

Y. H. CHEUNG & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

7/F., TERN CENTRE, TOWER 2,
251 QUEEN'S ROAD CENTRAL,
HONG KONG.

TEL: 2541 5838 FAX: 2851 2802

張耀鴻會計師行
香港皇后大道中二五一號
太興中心二期七樓
電話：二五四一五八三八
傳真：二八五一二八〇二

INDEPENDENT ASSURANCE REPORT

TO THE BOARD OF DIRECTORS OF

THE HONG KONG BASEBALL ASSOCIATION LIMITED ("the Association")

We have been engaged to conduct a reasonable assurance examination on the accompanying Association's Annual Accounts of the subvention and the reserve fund ("Annual Accounts") set out on pages 1 to 10 (attached herewith) for the year ended 31 March 2015, which have been prepared by the Board of Directors of the Association in connection with the requirements of Leisure and Cultural Services Department ("LCSD") of the Government of the Hong Kong Special Administrative Region ("the Government").

Respective Responsibilities of the Board of Directors and Auditors

The Board of Directors of the Association is responsible for the preparation of the accompanying Annual Accounts and for ensuring that they have been properly prepared from the books and records of the Association and drawn up in compliance with the provisions of the Subvention Agreement for the year 2014-15 made between the Government and the Association and of the Auditor's Guide. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the accompanying Annual Accounts that are free from material misstatement, selecting and applying appropriate accounting policies. The Board of Directors is also responsible for ensuring that the Association has complied with the provisions of the Subvention Agreement, the Code of Conduct and the Procurement Guidelines which the Association has deposited with the Government.

It is our responsibility to report on whether the Annual Accounts have been drawn up in compliance with the provisions of the Subvention Agreement and the Auditor's Guide as stipulated in Clause 6(e) of the Subvention Agreement, and the Association has complied with the provisions of the Subvention Agreement as specified in the Auditor's Guide, the Code of Conduct concerning the procedural requirements in processing declaration on conflict of interests and application for acceptance of advantages and the Procurement Guidelines of the Association, based on our reasonable assurance engagement, and to report our conclusions solely to you and LCSD, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



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INDEPENDENT ASSURANCE REPORT

TO THE BOARD OF DIRECTORS OF

THE HONG KONG BASEBALL ASSOCIATION LIMITED (“the Association”)

Basis of Conclusions

We have conducted our work in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants. This Standard requires that we comply with ethical requirements and plan and perform the assurance examination to obtain reasonable assurance whether the Annual Accounts have been properly prepared from the books and records of the Association and drawn up in all material respects in compliance with the provisions of the Subvention Agreement and the Auditor’s Guide, and the Association has complied with the provisions of the Subvention Agreement as specified in the Auditor’s Guide, the Code of Conduct concerning the procedural requirements in processing declaration on conflict of interests and application for acceptance of advantages and the Procurement Guidelines of the Association.

We planned and performed our reasonable assurance examination so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give our conclusions as to whether the Annual Accounts have been properly prepared from the books and records of the Association and drawn up in compliance with the provisions of the Subvention Agreement and the Auditor’s Guide, and the Association has complied with the provisions of the Subvention Agreement as specified in the Auditor’s Guide, the Code of Conduct concerning the procedural requirements in processing declaration on conflict of interests and application for acceptance of advantages and the Procurement Guidelines of the Association. We believe that our reasonable assurance engagement provides a reasonable basis for our conclusions.

Conclusions

In our opinion, based on the foregoing, the Annual Accounts for the year ended 31 March 2015 have been properly prepared from the books and records of the Association and drawn up in compliance with the provisions of the Subvention Agreement and the Auditor’s Guide, and the Association has complied with the provisions of the Subvention Agreement as specified in the Auditor’s Guide, the Code of Conduct concerning the procedural requirements in processing declaration on conflict of interests and application for acceptance of advantages and the Procurement Guidelines of the Association.

Use of this Report

This report is intended solely for the use of the Association to satisfy the provisions stated in the Subvention Agreement with the LCSD and is not intended to be, and should not be, used by anyone except the Association and the LCSD for any other purposes. We agree that an original copy of this report will be provided to the Director of Leisure and Cultural Services.


Y. H. Cheung & Company
Certified Public Accountants
Hong Kong
12 September 2015



HONG KONG BASEBALL ASSOCIATION



Summary of Cash Subvention to The Hong Kong Baseball Association Limited under the Sports Subvention Scheme of Leisure and Cultural Services Department for the Financial Year Ended 31 March 2015

	HK\$	Statement #
Cash subvention from LCSD		
Original cash subvention allocated at the beginning of the financial year ¹		
(i) Subvention for Personnel Expenses	1,028,288.00	1
(ii) Subvention for Office Expenses	134,350.00	2
(iii) Subvention for Programme Expenses	3,385,585.00	3
	4,548,223.00 (a)	
(i) Pay Rate Adjustment	-	3
(ii) Additional Funding -- Website Revamping	43,000.00	7
Add: Additional subvention from LCSD	43,000.00 (b)	
	247,148.00	Appendix 203
Less: Subvention netted-off for 2014-15 ²	247,148.00 (c)	
Total cash subvention from LCSD for the year	4,344,075.00 (d)=(a)+(b)-(c)	
Expenditure³		
(i) Subvention for Personnel Expenses	982,490.55	1
(ii) Subvention for Office Expenses	301,671.78	2
(iii) Subvention for Programme Expenses	4,434,820.53	3
(iv) Additional Funding - Website Revamping	52,700.00	7
Total expenditure incurred for the year 2014-15	5,771,682.86 (e)	
Surplus/(Deficiency) of subvention over expenditure	(1,427,607.86) (f)=(d)-(e)	
Other income (i.e. other than LCSD subvention)⁴		
(i) Entry fee / Admission fee	1,250,470.00	3
(ii) Bank interest generated from LCSD Subvention and Reserve Fund	311.61	Appendix 13
(iii) Sponsorship / Donation	413,021.42	3
(iv) Contribution from the Association	157,931.86	3
(v) Other Resources	174,124.86	3
	1,995,859.75 (g)	
Total Surplus/(Deficiency) of income over expenditure	568,251.89 (h)=(f)+(g)	

¹ The amount reflects the cash subvention granted to the Association as stated in the Subvention Agreement.

² This refers to the amount of subvention allocated for 2014-15 which is subsequently netted off by the LCSD within the same financial year 2014-15 (e.g. due to cancellation of programmes). The total amount of subvention netted off for 2014-15 may be subject to revision upon subsequent review on NSA's Annual Accounts of the Subvention and the Reserve Fund by the LCSD.

³ This represents the total cash expenditure incurred for subvented posts, office expenses and programme expenses (met by either LCSD subvention/sponsorship/donation/NSA/other resources).

⁴ Other income' exclude subvention under the Arts and Sport Development Fund.

