigned on 1/10/2022

In accordance with the Articles 23 and 45 of the Association's Article of Association, the term of office of all members of the Executive Committee shall be three years and shall be eligible for re-election.

HONG KONG FOOTWEAR ASSOCIATION LIMITED
REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

(Continued)

6. Management contracts

The Association has not entered into any contract whereby the management and administration of the whole or any substantial part of the Association's business have been undertaken by a party other than the Association's executive committee members or employees.

7. Business review

The Association is a small private association limited by guarantee. Accordingly, the Association is exempted from preparing a business review.

8. Other matters

At the date of this report, the committee members are not aware of any circumstance not otherwise dealt with in this report or the annexed financial statements which would render any amount stated in the financial statements misleading.

9. Auditors

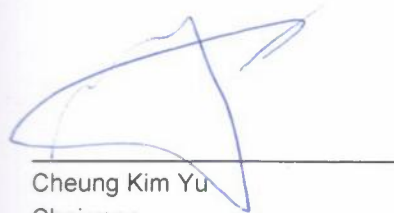
On 28 November 2022, WinPark CPA Company Limited, Certified Public Accountants (Practising) was appointed as auditor of the Association to fill the casual vacancy left by the resignation of Messrs. Fok Chan Leung Wan CPA Limited, Certified Public Accountants (Practicing).

The financial statements for the year ended 31 March 2022 have been audited by WinPark CPA Company Limited, Certified Public Accountants (Practising), The company has indicated its willingness to continue in office and being eligible, offer themselves for re-appointment.

10. Approved of the Executive Committee's Report

This report was approved by the Executive Committee on 27 February 2023.

On behalf of the Executive Committee



Cheung Kim Yu
Chairman
Hong Kong



永栢和豐會計師事務所有限公司

WinPark CPA Company Limited

Certified Public Accountants (Practising)

Unit 805, 8/F, Harbour Crystal Centre, No. 100 Granville Road, Tsimshatsui East, Kowloon.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HONG KONG FOOTWEAR ASSOCIATION LIMITED**

(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Hong Kong Footwear Association Limited (the "Association") set out on pages 6 to 16, which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity 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 of the Association are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have 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 ("HKSA") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other 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 Association for the year ended 31 March 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 31 December 2021.

Other information

The Executive Committee is responsible for the other information. The other information comprises the information included in the Executive Committee's report.

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.



永栢和豐會計師事務所有限公司

WinPark CPA Company Limited

Certified Public Accountants (Practising)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HONG KONG FOOTWEAR ASSOCIATION LIMITED**

(Incorporated in Hong Kong and limited by guarantee)

(Continued)

Responsibilities of Executive Committee for the financial statements

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

In preparing the financial statements, the Executive Committee 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 Executive Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Executive Committee is responsible for overseeing the Association's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. 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 Executive Committee.



永栢和豐會計師事務所有限公司

WinPark CPA Company Limited

Certified Public Accountants (Practising)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HONG KONG FOOTWEAR ASSOCIATION LIMITED**

(Incorporated in Hong Kong and limited by guarantee)

(Continued)

Auditor's responsibilities for the audit of the financial statements *(Continued)*

- Conclude on the appropriateness of the Executive 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 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.

WinPark CPA Company Limited

Certified Public Accountants (Practising)

LAM Yat Cheong Vincent

Practising Certificate number: P03788

Hong Kong, 27 February 2023

HONG KONG FOOTWEAR ASSOCIATION LIMITED
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 MARCH 2022

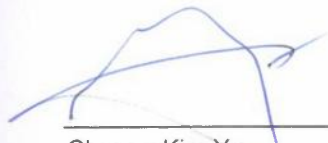
	Note	2022 HK\$	2021 HK\$
Revenue	5	792,085	1,835,954
Administrative expenses		(684,148)	(1,716,390)
Net (loss)/gain on investments in securities	10	(57,530)	623,767
Surplus for the year	7	<u>50,407</u>	<u>743,331</u>

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

HONG KONG FOOTWEAR ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 HK\$	2021 HK\$
Non-current assets			
Property, plant and equipment	9	223,014	243,890
Investments in securities	10	326,750	384,280
		<u>549,764</u>	<u>628,170</u>
Current assets			
Amount due from a committee member	11	494,000	208,380
Prepayment		--	6,103
Sundry debtors		52,675	11,600
Subscription fee in arrear		85,000	139,000
Utilities and sundry deposits		4,200	4,200
Bank balances	12	1,219,795	1,371,148
		<u>1,855,670</u>	<u>1,740,431</u>
Current liabilities			
Temporary receipts		--	3,590
Sundry creditors		--	2,384
Accruals		11,000	18,600
		<u>11,000</u>	<u>24,574</u>
Net current assets		<u>1,844,670</u>	<u>1,715,857</u>
Net assets		<u>2,394,434</u>	<u>2,344,027</u>
Reserve and funds			
Premises fund		1,053,520	1,053,520
Development fund		432,000	432,000
General fund		908,914	858,507
		<u>2,394,434</u>	<u>2,344,027</u>

Approved and authorized for issue by the Executive Committee



 Cheung Kim Yu
 Chariman



 Lam Kwong Tak Eddie
 President

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

HONG KONG FOOTWEAR ASSOCIATION LIMITED
STATEMENT OF CHANGES IN FUNDS AND RESERVE
FOR THE YEAR ENDED 31 MARCH 2022

	General Fund HK\$	Premises Fund HK\$	Development Fund HK\$	Total HK\$
As at 1 April 2020	115,176	1,053,520	432,000	1,600,696
Surplus for the year	<u>743,331</u>	<u>--</u>	<u>--</u>	<u>743,331</u>
As at 31 March 2021 and as at 1 April 2021	858,507	1,053,520	432,000	2,344,027
Surplus for the year	<u>50,407</u>	<u>--</u>	<u>--</u>	<u>50,407</u>
As at 31 March 2022	<u>908,914</u>	<u>1,053,520</u>	<u>432,000</u>	<u>2,394,434</u>

HONG KONG FOOTWEAR ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 HK\$	2021 HK\$
Cash flows from operating activities		
Surplus for the year	50,407	743,331
Adjustments for:		
Loss on disposal of investments in securities	--	891,997
Depreciation	20,876	13,774
Dividend income	(13,711)	(14,408)
Interest income	(748)	(184)
Net loss/(gain) on investments in securities	<u>57,530</u>	<u>(623,767)</u>
Operating cash flow before change in working capital	114,354	1,010,743
Increase in amount due from committee member	(285,620)	(208,380)
Decrease/(Increase) in prepayment	6,103	(6,103)
Increase in sundry debtors	(41,075)	(11,600)
Decrease/(Increase) in subscription fee in arrear	54,000	(139,000)
Increase in utility and sundry deposits	--	(4,200)
Decrease in temporary receipts	(3,590)	--
Decrease in sundry creditors	(2,384)	--
(Decrease)/Increase in accruals	<u>(7,600)</u>	<u>7,000</u>
Cash (used in)/generated from operations	(165,812)	648,460
Interest received	748	184
Net cash (used in)/generated from operating activities	<u>(165,064)</u>	<u>648,644</u>
Cash flows from investing activities		
Decrease in time deposit	--	17,908
Proceeds from disposal of investments in securities	--	567,000
Purchase of property, plant and equipment	--	(1,357)
Dividend received	<u>13,711</u>	<u>14,408</u>
Net cash generated from investing activities	<u>13,711</u>	<u>597,959</u>
Net (decrease)/increase in cash and cash equivalents	(151,353)	1,246,603
Cash and cash equivalents at the beginning of the year	<u>1,371,148</u>	<u>124,545</u>
Cash and cash equivalents at the end of the year	<u>1,219,795</u>	<u>1,371,148</u>
Analysis of balances of cash and cash equivalents		
Cash and banks balances	<u>1,219,795</u>	<u>1,371,148</u>

HONG KONG FOOTWEAR ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General

(a) Corporate information

Hong Kong Footwear Association Limited ("the Association") is an association incorporated in Hong Kong and limited by guarantee. At the date of issue of these financial statements, the Association's registered office and principal place of business are Block A, 2/F, Kar Tseuk Building, 185 Prince Edward Road, Kowloon.

As at 31 March 2022, the Association had 22 (2021 - 23) members.

Every member of the Association undertakes to contribute to the assets of the Association, in the event of being wound up, such amounts as may be required but will not exceed HK\$100.

The principal activities of the Association are to advance the trade co-operation between manufacturers and suppliers of rubber and footwear industries.

(b) Reporting currency

Unless stated otherwise, all currency figures in these financial statements are presented in Hong Kong Dollars (HK\$), which is the same as the functional currency of the Association, rounded to the nearest one dollar.

2. Statement of compliance

These financial statements comply with all applicable sections of the Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been prepared under the accrual basis of accounting and on the basis that the Association is a going concern.

3. Basis of preparation and summary of significant accounting policies

These financial statements have been prepared in accordance with HKFRS for Private Entities and the requirements of the Hong Kong Companies Ordinance. The measurement base used in preparing these financial statements is the historical cost convention. The specific measurements of the elements in the financial statements and the significant accounting policies are set out as follows:

(a) Revenue

- (1) Entrance fees are recognized in the financial year when the admission application are received;
- (2) Annual subscriptions are recognized on a straight line basis over the period to which the subscription relate;
- (3) Interest income is recognized on a time proportion basis at the application rates;
- (4) Dividend income is recognized when the shareholder's right to receive payment is established and
- (5) Sundry income is recognized on an accrual basis.

(b) Trade and other receivable

Trade and other receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when where is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables.

HONG KONG FOOTWEAR ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. Basis of preparation and summary of significant accounting policies (Continued)

(c) Trade and other payable

Trade and other payable are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an assets comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use.

Depreciation of property, plant and equipment is provided to write off the cost of assets over their estimated useful lives using the following rates per annum:-

<u>Type of assets</u>	<u>Rates</u>
Leasehold land and building	Over the shorter of remaining lease term or estimated useful lives on straight-line method at the rate of 2% per annum
Furniture and equipment	15% on reducing balance method

(e) Investment in securities

Investments in debt and equity securities are initially measured at transaction price, including transaction costs except in the initial measurement that are measured at fair value. These investments are subsequently accounted for as follows:

Investments in equity securities that have a quoted market price in an active market and whose fair value can be reliably measured are stated in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Debt securities are stated in the statement of financial position at amortised cost using the effective interest method.

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognized in the statement of financial position at cost less impairment losses.

(f) Impairment of assets

At each reporting date, the Association will assess whether there is any indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

HONG KONG FOOTWEAR ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. Basis of preparation and summary of significant accounting policies (Continued)

(g) Cash and cash equivalents

Cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. For the purpose of the cash flow statement, bank overdrafts which are repayable on demand and form an integral part of the association's cash management are also included as a component of cash and cash equivalents.

(h) Members' subscription fee

By a resolution passed on 21 June 1986, membership would be forfeited if subscriptions were overdue for more than 3 years. Non-recoverable subscription fees on those members would be written off against the members' subscription fees income upon forfeiture.

(i) Premises fund

All monies and contributions received from members and non-members for the purchase of the Association's premises together with bank interest earned thereon are dealt with in the Premises Fund Account.

(j) Translation of foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

(k) Employee benefits

(1) Short term employee benefits and contributions to defined contribution plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost to the Association of non-monetary benefits are accrued in the year in which the associated services are rendered employees.

(2) Termination benefits

Termination benefits are recognized when, and only when, the Association demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(l) Retirement benefit costs

Contributions to Mandatory Provident Fund Scheme as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognized as an expenses in the statement of comprehensive income as incurred.

(m) Government grants

Government grants are recognized as income over periods necessary to match them with the related costs they are intended to compensate, on a systematic basis when there is reasonable assurance that the Association will comply with the conditions attaching to them and the grants will be received. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Association, with no future related costs, is recognized as income of the period in which it becomes receivable. Government grants related to assets are presented in the statement of financial position by deducting the grants in arriving at the carrying amount of the asset.

HONG KONG FOOTWEAR ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. Basis of preparation and summary of significant accounting policies (Continued)

(n) Related parties

Related party is a person or entity that is related to the entity that is preparing its financial statements (the "reporting entity").

- (1) A person or a close member of that person's family is related to the Association if that person:
 - (i) is a member of the key management personnel of the Association or of a parent of the Association;
 - (ii) has control over the Association; or
 - (iii) has joint control or significant influence over the reporting entity or has significant voting power in it.
- (2) 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) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of a third entity.
 - (iv) either 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. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
 - (vi) the entity is controlled or jointly controlled by a person identified in (1).
 - (vii) a person identified in (1)(i) has significant voting power in the entity.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Association makes estimates and assumptions concerning the future and the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of assets

The Association's assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amounts of assets or cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates, such as discount rates, future profitability and growth rates.

Accounts receivable

Impairment of accounts receivable is established when there is objective evidence on the ultimate recoverability of the amount due according to the original terms. Estimates are made based on the assessments of the financial position of the debtors, probability of the debtor being bankrupt, default or delinquent. The provision takes into account the present value of the estimated future cash flows, discounted at the effective interest rate.

Effective interest rates

For the purpose of measuring the financial assets and liabilities stated at amortised cost held under non-current assets and non-current liabilities, effective interest rates shall be measured by reference to the estimated future cash flow through the expected life of financial instrument or, if appropriate, a shorter period to the net carrying amount of the financial assets or financial liability.

HONG KONG FOOTWEAR ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Revenue

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

	2022 HK\$	2021 HK\$
Revenue		
Members' subscription fees	484,050	657,000
Members' entrance fees	86,980	41,000
	<u>571,030</u>	<u>698,000</u>
Other revenue and net gains		
Sundry income	6,002	615,706
Dividend income	13,711	14,408
Interest income	748	184
Government subsidize	--	104,475
Donation	180,000	400,000
Exchange gains, net of exchange losses	20,594	3,181
	<u>221,055</u>	<u>1,137,954</u>
	<u>792,085</u>	<u>1,835,954</u>

6. Directors' remuneration

Remuneration of the directors (including former directors and shadow directors) of the Association disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2022 HK\$	2021 HK\$
Fee	--	--
Retirement benefits	--	--
Other emoluments	--	--
	<u>--</u>	<u>--</u>

7. Surplus for the year

Surplus for the year is arrived at after charging:

	2022 HK\$	2021 HK\$
Auditor's remuneration	11,000	10,600
Depreciation		
- Owned assets	20,876	13,774
Staff cost (including Directors' remuneration)		
- Staff salaries	379,154	634,725
- Mandatory provident fund contribution	17,673	25,955
	<u>396,827</u>	<u>660,680</u>

HONG KONG FOOTWEAR ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Taxation

No provision for Hong Kong profits tax has been made as the Executive Committee considers that the association is exempt from profits tax under Section 24 of the Inland Revenue Ordinance.

9. Property, plant and equipment

	Land and buildings HK\$	Furniture and fixtures HK\$	Total HK\$
<u>At cost</u>			
As at 1/4/2021 and as at 31/3/2022	465,180	930,734	1,395,914
<u>Aggregated depreciation</u>			
As at 1/4/2021	265,264	886,760	1,152,024
Charges for the year	14,280	6,596	20,876
As at 31/3/2022	279,544	893,356	1,172,900
<u>Net book value</u>			
As at 31/3/2022	185,636	37,378	223,014
As at 31/3/2021	199,916	43,974	243,890

10. Investments in securities

	2022 HK\$	2021 HK\$
Listed equity securities, at fair value		
- in Hong Kong	326,750	384,280
Net (loss)/gain on investments in securities:		
Net change in unrealised gains or losses on investments in securities	(57,530)	623,767

The fair value is based on quoted market prices in Hong Kong listed market on the period end date.

11. Amount due from a committee member

The amount due from committee member is unsecured, interest free and has no fixed term of repayment, and the loans, quasi-loans and other dealings in favour of directors (including shadow directors) of the Association and its holding company disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:-

<u>Name of the committee member</u>	Balance as at 31/3/2022 HK\$	Balance as at 31/3/2021 HK\$	Maximum during the year HK\$
Lam Kat Sing	494,000	208,380	494,000

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12. Cash and cash equivalents

The cash and cash equivalents in the statement of financial position and the statement of cash flows comprise:

	2022 HK\$	2021 HK\$
Current accounts	1,219,015	1,369,597
Cash in hand	780	1,551
	<u>1,219,795</u>	<u>1,371,148</u>

13. Comparative figures

The comparative figures are derived from audited financial statements for the year ended 31 March 2021 complied by Fok Chan Leung Wan CPA Limited Certified Public Accountant (Practicing) and have been realigned to conform with the current year's presentation of the financial statements.

14. Approval of financial statements

These financial statements were authorised for issue by the Association's Executive Committee on 27 February 2023.