



周年報告 **ANNUAL REPORT 2017-18**

奧運大樓管理有限公司
MANAGEMENT COMPANY OF OLYMPIC HOUSE LIMITED

Management Company of Olympic House Limited 奧運大樓管理有限公司

Annual Report 年報

1 April 2017 to 31 March 2018
2017年4月1日至2018年3月31日

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PREFACE 序言

Following the Financial Secretary's announcement of exploring a technical feasibility study on the redevelopment of the Olympic House (OH) in his budget speech on 28 February 2018, a series of meetings have been convened between the Home Affairs Bureau (HAB) and the Federation to kick-off the step towards the redevelopment project.

Management Company of Olympic House Limited (MCOHL) has never stopped to have the improvement work going on in the OH to upgrade the building and improve the operation. For example, the installation of Octopus Car Park System could both save manpower and enhance work efficiency. MCOHL has also rolled out promotion channel for NSAs to promote their sports events or competitions. Through these channels the Member Associations can have more exposure towards the public and create ambience during the period of sports events or competitions held.



We forecast that the redevelopment of the OH can provide a cosy office and space in place for the Member Association's activity in the nearer future.

財政司司長在2018年2月28日宣讀的財政預算案中提到，會進行對奧運大樓（大樓）重建的技術可行性研究。隨即本會和民政事務局召開了多次會議，展開這次重建計劃之路。

與此同時，奧運大樓管理有限公司（管理公司）亦持續進行不同的改善工作，以保持大樓的素質及提升運作效率。例如在停車場出入口安裝八達通泊車系統，這安排不但可以節省人手，更能夠提升效益。在提升大樓硬件配置的同時，管理公司更增設了一些橫額區，目的是讓體育總會能夠透過這些宣傳渠道，能讓更多市民得知其舉辦的活動及比賽，更可在活動舉行期間，增加氣氛。

我們期望重建大樓的計劃可以盡快落實，在未來的日子為體育總會提供舒適的辦公地方及活動空間。

A handwritten signature in black ink, consisting of stylized, overlapping strokes that form a recognizable name.

Timothy T. T. FOK 霍震霆 GBS, JP

Director & Chairman 董事及主席

Management Company of Olympic House Limited 奧運大樓管理有限公司

VISION & MISSION 理想及使命

Vision

We provide a quality office and assembly facility service support under the green concept to the Hong Kong sports community at Olympic House, the hub of local sports.

Mission

- (a) To provide a most favorable green environment for sports administrators of local National Sports Associations;
- (b) To collaborate with different sectors of the local community in organizing sports education programmes;
- (c) To offer the facilities and services at Olympic House readily available for use by the local community;
- (d) To implement measures of environmental protection and to encourage tenants, hirers, sports community to be more conscious towards the goal in sustaining the long term use of a functional sports administration building in a green environment.

理想

在環境保護的大前提下，我們致力為香港體育界提供具素質的辦公室及集會設施，把奧運大樓發展成為香港體育行政的樞紐。

使命

- (a) 致力為本地體育總會提供一個理想及具環保的工作環境；
- (b) 與不同的本地體育團體合辦運動教育計劃；
- (c) 提供奧運大樓各項設施及服務給本地團體使用；
- (d) 推行環境保護的措施、鼓勵用戶、租用人及體育社群對提高環境保護的意識。

BOARD OF DIRECTORS & OLYMPIC HOUSE MANAGEMENT COMMITTEE 董事局及奧運大樓管理委員會

Board of Directors 董事局

Director & Chairman	董事及主席
Mr. Timothy T. T. FOK, GBS, JP	霍震霆 GBS 太平紳士
Director & Secretary	董事及秘書
Mr. Ronnie M. C. WONG, JP	王敏超太平紳士
Director & Treasurer	董事及司庫
Mr. Derrick L. W. WONG, FCCA, CPA, CTA, RFP	黃良威先生 FCCA, CPA, CTA, RFP
Directors	董事
Ms. Vivien C. C. LAU, BBS, JP	劉掌珠 BBS 太平紳士
Prof. LEUNG Mee Lee, MH	梁美莉教授 MH
Mr. Edgar J.T. YANG, PDSM	楊祖賜先生 PDSM
Mr. WONG Po Kee, MH	黃寶基先生 MH

Olympic House Management Committee 奧運大樓管理委員會

Chairman	主席
Mr. Ronnie M. C. WONG, JP Director & Secretary, MCOHL	奧運大樓管理有限公司董事及秘書 王敏超太平紳士
Vice-Chairman	副主席
Mr. Herman S. M. HU, BBS, JP Hon. President, The Cycling Association of Hong Kong, China Limited	中國香港單車總會有限公司名譽會長 胡曉明 BBS 太平紳士
Members	成員
Mr. David P. CHAN Hon. President, The Hong Kong Weightlifting and Powerlifting Association Limited	香港舉重健力總會有限公司名譽會長 陳 斌先生
Mr. TONG Wai Lun, BBS, JP Chairman, Hong Kong Badminton Association Limited	香港羽毛球總會有限公司主席 湯偉掄 BBS 太平紳士
Mr. PUI Kwan Kay, SBS President, The Judo Association of Hong Kong, China	中國香港柔道總會會長 貝鈞奇先生 SBS
Prof. LEUNG Mee Lee, MH Director, MCOHL	奧運大樓管理有限公司董事 梁美莉教授 MH
Mr. Edgar J.T. YANG, PDSM Director, MCOHL	奧運大樓管理有限公司董事 楊祖賜先生 PDSM
Mr. WONG Po Kee, MH Director, MCOHL	奧運大樓管理有限公司董事 黃寶基先生 MH
Ms. SIU Kit Ping, Currie Senior Leisure Manager, Home Affairs Bureau	民政事務局高級康樂事務經理 蕭潔冰女士

TENANTS OF OLYMPIC HOUSE

奧運大樓租戶

(1.4.2017 - 31.3.2018)

	Sports Federation & Olympic Committee of Hong Kong, China (SF&OC)	中國香港體育協會暨奧林匹克委員會 (港協暨奧委會)	Office 辦公室
1	President's Office	會長辦公室	2/F
2	Secretariat	秘書處	2/F
3	Office of Hong Kong Athletes Career & Education Programme	香港運動員就業及教育計劃辦事處	1004
4	SF&OC Sports Legacy Company Limited	港協暨奧委會奧夢成真有限公司	1004
5	Hong Kong Centre for Olympic Studies	香港奧林匹克資料中心	1018

	National Sports Associations (NSAs)	體育總會	Office 辦公室
6	Hong Kong Archery Association	香港射箭總會	1010
7	Hong Kong Amateur Athletic Association Limited	香港業餘田徑總會有限公司	2015
8	Hong Kong Badminton Association Limited	香港羽毛球總會有限公司	2005
9	The Hong Kong Baseball Association Limited	香港棒球總會有限公司	1003
10	Hong Kong Basketball Association Limited	香港籃球總會有限公司	1006
11	Hong Kong Billiard Sports Control Council Company Limited	香港桌球總會有限公司	1027
12	Hong Kong China Bodybuilding and Fitness Association	中國香港健美總會	1028
13	Hong Kong Boxing Association Limited	香港拳擊總會有限公司	1012
14	The Hong Kong Canoe Union Limited	香港獨木舟總會有限公司	2014
15	Hong Kong Chinese Martial Arts Dragon and Lion Dance Association Limited	香港中國國術龍獅總會有限公司	1008
16	The Hong Kong Cricket Association	香港板球總會	1019
17	The Cycling Association of Hong Kong, China Limited	中國香港單車總會有限公司	1015
18	Hong Kong China Dragon Boat Association	中國香港龍舟總會	1032
19	Hong Kong Fencing Association	香港劍擊總會	1011
20	Hong Kong Golf Association Limited	香港高爾夫球總會有限公司	2003
21	The Gymnastics Association of Hong Kong, China	中國香港體操總會	1002
22	Handball Association of Hong Kong, China Limited	中國香港手球總會有限公司	2007
23	Hong Kong Ice Hockey Association Limited	香港冰球協會有限公司	1023
24	The Judo Association of Hong Kong, China	中國香港柔道總會	1024
25	The Karatedo Federation of Hong Kong, China Limited	中國香港空手道總會有限公司	1031
26	Hong Kong Kart Club Limited	香港小型賽車會有限公司	1030

	National Sports Associations (NSAs)	體育總會	Office 辦公室
27	Hong Kong Kendo Association Limited	香港劍道協會有限公司	1029
28	Hong Kong Lawn Bowls Association	香港草地滾球總會	2010
29	Hong Kong Little League Limited	香港少年棒球聯盟有限公司	1005
30	China Hong Kong Mountaineering and Climbing Union Limited	中國香港攀山及攀登總會有限公司	1013
31	Hong Kong Netball Association Limited	香港投球總會有限公司	1016
32	Orienteering Association of Hong Kong Limited	香港定向總會有限公司	1014
33	Hong Kong Federation of Roller Sports Limited	香港滾軸運動總會有限公司	1016
34	Hong Kong Rugby Union	香港欖球總會	2001
35	Hong Kong Sailing Federation	香港帆船運動總會	1009
36	Hong Kong Shooting Association	香港射擊聯合總會	2011
37	Hong Kong Shuttlecock Association Limited	香港足毬總會有限公司	1014
38	Hong Kong Skating Union Limited	香港滑冰聯盟有限公司	1023
39	Hong Kong Table Tennis Association Limited	香港乒乓總會有限公司	2008
40	Hong Kong Taekwondo Association Limited	香港跆拳道協會有限公司	2012
41	Hong Kong Tennis Association Limited	香港網球總會有限公司	1021
42	Hong Kong Tenpin Bowling Congress Limited	香港保齡球總會有限公司	2004
43	Hong Kong Triathlon Association Limited	香港三項鐵人總會有限公司	1020
44	Hong Kong Underwater Association Limited	香港潛水總會有限公司	1012
45	The University Sports Federation of Hong Kong, China Limited	香港大專體育協會有限公司	1013
46	Volleyball Association of Hong Kong, China Limited	香港排球總會有限公司	1007
47	Hong Kong Water Ski Association Limited	香港滑水總會有限公司	1025
48	The Hong Kong Weightlifting and Powerlifting Association Limited	香港舉重健力總會有限公司	1005
49	Windsurfing Association of Hong Kong	香港滑浪風帆會	1001
50	Hong Kong Wushu Union Limited	香港武術聯會有限公司	1017

	Sports Related Organizations (SROs)	其他體育機構	Office 辦公室
51	Hong Kong Sports Press Association Limited	香港體育記者協會有限公司	2013
52	The Hong Kong Veterans' Tennis Association Limited	香港元老網球總會有限公司	1008

IMPROVEMENT WORK 改善工程

MCOHL had carried out several improvement works in OH during the reporting year:

管理公司於過去一年為大樓進行了多項改善項目：

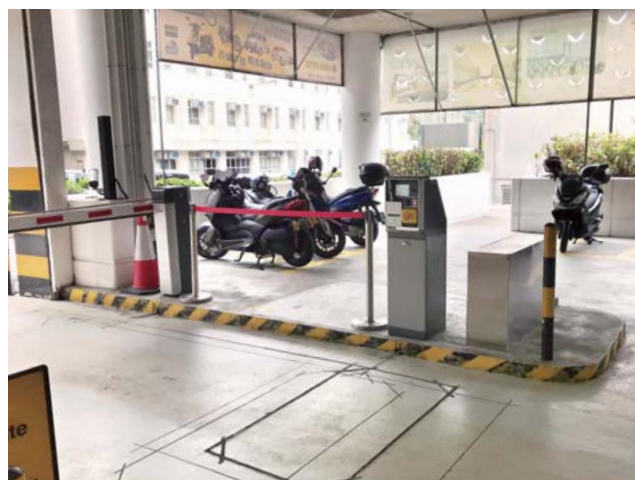
1. In order to upgrade car park management system, Octopus car park access system was installed in January 2018.

1. 為優化停車場管理系統，於2018年1月拆除地下停車場收費亭及入閘系統，更換成八達通管理系統。

Before 前



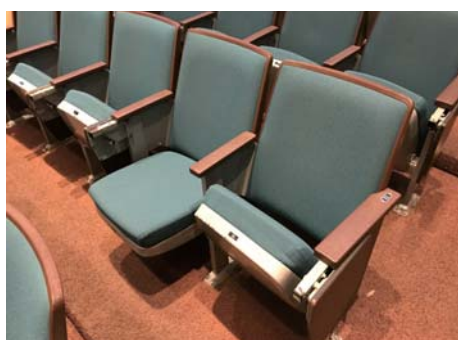
After 後



2. The repairing and repainting work for the 300 number of seats at Jockey Club Lecture Theatre was conducted in March 2018.

2. 於2018年3月期間為賽馬會演講廳300張座椅進行油漆翻新及零件維修工程。

Before 前

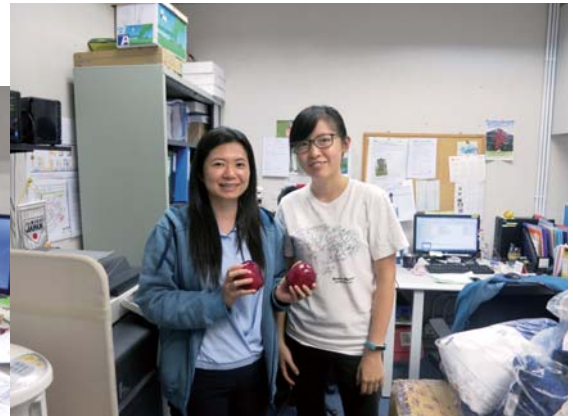


After 後



ACTIVITIES HIGHLIGHTS 活動概要

1. To share joy with all tenants about the OH 12th Renaming Anniversary in 2017. MCOHL prepared seasonal fruits for all tenants on 11 July 2017, wishing them all a good health in every year.



2. A total of 36 participants from SF&OC Secretariat, MCOHL, NSAs and Kwik Park Limited joined the 2018 Hong Kong Tree Planting Day at Tai Tong, Yuen Long on 25 March 2018.

2. 於2018年3月25日在元朗大棠舉行「香港植樹日2018」，36位來自港協暨奧委會秘書處、奧運大樓管理有限公司、體育總會及佳栢停車場有限公司的代表參加。



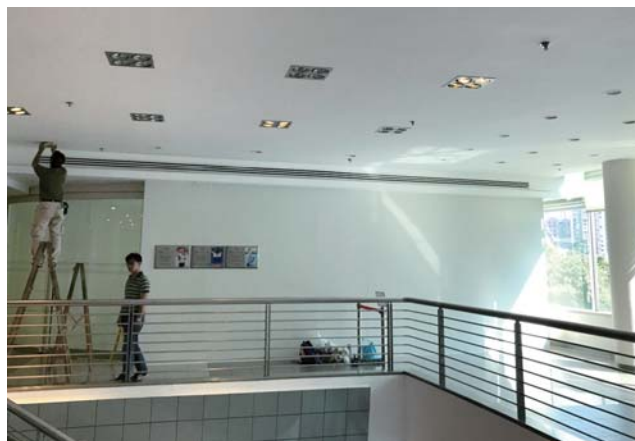
NEW INITIATIVES 大樓新動向

1. In recognition of the contribution of outstanding sports personalities, SF&OC Hall of Fame has been established in OH. Before installation of the plaque of SF&OC Hall of Fame, several steps has been implemented.

Before 前



After 後



The three Olympic Games Medallists Commemorative Plaques has been shifted sideward to the entrance of the President's Office.
奧運得獎名牌被側移到會長室入口處。



The Olympic House Renaming Commemorative Plaque has been re-located at the main entrance
奧運大樓易名紀念碑設置於奧運大樓大門入口

2. With effect from 1 April 2017, the hiring charges of the Jockey Club Lecture Theatre, Board Room, Temporary Offices, Storage Closets, equipment and other ancillary services of OH has been adjusted. For more details, please visit MCOHL website at www.olympichouse.org.
2. 由2017年4月1日起，奧運大樓賽馬會演講廳、董事局會議室、臨時辦公室、儲存倉、影音器材及輔助服務的收費已作出調整，詳情可瀏覽管理公司網址 (www.olympichouse.org)。
3. To provide more promotion channels for NSAs and commercial users to promote their sports events or other activities, three new banner locations at OH were launched from 12 June 2017.
3. 為向各體育總會及商業機構提供更多宣傳渠道，作宣傳其賽事或活動之用，管理公司於2017年6月12日起，增設三個新宣傳橫額區，以供各體育總會及商業機構租用。



Location C:
Size: 4M x 1.2M

C區：
尺寸：4米 x 1.2米



Location D & E:
Size: 3.9M x 0.9M

D及E區：
尺寸：3.9米 x 0.9米

EDUCATION PROGRAMME 教育活動

1. Visiting Programme

MCOHL had organized a number of educational visits for around 300 local schools and tertiary students during the reporting year. Apart from the guided tour to the facilities of OH and visiting to the “Centre for Olympic Studies”, an educational talk on “Olympism Education Programme” hosted by the serving or retired athletes is also the highlight of the visiting programme. The content of the talk included promoting of Olympism, introducing the history and the roles of SF&OC, sharing session and sport demonstration by the speaker athlete.



1. 參觀導覽活動

本年度，管理公司為約300名本地學校及大專院校的學生安排了參觀導覽活動，除參觀奧運大樓的設施及「奧林匹克資料中心」外，還有由現役或退役運動員主講的「奧林匹克主義教育計劃」講座亦是活動重點之一，內容包括推廣奧林匹克精神、介紹港協暨奧委會的歷史及架構、分享環節及專項運動示範等。



2. 2017 Olympism Camp

Jointly organized by the Sports Federation & Olympic Committee of Hong Kong, China and the Hong Kong Sports Institute Limited, the 2017 Olympism Camp was successfully held on 19 to 21 July 2017 at the Tai Tam Scout Centre.



2. 2017 奧林匹克主義體驗營

由中國香港體育協會暨奧林匹克委員會及香港體育學院合辦的第五屆「奧林匹克主義體驗營」於2017年7月19日至21日假大潭童軍中心舉行。

This year, it was the first camp designed for both Hong Kong elite athletes and secondary school students. With the theme of “Olympic Journey” offered a mock experience of the whole Olympic Games to the participants. The new arrangement offered valuable opportunity for the student athletes to meet and learn from the elite athletes, whilst elite athletes were also given an opportunity to act as role models and ambassadors to inspire the student athletes through demonstrating their devotion towards sports and sharing of their experiences.

本屆體驗營以「奧運之旅」為主題並首次以精英運動員和中學生共同參與的形式進行，希望藉此嶄新的安排，讓中學生運動員能進一步認識精英運動員，學習他們堅毅的精神和對運動的投入，同時，亦希望讓運動員能擔任體育大使的角色，以自己的故事及經驗去啟發學生運動員，雙方透過互動，一同學習，一同進步。



A total of 48 participants were nominated from 7 elite sports and 15 participatory schools as part of the “Olympism Education Programme” and “Sports Legacy Scheme”. Athletes and students were mingled and divided into 4 groups, through various team activities, sharing sessions, anti-doping and media interview workshops, the 3 Olympic Values, including “Excellence”, “Friendship” and “Respect” were delivered.

48名參加者分別來自7個精英體育項目及15間曾參與「奧林匹克主義教育計劃」和「奧夢成真計劃」的學校，他們混合並分成四組，透過團體活動、分享環節、運動禁藥和傳媒關係工作坊等，加深對香港體育架構、奧運會及奧林匹克主義的認識，同時親身體驗及展現奧林匹克的三個核心價值，包括「卓越」、「友誼」和「尊重」。



GREEN OLYMPIC HOUSE 綠色 • 奧運大樓

A number of green measures and activities had been organized in OH to arouse tenants' awareness and promote green message among the tenants.

1. Green Activities

i) Recycling of Mooncake Boxes

A collection bin for the wasted mooncake boxes was placed at 1/F lobby from 3 to 10 October 2017.

ii) EARTH HOUR 2018

In response to the "EARTH HOUR 2018" campaign organized by the WWF Hong Kong, the ornamental lighting of OH was switched off for one hour from 8:30pm to 9:30pm on Saturday, 24 March 2018 on conditions that public safety and operation of the OH were not being affected.

iii) Green Workshop 2017

In order to introduce the environmental impacts of textile production and raise the awareness of kitchen waste reuse, a "Tie-Dyeing with Food Waste" was held on 9 November 2017 at OH. The workshop was delivered by the instructors from Lung Fu Shan Environmental Education Centre. There were 24 participants of tenants NSAs and MCOHL joined the workshop.

大樓推行多項環境保護的措施及活動，藉此提高租戶的環保意識及推廣環保訊息。

1. 環保活動

i) 月餅盒回收

於2017年10月3至10日中秋節期間，擺放一個月餅盒回收箱於一樓大堂，以回收各租戶棄置的月餅盒。

ii) 地球一小時 2018

為響應世界自然基金會舉辦的「地球一小時2018」活動，在不影響公眾安全及維持正常運作的情況下，管理公司於2018年3月24日（星期六）晚上8時30分至9時30分關掉大樓內外的裝飾燈。

iii) 綠色工作坊 2017

管理公司於2017年11月9日假奧運大樓舉辦「綠色工作坊：廚餘紮染」，並獲龍虎山環境教育中心導師講解製造紡織品對環境的影響，學習利用不同廚餘作天然染料的原則及利用咖啡渣製作紮染手帕。當日共有24名大樓租戶及管理公司職員參加。



2. Environmental Friendly Recognition 環保認證



Recognized by the Environmental Campaign Committee as one of the "Hong Kong Green Organizations".

獲環境運動委員會認可為「香港綠色機構」。



"Indoor Air Quality Certificate – Excellent Class" by the Environmental Protection Department.

獲環境保護署頒發「室內空氣質素檢定」卓越級別證書。



"Quality Water Supply Scheme for Buildings – Fresh Water (Plus) (Basic Plan) – Gold Certificate" by the Water Supplies Department.

獲水務署頒發「大廈優質供水認可計劃－食水（2.0版）」基本級別金證書。



"Commendation Scheme on Source Separation of Commercial and Industrial Waste 2017/18 – Certificate of Appreciation" by the Environmental Protection Department.

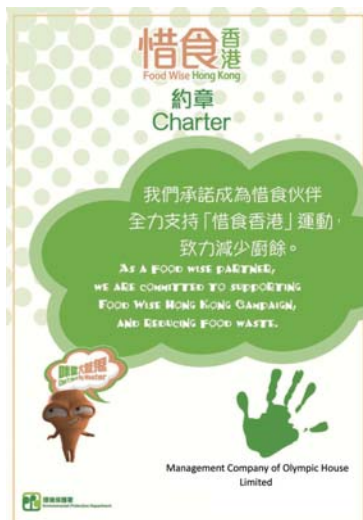
獲環境保護署頒發「工商業廢物源頭分類獎勵計劃2017/18」感謝狀。



MCOHL was also bestowed the "5 Years Plus Caring Company Certificate of Caring Company Scheme" for over three years by the Hong Kong Council of Social Services in appreciation of our social commitment and environmental friendly participation.

此外，奧運大樓管理有限公司再次獲頒發的「5年Plus 商界展關懷」証書，以表揚管理公司履行社會責任和積極推動環保活動。

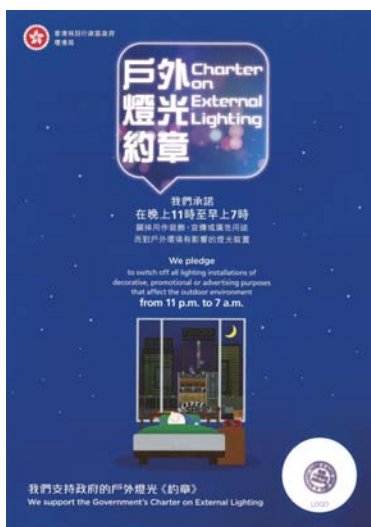
3. Green Charter環保約章



Food Wise Charter by the
Environmental Protection
Department
「惜食約章」(由環境保護署主辦)



Energy Saving Charter on "NO
ILB" by the Environment Bureau
「不要鎢絲燈泡」節能約章」
(由環境局主辦)



Charter on External Lighting by
the Environment Bureau
「戶外燈光約章」(由環境局主辦)



Energy Saving Charter 2017 by
the Environment Bureau
「節能約章2019」(由環境局主辦)

Directors' Report

Audited Financial Statements

***Management Company of Olympic House
Limited***

31 March 2018

Management Company of Olympic House Limited

Directors' Report

The directors submit herewith their report and audited financial statements of Management Company of Olympic House Limited (the "Company") for the year ended 31 March 2018.

Principal activities

The principal activities of the Company are the operation, management and maintenance of the Olympic House as a prestigious building for the promotion and administration of sports in Hong Kong.

Results

The results of the Company for the year ended 31 March 2018 are set out in the statement of comprehensive income on page 6.

Directors

The directors who held office during the year or during the period from the end of the year to the date of this report were:

Fok Timothy Tsun Ting (Chairman)
Lau Chiang Chu Vivien
Leung Mee Lee
Wong Leung Wai
Wong Man Chiu Ronnie
Yang Joe Tsi
Wong Po Kee

In accordance with the Company's Articles of Association, all directors are appointed to take office until the conclusion of the second annual general meeting following their appointment, and shall then retire at that annual general meeting. A retiring director shall be eligible for re-election.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Equity-linked agreements

No equity-linked agreements into which the Company entered subsisted at any time during the year.

Permitted indemnity provisions

No permitted indemnity provision was in force during the year, or is in force at the date of this report, for the benefit of a then director or a director of the Company (whether made by the Company or otherwise).

Management Company of Olympic House Limited

Directors' Report

Auditor

A resolution will be submitted to the annual general meeting to re-appoint Mazars CPA Limited, *Certified Public Accountants*, as the auditor of the Company.

Approved by the Board of Directors and signed on its behalf by



FOK Timothy Tsun Ting
Chairman

24 SEP 2018

Independent Auditor's Report

To the members of

Management Company of Olympic House Limited

(incorporated in Hong Kong with liability limited by guarantee and not having a share capital)

Opinion

We have audited the financial statements of Management Company of Olympic House Limited (the "Company") set out on pages 6 to 24, which comprise the statement of financial position as at 31 March 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2018, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (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 "*Auditor's responsibilities for the audit of the financial statements*" section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors of the Company are responsible for the other information. The other information comprises the directors' 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.

Independent Auditor's Report

To the members of

Management Company of Olympic House Limited

(incorporated in Hong Kong with liability limited by guarantee and not having a share capital)

Responsibilities of directors for the financial statements

The directors of the Company are 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report

To the members of

Management Company of Olympic House Limited

(incorporated in Hong Kong with liability limited by guarantee and not having a share capital)

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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 the directors 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.



Certified Public Accountants

Hong Kong, 24 SEP 2018

The engagement director on the audit resulting in this independent auditor's report is:

Chan Wai Man

Practising Certificate number: P02487

Management Company of Olympic House Limited

Statement of Comprehensive Income

Year ended 31 March 2018

	<i>Note</i>	2018 <i>HK\$</i>	2017 <i>HK\$</i>
Revenue			
Subvention from Home Affairs Bureau ("HAB")			
- Recurrent subvention		6,759,000	7,209,000
- One-off grant		663,046	952,887
- One-off allocation	10	892,502	-
Income from commercial activities		3,123,144	2,494,975
Rental income from tenants		2,018,998	1,418,010
Interest income			
-general		1	1
-one-off allocation		51,513	-
Total revenue		13,508,204	12,074,873
Other income	3	864,108	819,011
Expenditure reimbursed by one-off grant			
Depreciation and amortisation		687,531	952,887
Staff costs	4	4,300,361	4,163,668
Project expenses			
Education programmes		40,860	154,229
Youth summer camp		-	59,500
		40,860	213,729
Other expenditure			
Premises rent and rates		2,792,640	2,588,000
Utilities		1,172,794	1,241,392
Repair and maintenance		516,339	678,894
Facilities operating expenses		3,094,145	3,103,523
Office and administration expenses		362,110	737,335
Depreciation		175,627	270,544
		8,113,655	8,619,688
Total expenditure		13,142,407	13,949,972
Surplus (Deficit) for the year	4	1,229,905	(1,056,088)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income (loss) for the year		1,229,905	(1,056,088)

Management Company of Olympic House Limited

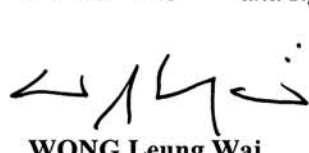
Statement of Financial Position

At 31 March 2018

	Note	2018 HK\$	2017 HK\$
Non-current assets			
Property, plant and equipment	7	<u>563,826</u>	<u>1,096,561</u>
Current assets			
Accounts receivable	8	71,210	135,493
Prepayments and other debtors		255,497	261,387
Deposits		822,300	822,300
Cash and bank balances		<u>9,774,956</u>	<u>1,184,819</u>
		<u>10,923,963</u>	<u>2,403,999</u>
Current liabilities			
Receipts in advance		430,148	264,544
Other payables and accruals		418,586	452,378
Amount due to related party	9	-	800,000
Deferred income			
- One-off allocation	10	1,411,000	-
- Others	11	<u>148,055</u>	<u>681,984</u>
		<u>2,407,789</u>	<u>2,198,906</u>
Net current assets		<u>8,516,174</u>	<u>205,093</u>
Total assets less current liabilities		<u>9,080,000</u>	<u>1,301,654</u>
Non-current liabilities			
Deferred income			
- One-off allocation	10	6,598,559	-
- Others	11	<u>145,665</u>	<u>195,783</u>
		<u>6,744,224</u>	<u>195,783</u>
NET ASSETS		<u>2,335,776</u>	<u>1,105,871</u>
RESERVES			
General reserve		<u>2,335,776</u>	<u>1,105,871</u>

Approved and authorised for issue by the Board of Directors on 24 SEP 2018 and signed on its behalf by


FOK Timothy Tsun Ting
 Director


WONG Leung Wai
 Director

Management Company of Olympic House Limited

Statement of Changes in Equity

Year ended 31 March 2018

	General reserve HK\$
At 1 April 2016	2,161,959
Deficit for the year and total comprehensive loss for the year	<u>(1,056,088)</u>
At 31 March 2017 and 1 April 2017	1,105,871
Surplus for the year and total comprehensive loss for the year	<u>1,229,905</u>
At 31 March 2018	<u>2,335,776</u>

Note:

The general reserve represents the accumulated surplus or deficit of the Company, and includes the accumulated savings of the recurrent subvention from Home Affairs Bureau ("HAB"). Under the agreement with HAB, the Company is allowed to retain not more than 35% of the recurrent subvention in a reserve fund to meet its future financial needs. At 31 March 2018, the balance of reserve fund retained amounted to HK\$1,996,224 (2017: HK\$798,691).

Management Company of Olympic House Limited

Statement of Cash Flows

Year ended 31 March 2018

	2018 HK\$	2017 HK\$
OPERATING ACTIVITIES		
Surplus (Deficit) for the year	1,229,905	(1,056,088)
Depreciation	863,158	1,223,431
Interest income	(51,514)	(1)
Changes in working capital:		
Accounts receivable and other debtors	70,173	(103,065)
Receipt in advance, other payables and accruals	131,812	161,532
Amount due to a related party	(800,000)	800,000
Deferred income	7,425,512	(1,006,628)
Net cash from operating activities	<u>8,869,046</u>	<u>19,181</u>
INVESTING ACTIVITIES		
Interest received	51,514	1
Purchase of property, plant and equipment	<u>(330,423)</u>	<u>(95,498)</u>
Net cash used in investing activities	<u>(278,909)</u>	<u>(95,497)</u>
Net increase (decrease) in cash and cash equivalents	8,590,137	(76,316)
Cash and cash equivalents at beginning of year	<u>1,184,819</u>	<u>1,261,135</u>
Cash and cash equivalents at end of year, represented by bank balances and cash	<u><u>9,774,956</u></u>	<u><u>1,184,819</u></u>

Management Company of Olympic House Limited

Notes to the Financial Statements

Year ended 31 March 2018

1. CORPORATE INFORMATION

Management Company of Olympic House Limited (the “Company”) is incorporated in Hong Kong with liability limited by guarantee and not having a share capital. The Company's registered office is located at 1/F, Olympic House, 1 Stadium Path, So Kon Po, Causeway Bay, Hong Kong.

Every member of the Company undertakes to contribute to the assets of the Company, in the event of its being wound up while he/she is a member, or within one year after he/she ceases to be a member, for payment of the debts and liabilities of the Company contracted before he/she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required but not exceeding the sum of one hundred dollars.

The principal activities of the Company are the operation, management and maintenance of the Olympic House as a prestigious building for the promotion and administration of sports in Hong Kong.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which is a collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2017 financial statements. The adoption of the new / revised HKFRSs that are relevant to the Company and effective from the current year had no significant effects on the results and financial position of the Company for the current and prior years. A summary of the principal accounting policies adopted by the Company is set out below.

Adoption of the new / revised HKFRSs

Amendments to HKAS 7: Disclosure Initiative

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The adoption of the amendment did not have any impact on the financial statements.

Basis of measurement

The measurement basis used in the preparation of these financial statements is historical cost.

Notes to the Financial Statements

Year ended 31 March 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method at the following annual rates:

Furniture and fixtures	15%
Machinery and equipment	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis and depreciated separately.

An item of property, 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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year in which the item is derecognised.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when and only when the Company becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Company's contractual rights to receive future cash flows from the financial asset expire or (ii) the Company transfers the financial asset and either (a) the Company transfers substantially all the risks and rewards of ownership of the financial asset, or (b) the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control over the financial asset.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Notes to the Financial Statements

Year ended 31 March 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Classification and measurement

Financial assets or financial liabilities are initially recognised at their fair value plus, in the case of financial assets or financial liabilities not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

1) Loans and receivables

Loans and receivables including cash and bank balances, trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where the receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition over the period to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in profit or loss.

2) Financial liabilities

The Company's financial liabilities include other payables and accruals. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets

At the end of each reporting period, the Company assesses whether there is objective evidence that financial assets, other than those at fair value through profit or loss, are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. Such impairment loss is reversed in subsequent periods through profit or loss when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Cash equivalents

For the purpose of the statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable and receivable under operating leases are charged and credited to profit or loss respectively on a straight-line basis over the term of the relevant lease.

Management Company of Olympic House Limited

Notes to the Financial Statements

Year ended 31 March 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is recognised when it is probable that future economic benefits will flow to the Company and when the revenue and costs, if applicable, can be measured reliably and on the following bases:

Subvention income and income from commercial activities are recognised when the rights to receive payment have been established.

Rental income from tenants is recognised when the properties are let out and on the straight-line basis over the lease terms.

Interest income from financial assets is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income in profit or loss immediately.

Employee benefits

Short-term employee benefits

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

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as an expense in profit or loss as incurred. The assets of the scheme are held separately from those of the Company in an independently administered fund. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Management Company of Olympic House Limited

Notes to the Financial Statements

Year ended 31 March 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Government grants and Sports Federation & Olympic Committee of Hong Kong, China ("SF&OC") subsidy

Government grants and subsidies from SF&OC are recognised at their fair value where there is reasonable assurance that the grant or subsidy will be received and all attaching conditions are complied with. When the grant or subsidy relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant or subsidy relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Related parties

A related party is a person or entity that is related to the Company.

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) the entity is controlled or jointly controlled by a person identified in (a).
 - (ii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity.

Future changes in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of new / revised HKFRSs that are not yet effective for the current year, which the Company has not early adopted.

Except for HKFRS 9, HKFRS 15 and HKFRS 16 as set out below, the directors of the Company does not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the results of the Company.

Notes to the Financial Statements

Year ended 31 March 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Future changes in HKFRSs (Continued)

HKFRS 9: Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities, hedge accounting and impairment requirements for financial assets. Key requirements of HKFRS 9 that are relevant to the Company are:

- All recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading and contingent consideration recognised by an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognised in profit or loss; and
- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised

The expected impacts relate to the classification and measurement and the impairment requirements are summarised as follows:

Classification and measurement

The Company's bank balance and cash and trade and other receivables are currently classified as loan and receivables and measured at amortised cost. The Company does not expect the new guidance to affect the classification and measurement of these financial assets.

Impairment

In general, the directors of the Company anticipates that the application of the expected credit loss model of HKFRS 9 may result in earlier recognition of credit losses which are not yet incurred in relation to the Company's financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of HKFRS 9 by the Company. However, the directors expects the effect would not be significant.

Notes to the Financial Statements

Year ended 31 March 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Future changes in HKFRSs (Continued)

HKFRS 15: Revenue from Contracts with Customers

HKFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction contracts” and the related interpretations when it becomes effective. The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity 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. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company preliminarily consider that the performance obligations that may be identified under HKFRS 15 are similar to the current identification of revenue components under the Company’s existing revenue recognition policy developed under HKAS 18 and therefore, the adoption of HKFRS 15 in the future will have no significant impact on recognition of revenue. However, the application of HKFRS 15 in future may result in more disclosures.

HKFRS 16: Leases

HKFRS 16 significantly changes the lessee accounting by replacing the dual model under HKAS 17 with a single model which requires a lessee to recognise assets and liabilities for the rights and obligations created by leases unless the exemptions apply. Besides, among other changes, it requires enhanced disclosures to be provided by lessees and lessors.

Based on the preliminary assessment, the management is of the opinion that the leases of certain properties by the Company which are currently classified as operating leases under HKAS 17 will trigger the recognition of right-of-use assets and lease liabilities in accordance with HKFRS 16. In subsequent measurement, depreciation (and, if applicable, impairment loss) and interest will be recognised on the right-of-use assets and the lease liabilities respectively, of which the amount in total for each reporting period is not expected to be significantly different from the periodic operating lease expenses recognised under HKAS 17. Apart from the effects as outlined above, it is not expected that HKFRS 16 will have a material impact on the future financial position, financial performance and cash flows of the Company upon adoption.

Management Company of Olympic House Limited

Notes to the Financial Statements

Year ended 31 March 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Future changes in HKFRSs (Continued)

HKFRS 16: Leases (Continued)

As set out in Note 15, at 31 March 2018, the total future minimum lease payments under non-cancellable operating leases of the Company amounted to approximately HK\$4,140,000. The management of the Company does not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Company's financial performance but it is expected that the Company has to separately recognise the interest expenses on the lease liabilities and the depreciation expense on the right-of use assets, and that certain portion of the future minimum lease payments under the Company's operating leases will be required to be recognised in the Company's statements of financial position as right-of-use assets and lease liabilities. The Company will also be required to re-measure the lease liabilities upon the occurrence of certain events such as a change in the lease term and recognise the amount of the re-measurement of the lease liabilities as an adjustment to the right-of-use assets. In addition, payments for the principal portion of the lease liabilities will be presented within financing activities in the Company's statements of cash flows.

3. OTHER INCOME

	2018 HK\$	2017 HK\$
Short-term hiring income of spare storage closet / temporary office	210,420	163,120
Amortisation of deferred income of SF&OC subsidy relating to property, plant and equipment	18,940	53,740
Rental and electricity charge of mobile radio basestation	190,853	190,878
Forfeiture of deposits received	24,292	17,002
Subsidies from SF&OC	144,824	388,331
Others	274,779	5,940
	<u>864,108</u>	<u>819,011</u>

Management Company of Olympic House Limited

Notes to the Financial Statements

Year ended 31 March 2018

4. SURPLUS (DEFICIT) FOR THE YEAR

	2018 HK\$	2017 HK\$
This is stated after charging (crediting):		
Staff costs		
Salaries and allowances	4,056,149	3,941,187
Contributions to defined contribution retirement plan	160,502	153,558
Employee benefits	83,710	68,923
	<u>4,300,361</u>	<u>4,163,668</u>
Auditor's remuneration	34,840	33,910
Operating lease payments	2,484,000	2,276,000
Depreciation	863,158	1,223,431
of which reimbursed by one-off grant	(687,531)	(952,887)
	<u><u> </u></u>	<u><u> </u></u>

5. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

(a) Directors' remuneration

There is no directors' remuneration for the year (2017: nil).

(b) Loans, quasi-loans and other dealings in favour of directors

There are no loans, quasi-loans or other dealings in favour of the directors of the Company that were entered into or subsisted at the end of the year or at any time during the year (2017: nil).

(c) Directors' material interests in transactions, arrangements or contracts

After consideration, the directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2017: nil).

6. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made as the Company is exempt from Hong Kong Profits Tax under Section 88 of the Hong Kong Inland Revenue Ordinance.

Management Company of Olympic House Limited

Notes to the Financial Statements

Year ended 31 March 2018

7. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures <i>HK\$</i>	Machinery and equipment <i>HK\$</i>	Total <i>HK\$</i>
Reconciliation of carrying amount - year ended 31 March 2017			
At beginning of the year	884,718	1,339,776	2,224,494
Additions	-	95,498	95,498
Depreciation	(381,661)	(841,770)	(1,223,431)
At the end of the reporting period	<u>503,057</u>	<u>593,504</u>	<u>1,096,561</u>
Reconciliation of carrying amount - year ended 31 March 2018			
At beginning of the year	503,057	593,504	1,096,561
Additions	-	330,423	330,423
Depreciation	(284,063)	(579,095)	(863,158)
At the end of the reporting period	<u>218,994</u>	<u>344,832</u>	<u>563,826</u>
At 1 April 2017			
Cost	7,102,496	9,448,157	16,550,653
Accumulated depreciation	(6,599,439)	(8,854,653)	(15,454,092)
	<u>503,057</u>	<u>593,504</u>	<u>1,096,561</u>
At 31 March 2018			
Cost	7,102,496	9,778,580	16,881,076
Accumulated depreciation	(6,883,502)	(9,433,748)	(16,317,250)
	<u>218,994</u>	<u>344,832</u>	<u>563,826</u>

Management Company of Olympic House Limited

Notes to the Financial Statements

Year ended 31 March 2018

8. ACCOUNTS RECEIVABLE

	2018 HK\$	2017 HK\$
From third parties	20,112	133,597
From a related company with common directors (Note)	51,098	1,896
	<u>71,210</u>	<u>135,493</u>

(Note) The amount due is unsecured, interest-free and has no fixed repayment term.

The ageing analysis of the Company's accounts receivable that were past due as at the end of the reporting period but not impaired are as follows:

	2018 HK\$	2017 HK\$
Within one month past due	18,912	131,270
Over one month but within two months past due	800	1,920
Over two months past due	400	407
	<u>20,112</u>	<u>133,597</u>

Accounts receivable that were past due but not impaired related to a number of independent tenants that have good payment track records with the Company. Based on past experiences, management believes that no impairment allowance is necessary in respect of these balances as there have not been significant changes in credit quality and the balances are considered to be fully recoverable. The Company did not hold any collateral from its tenants. Details of credit policies are set out in note 14.

9. AMOUNT DUE TO RELATED PARTY

In 2017, the balance represented the borrowing from Sports Federation and Olympic Committee of Hong Kong, China, which is under common control of the directors of the Company. The amount due is unsecured, interest-free and has no fixed repayment term, which was fully repaid during the year.

10. DEFERRED INCOME - ONE-OFF ALLOCATION

The accounting policy for the recognition of government grant and the related expenditure is detailed in note 2 "Government grants and SF&OC subsidy".

On 2 June 2017, the Company received a one-off allocation fund in the amount of HK\$9,000,000 from Home Affairs Bureau ("HAB") to subsidise certain specific expenditure. Deferred income for unamortised government grant relating to operation expenditures at the end of the reporting period is as follows:

Management Company of Olympic House Limited

Notes to the Financial Statements

Year ended 31 March 2018

10. DEFERRED INCOME - ONE-OFF ALLOCATION (CONTINUED)

	2018 HK\$	2017 HK\$
Cash injection from HAB	9,000,000	-
Less: One off allocation fund release to statement of comprehensive income	(892,502)	-
Less: One off allocation fund transfer to deferred income-others	(97,939)	-
Deferred income- one-off allocation	8,009,559	-
Portion classified as current liabilities	(1,411,000)	-
Non-current portion	6,598,559	-

11. DEFERRED INCOME- OTHERS

The accounting policy for the recognition of government grant and the related expenditure is detailed in note 2 "Government grants and SF&OC subsidy".

Deferred income for unamortised government grant relating to property, plant and equipment at the end of the reporting period is as follows:

	2018 HK\$	2017 HK\$
Deferred income	224,274	789,381
Portion classified as current liabilities	(129,115)	(663,044)
Non-current portion	95,159	126,337

Deferred income for unamortised SF&OC subsidy relating to property, plant and equipment at the end of the reporting period is as follows:

	2018 HK\$	2017 HK\$
Deferred income	69,446	88,386
Portion classified as current liabilities	(18,940)	(18,940)
Non-current portion	50,506	69,446

Management Company of Olympic House Limited

Notes to the Financial Statements

Year ended 31 March 2018

11. DEFERRED INCOME- OTHERS (CONTINUED)

	2018 HK\$	2017 HK\$
Total		
Deferred income	293,720	877,767
Portion classified as current liabilities	<u>(148,055)</u>	<u>(681,984)</u>
Non-current portion	<u>145,665</u>	<u>195,783</u>

12. RELATED PARTY TRANSACTIONS

In addition to the transactions / information disclosed elsewhere in these financial statements, during the year, the Company had the following significant transactions with its related parties.

Related party relationship	Nature of transaction	2018 HK\$	2017 HK\$
Sports Federation & Olympic Committee of Hong Kong, China	Meeting facilities & equipment rental income	44,749	6,502
	Tea refreshment service income	6,960	14,859
	Car park rental income	5,640	494
	Office licence & management income	38,064	-
	Subsidy receipt for salary adjustment	103,964	174,602
	Subsidy receipt for Sports Education Programs	40,860	213,729
	Staff cost of driver	<u>85,680</u>	<u>85,680</u>
SF&OC Sports Legacy Company Limited	Meeting facilities & equipment rental income	3,806	-
	Tea refreshment service income	280	-
	Office licence & management income	<u>3,172</u>	<u>-</u>

The Company provides office space of Olympic House to Sports Federation & Olympic Committee of Hong Kong, China and SF&OC Sports Legacy Company Limited at monthly rental of HK\$9,516 (2017: rent-free) and HK\$793 (2017: rent-free) respectively since 1 December 2017.

Management Company of Olympic House Limited

Notes to the Financial Statements

Year ended 31 March 2018

13. TRANSACTION WITH HIGH PAY STAFF

Relationship	Nature of transaction	2018 HK\$	2017 HK\$
Management staff compensation, in relation to a manager and assistant managers	Salaries, allowances and gratuities	1,495,088	1,603,613
	Contributions to defined contribution retirement plan	47,648	50,254

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instrument comprises of cash and bank balance. The main purpose of this financial instrument is to raise and maintain finance for the Company's operations. The Company has various other financial instruments such as account and other receivables and other payables and accrual which arise directly from its business activities.

The main risks arising from these instruments are credit risk and liquidity risk. The Company does not have written risk management policies and guidelines. However, the Company's directors generally adopt conservative strategies on its risk management and limit the Company's exposure to these risks to a minimum.

Credit risk

Credit risk relates to the risk that the counterparty of the financial instruments would fail to discharge its obligations under the terms of the financial instruments and cause a financial loss to the Company. The Company's exposure to credit risk mainly arises from accounts receivable and other debtors and placing deposits with banks.

At the end of the reporting period, the Company's maximum exposure to credit risk on recognised financial assets is limited to each of their carrying amount as summarised below:

	2018 HK\$	2017 HK\$
Financial assets measured at amortised costs		
Accounts receivable	71,210	135,493
Other debtors	1,813	606
Cash and bank balances	9,774,956	1,184,819
	9,847,979	1,320,918

To limit its exposure to credit risk, the Company places deposits only with major financial institutions in Hong Kong with good credit rating.

Management closely monitors all outstanding debts and reviews collectability of debtors periodically. The Company offers 14 days credit term to its tenants. The Company did not hold any collateral from its tenants.

Management Company of Olympic House Limited

Notes to the Financial Statements

Year ended 31 March 2018

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements.

The maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted payments is either on demand or within one year.

Fair values

The financial assets and financial liabilities are carried at amounts which approximate their fair values.

15. COMMITMENTS UNDER OPERATING LEASES

The Company as lessee

At the end of the reporting period, the Company had total future minimum lease payments under non-cancellable operating leases, which are payable as follows:

	2018 HK\$	2017 HK\$
Within one year	2,484,000	2,484,000
In the second to fifth years inclusive	1,656,000	4,140,000
	<u>4,140,000</u>	<u>6,624,000</u>

The Company as lessor

At the end of the reporting period, the Company had total future minimum sublease receipts to be received under non-cancellable subleases, which are receivable as follows:

	2018 HK\$	2017 HK\$
Within one year	2,133,709	1,361,575
In the second to fifth years inclusive	1,389,593	-
	<u>3,523,302</u>	<u>1,361,575</u>

16. CAPITAL MANAGEMENT

The objectives of the Company's capital management are to safeguard its ability to continue as a going concern and to manage the Olympic House as a prestigious building for the promotion and administration of sports in Hong Kong. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and business strategies. No changes were made in the objectives, policies or processes during the years ended 31 March 2018 and 2017.



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