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ABOUT US

DESTINATION – HONG KONG

- Best City for Meetings in Asia, Best of the Decade Awards by *Smart Travel Asia*
- Most Anticipated Overseas Meetings & Incentive Destination (Short Haul), *Travel Weekly China*, M&C China

HONG KONG TOURISM BOARD

1. Organisation

HKTb

- 2020 Outstanding Partner Award, Tuniu
- Best Collaborate Tourist Administration of the Year, Global Shopping Festival 2020, Fliggy Award
- Best Organisation Award, China (Guangdong) International Tourism Industry Expo 2020
- Integrated Marketing Award, Trip.com Group
- Top National Tourism Board, Provision of Online Muslim Travel Resources in 2020 by Pear Anderson
- Top 10 Most Influential Oversea Enterprise, SINA Weibo Starlight Awards 2019

DiscoverHongKong.com

- Silver Award in the “Website Stream” category, Web Accessibility Recognition Scheme (WARS) 2020-2021.

HKTb Annual Reports

- Grand Award in the “Annual Reports – Online” category, Astrid Awards 2020
- Grand Award in the “Annual Reports – Online” category, Mercury Awards 2020/21
- Grand Award in the “Video Annual Reports” category, Questar Awards 2020
- Gold Award in the “Annual Reports—Online – Home Page” category, Astrid Awards 2020
- Gold Award in the “Annual Reports—Online – Interactive” category, Mercury Awards 2020/21
- Gold Award in the “Corporation – Annual Report” category, Questar Awards 2020
- Silver Award in the “Innovation – Annual Reports” category, 2020 Asia-Pacific Stevie Awards.
- Silver Award in the “Mobile Media – Annual Report” category, Questar Awards 2020
- Honours Award in the “Non-Profit Organisation – Online Annual Report” category, ARC Awards 2020
- Honours Award in the “Annual Reports – Online – Tourism” category, Galaxy Awards 2020
- Honours Award in the “Mobile Media – Annual Report” category, Galaxy Awards 2020

2. HKTb's Initiatives

2019 Greater Bay Area Showcase

- Gold Award in the "Destination Marketing – Event" category, *Travel Weekly* 2020 Magellan Awards
- Bronze Award in the "Promotion – Shopping Mall" category, Astrid Awards 2020

2020 MICE Online Connect Hong Kong

- Tourism Recovery – Best Digital Innovation Award, *Travel Marketing Watch*

360 Hong Kong Moments – Great Outdoors

- Winner of the Marketing Campaign (State and City - Global) category, PATA Gold Awards 2021

e-Sports & Music Festival Hong Kong 2019

- Gold Award in the "Best Event – Gamification" category, Marketing Events Awards 2020
- Gold Award in the "Best Large Event" category, Marketing Events Awards 2020
- Silver Award in the "Best Event Production" category, Marketing Events Awards 2020
- Silver Award in the "Best Use of Influencer/Advocates" category, Marketing Events Awards 2020

Holiday at Home

- Excellence in Agility and Crisis Management Award, 2021 Hong Kong Management Association (HKMA) Awards for Marketing Excellence
- Bronze Award in the "Corporation: COVID Response" category, Questar Awards 2021
- Honourable Mention in the "Native Advertising" category, INMA Global Media Awards 2021
- Bronze Award for Marketing Excellence, 2021 Hong Kong Management Association (HKMA) Awards for Marketing Excellence

Hong Kong Arts Month 2019

- Gold Award in the "Best Idea – Branded Content" category, MARKies Awards 2020
- Gold Award in the "Best Idea – Out-of-Home" category, MARKies Awards 2020
- Gold Award in the "Best Idea – Public Awareness" category, MARKies Awards 2020
- Gold Award in the "Best Use of Out-Of-Home" category, MARKies Awards 2020
- Silver Award in the "Best Use of Integrated Media" category, MARKies Awards 2020
- Winner in the "Best Media Campaign – Out-of-Home" category, Spark Awards 2020

Hong Kong New Year Countdown Celebrations 2021

- Bronze Award in the “Best Virtual Event” category, Marketing Events Awards 2021
- Bronze Award in the “Virtual Experience – Non-for-profit/Government” category, Eventex Awards 2021

China International Import Expo 2019

- Gold Award in the “Design – Various – Trade Show Booth” category, Galaxy Awards 2020

Hong Kong Wine & Dine Festival 2020

- Gold Award in the “Best Experiential Event” category, Marketing Events Awards 2021
- Silver Award in the “Best Hybrid Event”, Marketing Events Awards 2021
- Silver Award in the “Best Virtual Event” Categories, Marketing Events Awards 2021

Hong Kong Wine & Dine Festival 2020 – Go Live!

- Gold Award in the “Best Virtual Events for Marketing”, DigiZ Awards 2021
- Bronze Award in the “Best Cross-Platform Campaign” category, DigiZ Award 2021

Hong Kong WinterFest 2020

- Silver Award in the “Best Use of Influencer” category, Marketing Events Awards 2021
- Silver Award in the “Virtual Experience – Non-for-profit/Government” category, Eventex Awards 2021
- Bronze Award in the “Best Virtual Event Experience” category, Event Marketing Awards 2021

“Rock the Boat” video

- Gold Award in the “Best Idea – Video” category, MARKies Awards 2020

3. Visitor Services

Hong Kong Travel Buddy

- Gold Award in the “Innovation in Customer Service Management, Planning and Practice, Public Enterprise” category, Asia-Pacific Stevie Awards 2021

Hong Kong Tourist Live Map


- Gold Award in the “Innovation Use of Technology in Customer Service, Public Enterprise” category, Asia-Pacific Stevie Awards 2021

Visitor Services

- Travelers Choice 2020, TripAdvisor

WORLDWIDE OFFICES & REPRESENTATIVES



 **Head Office**
Hong Kong



● Worldwide Offices

Beijing, Guangzhou, Shanghai, Chengdu, Tokyo, Seoul, Singapore (Vietnam representative), Taipei, Sydney, London, Paris, Frankfurt, Los Angeles, Toronto, New York

● Representative Offices

(for travel trade/media/consumer enquires only)
New Delhi, Jakarta, Bangkok, The Philippines, Malaysia, Moscow, Dubai

For the address and contact methods of each of the worldwide offices and representatives, please visit www.discoverhongkong.com.

CORPORATE INFORMATION

Corporate Governance

As a Government-subsidized body, the HKTb is determined to implement high standards of corporate governance practices and enhance the transparency of its operational and financial matters. During the year, the HKTb strictly observed applicable regulations and procedures, and maintained a high level of integrity in its operations.

STRUCTURE AND MANAGEMENT

The Board

The Board of the HKTb comprises 20 Members, representing a broad cross-section of the tourism and other industries. Members of the Board are appointed by the Chief Executive of the Hong Kong Special Administrative Region. They are broadly based and include, amongst others, passenger carriers, hotel operators, licensed travel agents, tour operators, retailers and restaurant operators.

The Board is the governing body of the HKTb, and is given the authority to exercise the general powers conferred under the Hong Kong Tourism Board Ordinance. The Board is also empowered to appoint committees to oversee various aspects of the HKTb's operations and provide advice to the Board on corporate governance matters arising from the Committee's work. The various committees are described in the following paragraphs.

Marketing and Business Development Committee (MBDC)

This committee provides strategic input and advice to the Board on its marketing direction and business development, reviews the draft annual business plan, and provides advice on new marketing directions and opportunities, global developments affecting tourism in Hong Kong, and strategies for enhancing the Board's external communications and industry relations. The committee meets four times a year, and extraordinary meetings can be convened if necessary. It comprises a chairman and seven Members from the Board, with the Director, Strategic Planning & Insights acting as Committee Secretary.

Product and Event Committee (PEC)

This committee provides strategic direction and input on the development of product and event strategy, and evaluates the contribution of any initiatives to the HKTb's overall marketing direction set by the Marketing and Business Development Committee. It reviews and approves the Product and Event Strategy Plan by providing comments and recommendations on new product initiatives and infrastructure development. It also approves the concepts and implementation of Mega Events. The committee meets four times a year, and extraordinary meetings can be convened if necessary. It comprises a chairman and eight Members from the Board, with the General Manager, Event & Product Development acting as Committee Secretary.

Staff and Finance Committee (SFC)

The committee reviews and endorses financial matters, including financial policies, management control, audited annual accounts, and matters involving long-term financial commitment by the HKTb such as office lease. It also reviews and endorses manpower planning, terms and conditions of employment, the creation and deletion of senior managerial positions, and the promotion of senior executives. The committee meets four times a year, and extraordinary meetings can be convened if necessary. It comprises a chairman and six Members from the Board with the General Manager, Human Resources & Administration acting as Committee Secretary.

Audit Committee (AC)

This committee provides advice to the Board on the adequacy of internal controls and the effectiveness and efficiency of the HKTb's operations, and is authorised to investigate any activities within its terms of reference. It reviews and endorses the annual audit plan to ensure adequate audit coverage of critical operations, reviews findings, recommendations and the implementation of actions arising from internal audit and other relevant authorities. It also reviews the annual audited financial statements before submission to the Board. The committee meets three times a year, and extraordinary meetings can be convened if necessary. It comprises a chairman and six Members from the Board, with the Director, Internal Audit acting as Committee Secretary.

Quality Tourism Services Committee (QTSC)

This committee acts as the governing body of the Quality Tourism Services Scheme (QTS Scheme) and provides strategic input and advice to the Board on the development of the QTS Scheme. It also approves the assessment criteria, scheme rules, complaint handling policy and pricing policy of the QTS Scheme. The committee meets twice a year, and extraordinary meetings can be convened if necessary. It comprises a chairman, six Members from the Board and four industry members, with the General Manager, Business Development acting as Committee Secretary.

Board Members' Meeting Attendance

For the year ended 31 March 2021

Board Members	Board Meeting	Marketing & Business Development Committee	Product & Event Committee	Staff & Finance Committee	Audit Committee	Quality Tourism Services Committee
Dr Y.K. Pang (Chairman)	6/6					1/2*
Mr Joe C.C. Wong (Deputy Chairman)	6/6	5/5	5/5	4/4	2/3	2/2
Mrs Carrie Yu	6/6				3/3*	
Mr Jason Wong	6/6	5/5*				2/2
Mr Jason Shum	6/6		5/5		3/3	
Ms Margaret Fong	6/6	4/5				
Mr Clarence Leung	6/6		5/5*		3/3	
Ms Alice Kwok	6/6	5/5		4/4*		
Ms Joyce Tam	6/6		5/5	2/3		2/2
Ms Mary Huen	5/6			3/4		
Mr James Wong	6/6	5/5			3/3	
Mr Abraham Chan	6/6			3/4	2/3	
Dr Allen Fung	5/6					
Mr Ricky Szeto	6/6		5/5			2/2
Mr Simon Wong	6/6		5/5			2/2
Mr Fong Lik Sun	5/6		5/5			
Ms Rebecca Kwan (i)	5/5	4/4		3/3		
Ms Lavinia Lau (ii)	4/4	4/4		3/3		
Ms Sonia Cheng (iii)	3/3	1/1				
Ms Vanessa Cheung (iv)	1/2				0/1	
Mr Victor Chan (v)	1/1					
Mr James Tong (vi)	2/2	1/1		1/1		
Ms Belinda Yeung (vii)	3/3		3/3			1/1
Mr Thomas Wu (viii)	3/4		5/5		2/2	

(i) Appointment effective from 19 July 2020.

(ii) Appointment effective from 16 August 2020.

(iii) Appointment effective from 1 November 2020.

(iv) Appointment effective from 1 January 2021.

(v) Appointment until 18 July 2020.

(vi) Appointment until 15 August 2020.

(vii) Appointment until 31 October 2020.

(viii) Appointment until 31 December 2020.

* Committee Chairman as at 31 March 2021.

Internal Control and Compliance

One of the Board's responsibilities is to ensure that satisfactory systems and procedures of internal control are in place. These procedures are to provide reasonable assurance that management policies are adhered to, assets are safeguarded, operations are efficient and effective, misconduct and errors are prevented or detected, accurate and complete accounting records are compiled, and financial information is prepared in a timely manner. An exception reporting mechanism is in place through which cases of significant violation of internal rules and respective follow up actions are reported to the Board or its relevant committees. The compliance with legislations relevant to the HKTB is regularly reviewed by the internal Legal Counsel.

The Internal Audit Department has an independent role to evaluate the adequacy and effectiveness of the internal control. It formulates an audit plan yearly, covering the financial, operational and compliance control of functional units and worldwide offices. The Department has unrestricted access to information and personnel to perform its duties under the Internal Audit Charter. The Director, Internal Audit reports to the Executive Director and has direct access to the Audit Committee and its chairman, thereby ensuring his/her independence.

Apart from internal audit, the HKTB also engages an external auditor to perform statutory audit. The Audit Committee meets, at least once a year, with the external auditor without the presence of the HKTB Management, and agrees on the nature and scope of the statutory audit before the audit commences.

Management

Under the current organisation structure, the HKTB's activities are conducted through the following divisions:

- Business Development Division
- Corporate Affairs Division
- Corporate Services Division
- Event & Product Development Division
- Human Resources & Administration Division
- Internal Audit Division
- Marketing Division
- MICE & Cruise Division
- Strategic Planning & Insights Division
- Technology & Digital Transformation Division
- Worldwide Offices

OTHER INFORMATION

About the HKTB

The Hong Kong Tourist Association (HKTA), a Government-subsidised statutory body established in 1957, was reconstituted as the Hong Kong Tourism Board (HKTB) on 1 April 2001. Unlike the former HKTA, which was an association of members, the HKTB is a statutory body established under the Hong Kong Tourism Board Ordinance (Cap 302) and has no affiliation to any specific sector or organisation within the industry and is able to support the interests of Hong Kong's tourism in its entirety.

Primary Responsibilities & Missions

The primary responsibilities of the HKTB are to market and promote Hong Kong as a destination worldwide, as well as to take initiatives to enhance visitors' experiences upon their arrival. These include making recommendations to the Government and other relevant bodies on the range and quality of visitor facilities.

The HKTB's missions are to maximise the social and economic contribution made by tourism to the community of Hong Kong, and to consolidate Hong Kong's position as a unique, world-class and most desired destination.

Objectives

The six objectives of the HKTB, as defined under the Hong Kong Tourism Board Ordinance, are:

- to endeavour to increase the contribution of tourism to Hong Kong;
- to promote Hong Kong globally as a leading international city in Asia and a world-class tourist destination;
- to promote the improvement of facilities for visitors;
- to support the Government in promoting to the community the importance of tourism;
- to support, as appropriate, the activities of persons providing services for visitors to Hong Kong;
- to make recommendations to and advise the Chief Executive in relation to any measures which may be taken to further any of the foregoing matters.

Human Resources

At 31 March 2021, the total HKTB headcount numbered 400, of whom 134 were stationed outside Hong Kong. The HKTB expects a high level of integrity from its employees, and acquaints its staff with code of conduct guidelines and procedures through training sessions and briefings. The Employees' Handbook also provides full and specific guidance on employee behaviour.

Advisory Role and Industry Functions

(For the year ended 31 March
2021)

The HKTB works closely with the tourism-related sectors and relevant Government departments through its representation in the following strategy groups and forums:

- Advisory Committee on Cruise Industry
- Advisory Committee on Travel Agents
- Advisory Council of Asian Federation of Exhibition & Convention Associations
- Audience Development Committee, Hong Kong Philharmonic Orchestra
- Aviation Development and Three-runway System Advisory Committee
- Board, Pacific Asia Travel Association (PATA)
- Cantonese Opera Advisory Committee
- Chinese Culinary Institute Training Board, Vocational Training Council
- Committee on Shopping-related Practices, Travel Industry Council of Hong Kong
- Committee on Taxi Service Quality, Transport Department
- Executive Committee, Hong Kong Association of Travel Agents
- Executive Committee, Hong Kong Exhibition & Convention Industry Association
- General Committee, Hong Kong Brand Development Council
- Hong Kong Trade Development Council
- Hotel, Catering and Tourism Training Board, Vocational Training Council
- Inbound Committee, Travel Industry Council of Hong Kong
- Mainland China Inbound Tour Affairs Committee, Travel Industry Council of Hong Kong
- Management Committee of the Avenue of Star
- Retail & Tourism Committee, Hong Kong General Chamber of Commerce
- The Hong Kong Association of Registered Tour Co-ordinators
- Tourism Strategy Group
- Vetting Committee, Training Programme Subsidy Scheme under the Travel Industry Training Fund, Travel Industry Council of Hong Kong
- Executive Committee, Hong Kong Association for Customer Service Excellence

In addition, the HKTB contributes to the tourism and related industries by partnering with the following organisations:

- Guangdong • Hong Kong • Macao Tourism Marketing Organisation
- Pacific Asia Travel Association (PATA)
- World Tourism Organisation (UNWTO)



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INDEPENDENT AUDITOR'S REPORT

Independent auditor's report

Independent auditor's report to the Hong Kong Tourism Board

(Established under the Hong Kong Tourist Association Ordinance and reconstituted under the Hong Kong Tourist Association (Amendment) Ordinance 2001 and the Hong Kong Tourism Board Ordinance)

Opinion

We have audited the consolidated financial statements of the Hong Kong Tourism Board ("the Board") and its subsidiary (together "the Group") set out on pages 84 to 130, which comprise the consolidated and the Board's statements of financial position as at 31 March 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in reserves and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Board and of the Group as at 31 March 2021 and of the Group's consolidated financial performance and its consolidated 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 ("HKICPA").

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 consolidated financial statements* section of our report. We are independent of the Group 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.

**Information
other than the
consolidated financial
statements and
auditor's report
thereon**

The members of the Board are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

**Responsibilities of the
members of the Board
for the consolidated
financial statements**

The members of the Board are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the members of the Board determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the members of the Board are responsible for assessing the Group'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 members of the Board either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's
responsibilities for
the audit of the
consolidated financial
statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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, 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 HKSAAs 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 consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the Board.
- Conclude on the appropriateness of the Board members' 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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.

**KPMG
Certified Public Accountants**

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

5 August 2021

Consolidated statement of comprehensive income

for the year ended 31 March 2021 (Expressed in Hong Kong dollars)

	Note	2021	2020
Principal source of income	3(a)		
Government subvention for the year		791,272,738	834,562,235
Other revenues			
Interest income		9,163,866	12,198,646
Realisation of deferred income - office premises	12	-	1,666,667
Sponsorships		-	11,098,600
Promotion and advertising income		-	1,767,605
Sundry income		1,354,014	7,994,030
		10,517,880	34,725,548
Total income	3(b)	801,790,618	869,287,783
Promotional, advertising and literature expenses		295,178,050	322,187,285
Research and product development		4,753,302	18,408,043
Local services and events		86,066,622	175,967,419
Staff costs	5	284,349,400	291,091,430
Rent, rates and management fees		5,111,711	5,585,218
Depreciation	7(a)	22,001,392	23,861,031
Auditor's remuneration		372,100	442,486
Other operating expenses		33,603,217	27,030,232
Loss on disposal of property, plant and equipment		15,156	620,220
Total expenditure		731,450,950	865,193,364
Surplus before tax for the year	5	70,339,668	4,094,419
Income tax	4	164,628	(104,979)
Surplus and total comprehensive income for the year		70,504,296	3,989,440

The notes on pages 93 to 130 form part of these financial statements.

Consolidated statement of financial position

as at 31 March 2021 (Expressed in Hong Kong dollars)

	Note	2021	2020
Non-current assets			
Property, plant and equipment	7(a)	52,127,402	58,610,856
Deferred tax assets	15(b)	236,427	-
		52,363,829	58,610,856
Current assets			
Debtors, deposits and payments in advance	9	19,685,452	37,901,710
Deposits with banks and financial institutions	10	1,252,114,172	648,325,047
Cash at banks and in hand	10	8,966,154	17,203,689
		1,280,765,778	703,430,446
Current liabilities			
Receipts in advance	14	724,725,355	288,336,915
Contract liabilities	13	-	717,747
Accounts payable and accruals	11	272,377,729	203,136,848
Lease liabilities		11,640,565	12,813,236
Current taxation	15(a)	22,100	51,447
		1,008,765,749	505,056,193
Net current assets		272,000,029	198,374,253
Non-current liabilities			
Lease liabilities		23,868,981	26,994,528
NET ASSETS		300,494,877	229,990,581
Represented by:			
RESERVE			
General Fund	17	300,494,877	229,990,581

Approved and authorised for issue on 5 August 2021

Dane Cheng
Executive Director

Dr Pang Yiu-kai, GBS, JP
Chairman of the Board

The notes on pages 93 to 130 form part of these financial statements.

Statement of financial position

as at 31 March 2021 (Expressed in Hong Kong dollars)

	Note	2021	2020
Non-current assets			
Property, plant and equipment	7(b)	50,637,560	56,365,301
Interests in a subsidiary	8	551,876	551,876
		51,189,436	56,917,177
Current assets			
Debtors, deposits and payments in advance	9	19,401,670	37,639,611
Deposits with banks and financial institutions	10	1,252,114,172	648,325,047
Cash at banks and in hand	10	8,662,856	16,963,132
		1,280,178,698	702,927,790
Current liabilities			
Amount due to a subsidiary	8	2,921,208	2,412,978
Receipts in advance	14	724,725,355	288,336,915
Contract liabilities	13	-	717,747
Accounts payable and accruals	11	269,249,568	200,813,406
Lease liabilities		10,779,122	12,016,194
		1,007,675,253	504,297,240
Net current assets		272,503,445	198,630,550
Non-current liabilities			
Lease liabilities		23,215,912	25,572,965
NET ASSETS		300,476,969	229,974,762
Represented by:			
RESERVE			
General Fund	17	300,476,969	229,974,762

Approved and authorised for issue on 5 August 2021

Dane Cheng
Executive Director

Dr Pang Yiu-kai, GBS, JP
Chairman of the Board

The notes on pages 93 to 130 form part of these financial statements.

Consolidated statement of changes in reserves

for the year ended 31 March 2021 (Expressed in Hong Kong dollars)

	Note	2021	2020
General fund at the beginning of the year		229,990,581	226,001,141
Surplus and total comprehensive income for the year		70,504,296	3,989,440
General fund at the end of the year	17	300,494,877	229,990,581

Consolidated statement of cash flows

for the year ended 31 March 2021 (Expressed in Hong Kong dollars)

	Note	2021	2020
Operating activities			
Surplus before tax for the year		70,339,668	4,094,419
Adjustments for:			
Interest income		(9,163,866)	(12,198,646)
Interest expense on lease liabilities		441,147	595,479
Depreciation		22,001,392	23,861,031
Loss on disposal of property, plant and equipment		15,156	620,220
Realisation of deferred income - office premises		-	(1,666,667)
COVID-19-related rent concessions received	7(c)	(1,012,340)	-
Exchange adjustments on lease liabilities	10(b)	1,457,092	(26,101)
Operating surplus before changes in working capital		84,078,249	15,279,735
Decrease/(increase) in debtors, deposits and payments in advance		17,119,022	(13,193,125)
Increase in receipts in advance, contract liabilities, accounts payable and accruals		504,641,643	168,801,765
Cash generated from operations		605,838,914	170,888,375
Overseas tax paid		(101,146)	(136,467)
Net cash generated from operating activities		605,737,768	170,751,908
Investing activities			
Interest received		10,261,102	11,459,067
Purchase of property, plant and equipment		(6,831,044)	(7,083,238)
Proceeds from disposal of property, plant and equipment		1,016	907
Increase in deposits with banks with maturity of more than 3 months		(309,788,328)	(117,287,192)
Net cash used in investing activities		(306,357,254)	(112,910,456)

The notes on pages 93 to 130 form part of these financial statements.

Consolidated statement of cash flows (continued)

for the year ended 31 March 2021 (Expressed in Hong Kong dollars)

	Note	2021	2020
Financing activities			
Capital element of lease rentals paid	10(b)	(13,176,105)	(13,671,055)
Interest element of lease rentals paid	10(b)	(441,147)	(595,479)
Net cash used in financing activities		(13,617,252)	(14,266,534)
Net increase in cash and cash equivalents		285,763,262	43,574,918
Cash and cash equivalents at the beginning of the year	10(a)	215,087,794	171,512,876
Cash and cash equivalents at the end of the year	10(a)	500,851,056	215,087,794

The notes on pages 93 to 130 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 STATUS OF THE BOARD

The Hong Kong Tourism Board ("the Board") is a subvented body corporate established in 1957 under the Hong Kong Tourist Association Ordinance and reconstituted under the Hong Kong Tourist Association (Amendment) Ordinance 2001 and the Hong Kong Tourism Board Ordinance. Its registered office and principal place of operation is 11th Floor, Citicorp Centre, 18 Whitfield Road, North Point, Hong Kong.

The principal activities of the Board are to market and promote Hong Kong as a world class tourist destination.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which 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") and accounting principles generally accepted in Hong Kong. Significant accounting policies adopted by the Board and its subsidiary (together "the Group") are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

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

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

The Group has applied the amendment to HKFRS 16, *Covid-19-Related Rent Concessions* issued by the HKICPA to these financial statements for the current accounting period. Other than the amendment to HKFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Amendment to HKFRS 16, *Covid-19-Related Rent Concessions*

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("COVID-19-related rent concessions") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The Group has elected to early adopt the amendments and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the year. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred (see note 7(c)). There is no impact on the opening balance of equity at 1 April 2020.

(d) Films, publicity and advertising materials

Films, publicity and advertising materials are charged to the income statement on purchase, and no account is taken of stocks on hand at the end of the reporting period.

(e) Interests in a subsidiary

A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights are considered.

Interests in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

In the Board's statement of financial position, interests in a subsidiary is stated at cost less impairment losses (see note 2(l)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(l)).

Assets under work in progress are stated at cost. Costs include cost of materials and direct labour.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the income statement on the date of retirement or disposal.

(g) Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment, less their residual value, if any, using the straight-line method over their estimated useful lives as follows:

- | | |
|--|--|
| • Leasehold properties | 25 years |
| • Leasehold improvements | Over the shorter of the fixed lease term and 5 years |
| • Properties and motor vehicle leased for own use | Unexpired term of lease |
| • Motor vehicles | 4 years |
| • Furniture, fixtures and other equipment | 3 - 5 years |
| • Computer hardware, software and system development | 3 years |

Both the useful life of an asset and its residual value, if any, are reviewed annually.

(h) Debtors, deposits and payments in advance

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses as determined below:

The loss allowance is measured at an amount equal to lifetime expected credit losses ("ECLs"), which are those losses that are expected to occur over the expected life of the debtors. The loss allowance is estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in the income statement. The Group recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of debtors through a loss allowance account.

The gross carrying amount of a debtors is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(i) Accounts payable and accruals and contract liabilities

Accounts payable and accruals are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(n)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(h)).

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity from the date of acquisition.

(k) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(l) Impairment of non-financial assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that property, plant and equipment and investment in a subsidiary may be impaired or an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

An impairment loss is recognised in income statement if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(m) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from differences which arise on initial recognition of assets and liabilities, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

(n) Revenue recognition

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

- (i) Government subvention to finance the general recurrent activities of the Group is recognised as revenue in the income statement of the year in respect of which it becomes receivable.
- (ii) Government subvention to finance Meetings, Incentives, Conventions and Exhibitions ("MICE") bidding activities of the Group is recognised as revenue to the extent of the related expenditure incurred during the year, with the unutilised balance included in receipts in advance.
- (iii) Government subvention to finance the non-recurrent activities of the Group is recognised as revenue to the extent of the related expenditure incurred during the year, with the unutilised balance included in receipts in advance.
- (iv) Government subvention received for the purchase of office premises of the Group is included in the statement of financial position as deferred income and is credited to the income statement by instalments over the expected useful life of the related asset on a basis consistent with the depreciation policy (note 2(g)).
- (v) Subscription fees are recognised on a time-apportioned basis.
- (vi) Interest income is recognised as it accrues using the effective interest method.
- (vii) Sponsorship income for the events is recognised in the income statement upon the completion date of the respective events.
- (viii) Promotion and advertising income are accounted for on the accrual basis.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Hong Kong dollars at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

(p) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(f)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of HKFRS 16 *Leases*. In such cases, the Group took advantage of the practical expedient set out in paragraph 46A of HKFRS 16 and recognised the change in consideration as if it were not a lease modification.

In the consolidated and the Board's statements of financial position, the current portion of long-term lease liabilities is determined as the principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

(q) Employee benefits

- (i) Salaries, annual bonuses, annual leave, and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.
- (ii) The Group operates defined contribution staff retirement schemes for the Hong Kong office and certain overseas offices. Contributions made under the schemes applicable to each year are charged to the income statement for the year.
- (iii) Contributions to Mandatory Provident Fund as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as an expense in the income statement as incurred.
- (iv) Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits when, and only when, the Group 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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Related parties

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

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

3 REVENUE

(a) Principal source of income

The Group

The principal source of income is the subvention from the Government of the Hong Kong Special Administrative Region ("Government") for the year which is determined with regard to the needs of the Board as presented in its annual business plan of budget and proposed programme of activities. The amount of the subvention recognised as revenue during the year is analysed as follows:

	2021	2020
Recurrent subvention for the year	720,235,845	693,351,111
Non-recurrent subvention for the year	71,036,893	141,211,124
	791,272,738	834,562,235

(b) Total income

	2021	2020
Revenue from other sources		
- Government subvention for the year	791,272,738	834,562,235
- Interest income	9,163,866	12,198,646
- Realisation of deferred income (see note 12)	-	1,666,667
Revenue from contracts with customers within the scope of HKFRS 15	1,354,014	20,860,235
	801,790,618	869,287,783

(c) As at 31 March 2021, no aggregated amount of the transaction price is allocated to the remaining performance obligations under the Group's existing contracts.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that had an original expected duration of one year or less.

4 INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(a) Income tax in the consolidated statement of comprehensive income represents:

	2021	2020
Current tax - Overseas		
Provision for the year	71,799	104,979
Deferred tax		
Origination and reversal of temporary differences	(236,427)	-
	(164,628)	104,979

No provision for Hong Kong Profits Tax has been made in the financial statements as the Board has been granted exemption from all Hong Kong taxes by the Inland Revenue Department under Section 87 of the Inland Revenue Ordinance. Taxation in respect of the Taiwan operation of HKTb Limited, a subsidiary of the Group, is charged at 20% of its estimated assessable profits (2020: 20%).

(b) Reconciliation between tax (credit)/expense charged to the consolidated statement of comprehensive income and accounting profit at applicable tax rate:

	2021	2020
Surplus before tax for the year	70,339,668	4,094,419
Notional tax on surplus before taxation, calculated at the rates applicable to profits in the tax	11,584,438	678,041
Tax effect of non-deductible expenses	122,319,274	144,942,021
Tax effect of non-taxable income	(133,862,959)	(145,552,738)
Tax effect of temporary differences not recognised	-	37,805
Tax effect of temporary differences previously not recognised	(205,381)	(150)
Actual tax (credit)/expense	(164,628)	104,979

5 SURPLUS BEFORE TAX FOR THE YEAR

The Group

Staff costs

	2021	2020
Contributions to defined contribution retirement plan	12,253,987	13,720,663
Salaries and other benefits	272,095,413	277,370,767
	284,349,400	291,091,430

6 SENIOR EXECUTIVES' PAY AND ALLOWANCES

The Group

The senior executives of the Group include the Executive Director, Deputy Executive Director, General Managers and Regional Directors, and their total pay and allowances during the year were as follows:

	2021		
	Executive Director	Other senior executives	Total
Basic salaries	4,914,455	28,263,630	33,178,085
Discretionary performance pay	604,418	1,767,886	2,372,304
Retirement benefit expenses, contract gratuities and other allowances	741,710	7,099,089	7,840,799
	6,260,583	37,130,605	43,391,188

	2020		
	Executive Director	Other senior executives	Total
Basic salaries	4,389,000	28,648,000	33,037,000
Discretionary performance pay	303,000	680,000	983,000
Retirement benefit expenses, contract gratuities and other allowances	1,360,000	6,674,000	8,034,000
	6,052,000	36,002,000	42,054,000

6 SENIOR EXECUTIVES' PAY AND ALLOWANCES (continued)

The salaries and discretionary performance pay (excluding retirement benefit expenses, contract gratuities and other allowances) for all senior executive positions of the Group fell within the following pay ranges:

Pay ranges	2021 No. of senior executive positions	2020 No. of senior executive positions
1 - \$500,001 to \$1,000,000	-	-
2 - \$1,000,001 to \$1,500,000	2	2
3 - \$1,500,001 to \$2,000,000 (notes (a) & (b))	3	3
4 - \$2,000,001 to \$2,500,000 (notes (a), (b) & (c))	4	3
5 - \$2,500,001 to \$3,000,000 (notes (c) & (d))	-	3
6 - \$3,000,001 to \$3,500,000 (note (d))	3	1
7 - \$3,500,001 to \$4,000,000 (note (e))	-	1
8 - \$4,000,001 to \$4,500,000 (note (e))	1	-
9 - \$4,500,001 to \$5,000,000 (note (f))	-	1
10 - \$5,000,001 to \$5,500,000	-	-
11 - \$5,500,001 to \$6,000,000 (note (f))	1	-
	14	14

- (a) One senior executive position moved from Pay range 3 to Pay range 4 due to the full year impact in 2020/21.
- (b) One senior executive position moved from Pay range 4 to Pay range 3 due to the position being vacant in early of 2020/21.
- (c) One senior executive position moved from Pay range 5 to Pay range 4 due to the position being vacant in late of 2020/21.
- (d) Two senior executive positions moved from Pay range 5 to Pay range 6 due to the giving up of variable pay for 2019/20.
- (e) One senior executive position moved from Pay range 7 to Pay range 8 due to the giving up of variable pay for 2019/20.
- (f) One senior executive position moved from Pay range 9 to Pay range 11 due to the full year impact in 2020/21.

6 SENIOR EXECUTIVES' PAY AND ALLOWANCES (continued)

During the year, the Chairman and members of the Board did not receive any remuneration for their services rendered to the Board.

After deliberation and endorsement by the Staff and Finance Committee which comprises non-executive Board members and an officer of the Tourism Commission, the remuneration, terms and conditions of employment of the senior executives were approved by the Board. In accordance with the Hong Kong Tourism Board Ordinance, the appointment and terms and conditions of employment of the Executive Director and the Deputy Executive Director are subject to the approval of the Chief Executive of Hong Kong Special Administrative Region.

The senior executives receive a basic salary and a performance-based variable pay. With effect from 2007/08, the performance evaluation of senior executives is determined by a Performance Management System and assessment criteria, including Key Performance Indicators, Goals and Competencies. Their performance is referenced against a set of objectives set out in the annual business plan. The performance of the Executive Director is assessed by the Chairman of the Board while the performance of the Deputy Executive Director, General Managers and Regional Directors are assessed by the Executive Director. The variable pay of all the senior executives is approved by the Remuneration Review Committee comprising the Chairman of the Board and the Staff and Finance Committee.

The amount of discretionary performance pay for the Executive Director disclosed above represents the variable pay amount of \$604,418 for the year ended 31 March 2021 (2020: \$303,000).

The remuneration of other senior executive positions for the year ended 31 March 2021 represents compensation for the Deputy Executive Director, six General Manager positions (2020: seven General Manager positions) and four Regional Director positions (2020: five Regional Director positions).

7 PROPERTY, PLANT AND EQUIPMENT

(a) The Group

	Leasehold properties	Leasehold improvements	Properties leased for own use
Cost:			
At 1 April 2020	252,855,009	16,937,975	53,636,525
Additions	-	1,958,200	8,468,027
Disposals	-	-	(1,828,130)
Transfer	-	-	-
At 31 March 2021	252,855,009	18,896,175	60,276,422
Accumulated depreciation:			
At 1 April 2020	252,855,009	12,229,553	14,665,558
Charge for the year	-	1,631,106	14,503,521
Disposals	-	-	(1,544,265)
At 31 March 2021	252,855,009	13,860,659	27,624,814
Net book value:			
At 31 March 2021	-	5,035,516	32,651,608

Motor vehicles	Furniture, fixtures and other equipment	Computer hardware, software and system development	Work in progress	Total
510,420	14,377,925	34,982,318	2,738,827	376,038,999
235,039	243,393	1,824,195	3,093,180	15,822,034
-	(313,047)	(3,987,501)	-	(6,128,678)
-	363,251	791,499	(1,154,750)	-
745,459	14,671,522	33,610,511	4,677,257	385,732,355
275,749	11,082,808	26,319,466	-	317,428,143
207,518	1,518,601	4,140,646	-	22,001,392
-	(292,816)	(3,987,501)	-	(5,824,582)
483,267	12,308,593	26,472,611	-	333,604,953
262,192	2,362,929	7,137,900	4,677,257	52,127,402

7 PROPERTY, PLANT AND EQUIPMENT (continued)

(a) The Group (continued)

	Leasehold properties	Leasehold improvements	Properties leased for own use
Cost:			
At 1 April 2019	252,855,009	14,641,718	39,121,118
Additions	-	2,296,257	14,515,407
Disposals	-	-	-
Transfer	-	-	-
At 31 March 2020	252,855,009	16,937,975	53,636,525
Accumulated depreciation:			
At 1 April 2019	251,169,303	10,294,264	-
Charge for the year	1,685,706	1,935,289	14,665,558
Disposals	-	-	-
At 31 March 2020	252,855,009	12,229,553	14,665,558
Net book value:			
At 31 March 2020	-	4,708,422	38,970,967

Motor vehicles	Furniture, fixtures and other equipment	Computer hardware, software and system development	Work in progress	Total
510,420	12,896,770	30,891,262	6,678,000	357,594,297
-	1,285,741	4,591,292	-	22,688,697
-	(1,432,586)	(2,811,409)	-	(4,243,995)
-	1,628,000	2,311,173	(3,939,173)	-
510,420	14,377,925	34,982,318	2,738,827	376,038,999
57,647	11,054,497	24,614,269	-	297,189,980
218,102	1,421,236	3,935,140	-	23,861,031
-	(1,392,925)	(2,229,943)	-	(3,622,868)
275,749	11,082,808	26,319,466	-	317,428,143
234,671	3,295,117	8,662,852	2,738,827	58,610,856

7 PROPERTY, PLANT AND EQUIPMENT (continued)

(b) The Board

	Leasehold properties	Leasehold improvements	Properties leased for own use
Cost:			
At 1 April 2020	252,855,009	16,937,975	50,614,750
Additions	-	1,958,200	8,468,027
Disposals	-	-	(1,828,130)
Transfer	-	-	-
At 31 March 2021	252,855,009	18,896,175	57,254,647
Accumulated depreciation:			
At 1 April 2020	252,855,009	12,229,553	13,882,569
Charge for the year	-	1,631,106	13,725,618
Disposals	-	-	(1,544,265)
At 31 March 2021	252,855,009	13,860,659	26,063,922
Net book value:			
At 31 March 2021	-	5,035,516	31,190,725

Motor vehicles	Furniture, fixtures and other equipment	Computer hardware, software and system development	Work in progress	Total
510,420	14,322,267	34,971,551	2,738,827	372,950,799
235,039	217,220	1,824,195	3,093,180	15,795,861
-	(309,454)	(3,987,501)	-	(6,125,085)
-	363,251	791,499	(1,154,750)	-
745,459	14,593,284	33,599,744	4,677,257	382,621,575
275,749	11,033,919	26,308,699	-	316,585,498
207,518	1,514,618	4,140,646	-	21,219,506
-	(289,223)	(3,987,501)	-	(5,820,989)
483,267	12,259,314	26,461,844	-	331,984,015
262,192	2,333,970	7,137,900	4,677,257	50,637,560

7 PROPERTY, PLANT AND EQUIPMENT (continued)

(b) The Board (continued)

	Leasehold properties	Leasehold improvements	Properties leased for own use
Cost:			
At 1 April 2019	252,855,009	14,641,718	36,099,343
Additions	-	2,296,257	14,515,407
Disposals	-	-	-
Transfer	-	-	-
At 31 March 2020	252,855,009	16,937,975	50,614,750
Accumulated depreciation:			
At 1 April 2019	251,169,303	10,294,264	-
Charge for the year	1,685,706	1,935,289	13,882,569
Disposals	-	-	-
At 31 March 2020	252,855,009	12,229,553	13,882,569
Net book value:			
At 31 March 2020	-	4,708,422	36,732,181

Motor vehicles	Furniture, fixtures and other equipment	Computer hardware, software and system development	Work in progress	Total
510,420	12,846,032	30,880,495	6,678,000	354,511,017
-	1,280,821	4,591,292	-	22,683,777
-	(1,432,586)	(2,811,409)	-	(4,243,995)
-	1,628,000	2,311,173	(3,939,173)	-
510,420	14,322,267	34,971,551	2,738,827	372,950,799
57,647	11,009,174	24,603,502	-	297,133,890
218,102	1,417,670	3,935,140	-	23,074,476
-	(1,392,925)	(2,229,943)	-	(3,622,868)
275,749	11,033,919	26,308,699	-	316,585,498
234,671	3,288,348	8,662,852	2,738,827	56,365,301

7 PROPERTY, PLANT AND EQUIPMENT (continued)

(c) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

The Group

	Notes	2021	2020
Properties leased for own use, carried at depreciated cost	(i)	32,651,608	38,970,967
Motor vehicle, carried at depreciated cost	(ii)	146,900	32,908
		32,798,508	39,003,875

The Board

	Notes	2021	2020
Properties leased for own use, carried at depreciated cost	(i)	31,190,725	36,732,181
Motor vehicle, carried at depreciated cost	(ii)	146,900	32,908
		31,337,625	36,765,089

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

The Group

	2021	2020
Depreciation charge of right-of-use assets by class of underlying asset:		
Ownership interests in leasehold properties	-	1,685,706
Properties leased for own use	14,503,521	14,665,558
Motor vehicle	121,048	131,632
	14,624,569	16,482,896
Interest on lease liabilities	441,147	595,479
Expense relating to short-term leases	559,506	1,481,042
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	379,610	398,754
COVID-19-related rent concessions received	1,012,340	-

7 PROPERTY, PLANT AND EQUIPMENT (continued)

(c) Right-of-use assets (continued)

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 10(c) and 18 respectively.

As disclosed in note 2(c), the Group has early adopted the Amendment to HKFRS 16, *Leases, Covid-19-Related Rent Concessions*, and applies the practical expedient introduced by the Amendment to all eligible rent concessions received by the Group during the period.

(i) Properties leased for own use

The Group has obtained the right to use properties as its offices, visitor centres and storage rooms through tenancy agreements. The leases typically run for an initial period of 2 to 10 years. Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities.

(ii) Motor vehicle

The Group leases a motor vehicle under leases for an initial period of 2 years. None of the leases includes variable lease payments.

8 INTERESTS IN A SUBSIDIARY AND AMOUNT DUE TO A SUBSIDIARY

The Board

	2021	2020
Interests in a subsidiary		
Unlisted share, at cost	1	1
Capital contribution	31,527,724	31,527,724
Less: impairment loss	(30,975,849)	(30,975,849)
	551,876	551,876
Amount due to a subsidiary	2,921,208	2,412,978

As at 31 March 2021, the Board assessed the interests in the subsidiary and no additional impairment loss was recognised during the year (2020: Nil).

The amount due to a subsidiary is unsecured, interest free and has no fixed terms of repayment.

Details of the Board's wholly-owned subsidiary are set out below:

Name of company	Principal activities	Place of incorporation
HKTb Limited	Marketing and promoting Hong Kong	Hong Kong

Auditor's remuneration and other operating expenses of \$40,000 for the year ended 31 March 2021 (2020: \$53,475) in respect of the subsidiary were borne by the Board which has waived its right of recovery thereof.

9 DEBTORS, DEPOSITS AND PAYMENTS IN ADVANCE

	The Group		The Board	
	2021	2020	2021	2020
Debtors	129,162	678,429	129,162	678,429
Other debtors, deposits and payments in advance	19,556,290	37,223,281	19,272,508	36,961,182
	19,685,452	37,901,710	19,401,670	37,639,611

Included in debtors, deposits and payments in advance are the following amounts denominated in major currencies other than the Group's and the Board's functional currency:

	The Group		The Board	
	2021	2020	2021	2020
Australian Dollars	152,716	205,506	152,716	205,506
Chinese Yuan	1,303,151	1,246,318	1,303,151	1,246,318
Euros	621,570	1,037,730	621,570	1,037,730
Great Britain Pounds	1,227,020	779,194	1,227,020	779,194
Japanese Yen	2,665,370	3,337,239	2,665,370	3,337,239
Korean Won	150,750	226,730	150,750	226,730
New Taiwan Dollars	299,301	296,153	-	-
United States Dollars	2,295,978	889,588	2,295,978	889,588

The gross amount of debtors, deposits and payments in advance at 31 March 2021 that is expected to be recovered after more than one year for the Group is \$2,795,719 and the Board is \$2,560,812 (2020: the Group is \$1,967,250 and the Board is \$1,747,932).

Further details on the Group's credit policy are set out in note 18(a).

9 DEBTORS, DEPOSITS AND PAYMENTS IN ADVANCE (continued)

(a) Impairment loss of debtors

Impairment loss in respect of debtors are recorded using an allowance account unless the Board is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against debtors directly (see note 2(h)).

The movement in the loss allowance of debtors during the year is as follows:

	The Group		The Board	
	2021	2020	2021	2020
At 1 April	-	19,117	-	19,117
Amount written off	-	(19,117)	-	(19,117)
At 31 March	-	-	-	-

At 31 March 2021, no loss allowance (2020: Nil) was recognised for the Group and the Board.

10 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents

	The Group		The Board	
	2021	2020	2021	2020
Deposits with banks and financial institutions	1,252,114,172	648,325,047	1,252,114,172	648,325,047
Cash at banks and in hand	8,966,154	17,203,689	8,662,856	16,963,132
Cash and cash equivalents in the statement of financial position	1,261,080,326	665,528,736	1,260,777,028	665,288,179
Less: Deposits with banks and financial institutions with maturity of more than three months from the date of acquisition	(760,229,270)	(450,440,942)		
Cash and cash equivalents in the consolidated statement of cash flows	500,851,056	215,087,794		

Included in cash and cash equivalents are the following amounts denominated in major currencies other than the Group's and the Board's functional currency:

	The Group		The Board	
	2021	2020	2021	2020
Australian Dollars	731,426	381,618	731,426	381,618
Canadian Dollars	98,215	171,943	98,215	171,943
Chinese Yuan	102,826	103,334	102,826	103,334
Euros	95,566	75,168	95,566	75,168
Great Britain Pounds	109,999	160,404	109,999	160,404
Japanese Yen	123,290	33,639	123,290	33,639
Korean Won	104,575	276,235	104,575	276,235
New Taiwan Dollars	95,474	67,106	-	-
United States Dollars	40,963	949,642	40,963	949,642

Deposits with banks and financial institutions bear fixed interest rates with the effective interest rates per annum at the end of the reporting period for the Group and the Board ranging from 0.05% to 2.25% (2020: the Group and the Board ranging from 0.75% to 2.88%).

10 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities.

	Lease liabilities
At 1 April 2019	38,989,513
Changes from financing cash flows:	
Capital element of lease rentals paid	(13,671,055)
Interest element of lease rentals paid	(595,479)
Total changes from financing cash flows	(14,266,534)
Exchange adjustments	(26,101)
Other changes:	
Increase in lease liabilities from entering into new leases during the period	14,515,407
Interest expenses	595,479
Total other changes	15,110,886
At 31 March 2020 and 1 April 2020	39,807,764
Changes from financing cash flows:	
Capital element of lease rentals paid	(13,176,105)
Interest element of lease rentals paid	(441,147)
Total changes from financing cash flows	(13,617,252)
Exchange adjustments	1,457,092
Other changes:	
Increase in lease liabilities from entering into new leases during the period	8,703,066
COVID-19-related rent concessions received (note 7(c))	(1,012,340)
Interest expenses	441,147
Early termination of a lease	(269,931)
Total other changes	7,861,942
At 31 March 2021	35,509,546

10 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

(c) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2021	2020
Within operating cash flows	939,116	1,879,796
Within financing cash flows	13,617,252	14,266,534
	14,556,368	16,146,330

11 ACCOUNTS PAYABLE AND ACCRUALS

	The Group		The Board	
	2021	2020	2021	2020
Accounts payable and accruals	224,598,470	158,506,614	223,139,254	157,602,347
Other payables and sundry creditors	47,779,259	44,630,234	46,110,314	43,211,059
	272,377,729	203,136,848	269,249,568	200,813,406

Included in accounts payable and accruals are the following amounts denominated in major currencies other than the Group and the Board's functional currency:

	The Group		The Board	
	2021	2020	2021	2020
Australian Dollars	2,805,311	4,381,632	2,805,311	4,381,632
Canadian Dollars	1,054,644	1,477,047	1,054,644	1,477,047
Chinese Yuan	9,353,639	16,998,125	9,353,639	16,998,125
Euros	3,860,919	2,748,788	3,860,919	2,748,788
Great Britain Pounds	2,866,408	2,191,435	2,866,408	2,191,435
Japanese Yen	5,999,525	9,307,179	5,999,525	9,307,179
Korean Won	5,418,881	6,143,437	5,418,881	6,143,437
Singapore Dollars	4,879,218	2,940,182	4,879,218	2,940,182
New Taiwan Dollars	3,127,572	2,321,872	-	-
United States Dollars	21,482,079	25,723,521	21,482,079	25,723,521

The gross amount of accounts payable and accruals at 31 March 2021 that is expected to be settled after more than one year for the Group is \$7,054,194 and the Board is \$6,971,094 (2020: the Group is \$8,102,209 and the Board is \$8,024,209).

12 DEFERRED INCOME

	The Group and the Board	
	2021	2020
Government subvention granted		
- 1994/95	250,000,000	250,000,000
Aggregate realisation:		
At 1 April	250,000,000	248,333,333
Realised during the year	-	1,666,667
At 31 March	250,000,000	250,000,000
Balance at 31 March	-	-

13 CONTRACT LIABILITIES

Movements in contract liabilities of the Group and the Board during the year ended 31 March 2021 and 2020 are as follows:

	2021	2020
Balance as at 1 April	717,747	2,574,298
Decrease in contract liabilities as a result of revenue recognised during the year that was included in the contract liabilities at the beginning of the year	(717,747)	(2,550,743)
Increase in contract liabilities as a result of billing in advance	-	694,192
Balance as at 31 March	-	717,747

Contract liabilities arise from billing in advance for membership renewal fee in respect of Quality Tourism Services Scheme.

14 RECEIPTS IN ADVANCE

The balance mainly represents unutilised non-recurrent government subvention, which will be returned to the Government.

15 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current tax in the consolidated statement of financial position represents:

	2021	2020
Provision for overseas tax the year	77,658	104,298
Provisional tax paid the year	(55,558)	(52,851)
	22,100	51,447

(b) Deferred tax assets recognised:

The components of deferred tax assets recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Provision
Deferred tax assets arising from:	
At 1 April 2020	-
Credited to profit or loss	236,427
At 31 March 2021	236,427

16 EMPLOYEE RETIREMENT BENEFITS

The Group and the Board

The Board makes contributions to a defined contribution plan ("Choice Plan") in accordance with the terms stated in the Trust Deed.

Employees under the Choice Plan, together with employees under the previous defined benefit retirement scheme, joined a pooled defined contribution retirement plan effective from 1 January 2019. Under the Choice Plan, the employer is required to make 8% - 12% (2020: 8% - 12%) contributions of the employees' relevant income. Employees are not required to make contributions to the Choice Plan.

The Board also operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the Choice Plan. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of \$30,000. Contributions to the scheme vest immediately.

17 RESERVE

	The Group		The Board	
	2021	2020	2021	2020
General fund at the beginning of the year	229,990,581	226,001,141	229,974,762	225,987,672
Surplus and total comprehensive income for the year	70,504,296	3,989,440	70,502,207	3,987,090
General fund at the end of the year	300,494,877	229,990,581	300,476,969	229,974,762

General Fund

The General Fund represents the Group's and the Board's unallocated balances and surpluses. The use of the unallocated balances or surpluses requires prior approval from the Board and the Government.

Based on the understanding between the Government and the Board, the level of reserves held by the Group may increase to a level equivalent to four months of gross expenditure.

18 FINANCIAL RISK MANAGEMENT

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's operations. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to deposits with banks and financial institutions, cash at banks and debtors. The Group's exposure to credit risk arising from deposits with banks and financial institutions, cash at banks is limited because the counterparties are banks and financial institutions with sound credit rating, for which the Group considers to have low credit risk. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

(b) Liquidity risk

The Group'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 in the short and long terms.

18 FINANCIAL RISK MANAGEMENT (continued)

The following tables detail the remaining contractual maturities at the end of the reporting period of the Group's and the Board's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group and the Board can be required to pay:

The Group

2021						
Contractual undiscounted cashflow						
	Carrying amount	Total contractual undiscounted cashflow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
Receipts in advance	724,725,355	724,725,355	724,725,355	-	-	-
Contract liabilities	-	-	-	-	-	-
Accounts payable and accruals	272,377,729	272,377,729	265,323,535	3,179,224	1,900,147	1,974,823
Lease liabilities	35,509,546	36,348,695	11,950,745	9,199,170	10,633,481	4,565,299
	1,032,612,630	1,033,451,779	1,001,999,635	12,378,394	12,533,628	6,540,122

2020						
Contractual undiscounted cashflow						
	Carrying amount	Total contractual undiscounted cashflow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
Receipts in advance	288,336,915	288,336,915	288,336,915	-	-	-
Contract liabilities	717,747	717,747	717,747	-	-	-
Accounts payable and accruals	203,136,848	203,136,848	195,034,639	3,265,179	2,502,145	2,334,885
Lease liabilities	39,807,764	40,929,492	13,208,970	9,245,668	13,754,361	4,720,493
	531,999,274	533,121,002	497,298,271	12,510,847	16,256,506	7,055,378

18 FINANCIAL RISK MANAGEMENT (continued)

The Board

2021

Contractual undiscounted cashflow

	Carrying amount	Total contractual undiscounted cashflow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
Receipts in advance	724,725,355	724,725,355	724,725,355	-	-	-
Contract liabilities	-	-	-	-	-	-
Accounts payable and accruals	269,249,568	269,249,568	262,278,474	3,096,124	1,900,147	1,974,823
Lease liabilities	33,995,034	34,824,868	11,079,987	8,546,101	10,633,481	4,565,299
	1,027,969,957	1,028,799,791	998,083,816	11,642,225	12,533,628	6,540,122

2020

Contractual undiscounted cashflow

	Carrying amount	Total contractual undiscounted cashflow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
Receipts in advance	288,336,915	288,336,915	288,336,915	-	-	-
Contract liabilities	717,747	717,747	717,747	-	-	-
Accounts payable and accruals	200,813,406	200,813,406	192,789,197	3,265,179	2,424,145	2,334,885
Lease liabilities	37,589,159	38,681,868	12,391,652	8,428,350	13,141,373	4,720,493
	527,457,227	528,549,936	494,235,511	11,693,529	15,565,518	7,055,378

(c) Interest rate risk

The Group has no financing from external parties other than Government subvention and the Group is not exposed to interest rate risk on financing.

Note 10 contains information about the effective interest rates of the Group's income-earning financial instruments at the end of the reporting period.

18 FINANCIAL RISK MANAGEMENT (continued)

(d) Foreign currency risk

Exposure to currency risk

The Group incurs expenses that are denominated in currencies other than Hong Kong Dollars ("HKD"), the functional currency of the Group, for the operations of the overseas offices. The currencies giving rise to this risk are primarily United States Dollars ("USD"), Australian Dollars, Canadian Dollars, Chinese Yuan, Euros, Great Britain Pounds, Japanese Yen, Singapore Dollars, New Taiwan Dollars and Korean Won.

Sensitivity analysis

The following table indicated the instantaneous change in the Group's surplus after tax and general fund that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the HKD and the USD would be materially unaffected by any change in movement in value of the USD against other currencies.

	2021		2020	
	Increase/ (decrease) in foreign exchange rates	Effect on surplus after tax and general fund	Increase/ (decrease) in foreign exchange rates	Effect on surplus after tax and general fund
Australian Dollars	5%	(205,335)	5%	(274,649)
	(5)%	205,335	(5)%	274,649
Canadian Dollars	5%	(60,227)	5%	(82,657)
	(5)%	60,227	(5)%	82,657
Chinese Yuan	5%	(761,572)	5%	(1,103,249)
	(5)%	761,572	(5)%	1,103,249
Euros	5%	(310,980)	5%	(94,217)
	(5)%	310,980	(5)%	94,217
Great Britain Pounds	5%	(332,559)	5%	(331,289)
	(5)%	332,559	(5)%	331,289
Japanese Yen	5%	(160,543)	5%	(393,888)
	(5)%	160,543	(5)%	393,888
Singapore Dollars	5%	(415,127)	5%	(384,112)
	(5)%	415,127	(5)%	384,112
New Taiwan Dollars	5%	(209,588)	5%	(208,861)
	(5)%	209,588	(5)%	208,861
Korean Won	5%	(289,338)	5%	(282,024)
	(5)%	289,338	(5)%	282,024

18 FINANCIAL RISK MANAGEMENT (continued)

(d) Foreign currency risk (continued)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' surplus after tax and general fund measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2020.

(e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2021 and 2020.

19 MATERIAL RELATED PARTY TRANSACTIONS

Other than those disclosed elsewhere in the financial statements, no other material related party transactions were carried out in the normal course of the Group's business during the current and prior financial years.

20 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2021

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard, HKFRS 17, *Insurance Contracts*, which are not yet effective for the year ended 31 March 2021 and which have not been adopted in these financial statements.

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far, the Group considers that the adoption of them is unlikely to have a significant impact on the Group's financial statements.

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