

# 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 2016, 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 2015-16 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.



# 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  
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")

#### **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.

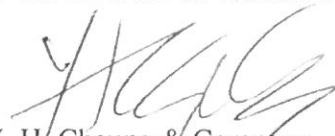
We planned and performed our reasonable assurance examination so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give our conclusions as to whether the Annual Accounts have been properly prepared from the books and records 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 2016 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  
29 September 2016



## 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 2016**

	<u>HKS</u>	<u>Statement #</u>
<b>Cash subvention from LCSD</b>		
Original cash subvention allocated at the beginning of the financial year <sup>1</sup>		
(i) Subvention for Personnel Expenses	1,072,061.00	1
(ii) Subvention for Office Expenses	134,350.00	2
(iii) Subvention for Programme Expenses	3,265,596.00	3
	<b>4,472,007.00</b> (a)	
(i) Pay Rate Adjustment	87,702.00	3
(ii) Additional Funding - Procurement of Sports/ Office Equipment	65,000.00	7
(iii) Additional Funding - Youth Women's Baseball Japan Exchange Programme	282,900.00	7
(iv) Additional Funding - Exchange Programme Between Hong Kong U23 Men Baseball and Taitung Chii Lih Coral Baseball Team	298,825.00	7
Add: Additional subvention from LCSD	<b>734,427.00</b> (b)	
	<b>209,987.00</b>	Appendix 203
Less: Subvention netted-off for 2015-16 <sup>2</sup>	<b>209,987.00</b> (c)	
<b>Total cash subvention from LCSD for the year</b>	<b>4,996,447.00</b> (d)=(a)+(b)-(c)	
<b>Expenditure<sup>3</sup></b>		
(i) Subvention for Personnel Expenses	1,024,204.70	1
(ii) Subvention for Office Expenses	286,924.51	2
(iii) Subvention for Programme Expenses	4,394,664.09	3
(iv) Additional Funding - Procurement of Sports/ Office Equipment	67,942.08	7
(v) Additional Funding - Youth Women's Baseball Japan Exchange Programme	210,515.80	7
(vi) Additional Funding - Exchange Programme Between Hong Kong U23 Men Baseball and Taitung Chii Lih Coral Baseball Team	257,723.18	7
Total expenditure incurred for the year 2015-16	<b>6,241,974.36</b> (e)	
<b>Surplus/(Deficiency) of subvention over expenditure</b>	<b>(1,245,527.36)</b> (f)=(d)-(e)	
<b>Other income (i.e. other than LCSD subvention)<sup>4</sup></b>		
(i) Entry fee / Admission fee	1,411,241.60	3
(ii) Bank interest generated from LCSD Subvention and Reserve Fund	256.84	Appendix 231
(iii) Sponsorship / Donation	83,911.00	3
(iv) Contribution from the Association	267,240.85	3
(v) Other Resources	511,065.85	3
	<b>2,273,716.14</b> (g)	
<b>Total Surplus/(Deficiency) of income over expenditure</b>	<b>1,028,188.78</b> (h)=(f)+(g)	

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

<sup>2</sup> This refers to the amount of subvention allocated for 2015-16 which is subsequently netted off by the LCSD within the same financial year 2015-16 (e.g. due to cancellation of programmes). The total amount of subvention netted off for 2015-16 may be subject to revision upon subsequent review on NSA's Annual Accounts of the Subvention and the Reserve Fund by the LCSD.

<sup>3</sup> 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).

<sup>4</sup> Other income' exclude subvention under the Arts and Sport Development Fund.

Figures are checked and found in order



*[Signature]*

30 JUN 2017