

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 129 to 176, which comprise the consolidated and the Board's statements of financial position as at 31 March 2024, 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, comprising material accounting policy information and other explanatory information.

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 2024 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 ("HKSAAs") 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.

The members of the Board are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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.

Independent auditor's report to the Hong Kong Tourism Board (continued)

(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)

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

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

- 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

6 August 2024

Consolidated statement of comprehensive income

for the year ended 31 March 2024 (Expressed in Hong Kong dollars)

	Note	2024	2023
Principal source of income	3(a)		
Government subvention for the year		1,349,662,177	1,018,195,817
Other revenues			
Interest income		44,184,823	25,767,263
Sponsorships		17,130,000	7,520,000
Event staging		28,904,944	2,204,450
Sundry income		1,703,598	569,238
		91,923,365	36,060,951
Total income	3(b)	1,441,585,542	1,054,256,768
Promotional, advertising and literature expenses		710,642,501	530,592,611
Research and product development		14,777,477	4,713,187
Local services and events		309,671,053	173,316,835
Staff costs	5	308,339,706	282,849,525
Rent, rates and management fees		6,450,986	3,693,694
Depreciation	7(a)	21,522,971	22,235,597
Auditor's remuneration		395,250	386,975
Other operating expenses		35,795,932	28,667,693
Loss on disposal of property, plant and equipment		59,020	10,948
Total expenditure		1,407,654,896	1,046,467,065
Surplus before tax for the year	5	33,930,646	7,789,703
Income tax	4	(100,396)	(67,703)
Surplus and total comprehensive income for the year		33,830,250	7,722,000

The notes on pages 137 to 176 form part of these financial statements.

Consolidated statement of financial position

as at 31 March 2024 (Expressed in Hong Kong dollars)

	Note	2024	2023
Non-current assets			
Property, plant and equipment	7(a)	68,734,308	37,815,728
Deferred tax assets	13(b)	272,338	301,104
		69,006,646	38,116,832
Current assets			
Debtors, deposits and payments in advance	9	31,093,333	32,165,007
Deposits with banks and financial institutions	10	825,225,044	1,056,754,782
Cash at banks and in hand	10	11,242,535	10,125,482
		867,560,912	1,099,045,271
Current liabilities			
Receipts in advance	12(a)	176,315,553	104,881,440
Amount payable to the Government	12(b)	9,122,630	371,009,431
Accounts payable and accruals	11	348,816,340	291,332,698
Lease liabilities		11,497,537	9,226,437
Current taxation	13(a)	49,661	99,116
		545,801,721	776,549,122
Net current assets		321,759,191	322,496,149
Non-current liabilities			
Lease liabilities		11,478,337	15,155,731
NET ASSETS		379,287,500	345,457,250

	Note	2024	2023
Represented by:			
RESERVES	15		
General Fund		338,354,624	345,457,250
Other Fund		40,932,876	-
Total Funds		379,287,500	345,457,250

Approved and authorised for issue on 6 August 2024

Dane Cheng
Executive Director

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

Statement of financial position

as at 31 March 2024 (Expressed in Hong Kong dollars)

	Note	2024	2023
Non-current assets			
Property, plant and equipment	7(b)	66,882,492	35,150,048
Interests in a subsidiary	8	551,876	551,876
		67,434,368	35,701,924
Current assets			
Debtors, deposits and payments in advance	9	30,758,096	31,770,798
Deposits with banks and financial institutions	10	825,225,044	1,056,754,782
Cash at banks and in hand	10	11,180,363	9,641,861
		867,163,503	1,098,167,441
Current liabilities			
Amount due to a subsidiary	8	3,488,602	3,912,052
Receipts in advance	12(a)	176,315,553	104,881,440
Amount payable to the Government	12(b)	9,122,630	371,009,431
Accounts payable and accruals	11	344,950,818	286,660,418
Lease liabilities		10,701,364	8,417,584
		544,578,967	774,880,925
Net current assets		322,584,536	323,286,516
Non-current liabilities			
Lease liabilities		10,756,787	13,553,073
NET ASSETS		379,262,117	345,435,367

	Note	2024	2023
Represented by:			
RESERVES	15		
General Fund		338,329,241	345,435,367
Other Fund		40,932,876	-
Total Funds		379,262,117	345,435,367

Approved and authorised for issue on 6 August 2024

Dane Cheng
Executive Director

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

Consolidated statement of changes in reserves

for the year ended 31 March 2024 (Expressed in Hong Kong dollars)

	General Fund (Note 15)	Other Fund (Note 15)	Total
At 1 April 2022	337,735,250	-	337,735,250
Surplus and total comprehensive income for the year	7,722,000	-	7,722,000
At 31 March 2023 and 1 April 2023	345,457,250	-	345,457,250
Transfer-(out)/in	(44,800,000)	44,800,000	-
Surplus and total comprehensive income for the year	37,697,374	(3,867,124)	33,830,250
At 31 March 2024	338,354,624	40,932,876	379,287,500

The notes on pages 137 to 176 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 March 2024 (Expressed in Hong Kong dollars)

	Note	2024	2023
Operating activities			
Surplus before tax for the year		33,930,646	7,789,703
Adjustments for:			
Interest income		(44,184,823)	(25,767,263)
Interest expense on lease liabilities	10(b)	557,331	276,120
Depreciation	7(a)	21,522,971	22,235,597
Loss on disposal of property, plant and equipment		59,020	10,948
COVID-19-related rent concessions received	7(c)	-	(813,456)
Exchange adjustments		(809,510)	(1,400,907)
Operating surplus before changes in working capital		11,075,635	2,330,742
Increase in debtors, deposits and payments in advance		(2,589,025)	(3,340,207)
Increase in receipts in advance, accounts payable and accruals		128,917,755	70,854,407
Decrease in amount payable to the Government		(361,886,801)	(406,211,635)
Cash used in operations		(224,482,436)	(336,366,693)
Overseas tax paid		(161,998)	(21,599)
Net cash used in operating activities		(224,644,434)	(336,388,292)
Investing activities			
Interest received		47,845,522	18,216,984
Purchase of property, plant and equipment		(38,888,542)	(5,290,355)
Decrease/(increase) in deposits with banks with maturity of more than 3 months		173,580,931	(246,160,881)
Net cash generated from/(used in) investing activities		182,537,911	(233,234,252)

The notes on pages 137 to 176 form part of these financial statements.

Consolidated statement of cash flows (continued)

for the year ended 31 March 2024 (Expressed in Hong Kong dollars)

	Note	2024	2023
Financing activities			
Capital element of lease rentals paid	10(b)	(14,167,900)	(13,805,994)
Interest element of lease rentals paid	10(b)	(557,331)	(276,120)
Net cash used in financing activities		(14,725,231)	(14,082,114)
Net decrease in cash and cash equivalents		(56,831,754)	(583,704,658)
Cash and cash equivalents at the beginning of the year	10(a)	144,443,267	728,147,925
Cash and cash equivalents at the end of the year	10(a)	87,611,513	144,443,267

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 Material 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”). Material 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 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 consolidated financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (note 18).

(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 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.

Notes to the financial statements (continued)

2 Material accounting policies (continued)

(c) Changes in accounting policies

(i) New and amended HKFRSs

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. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

(ii) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022, the Government gazetted the Amendment Ordinance, which has come into effect from 1 May 2025 (the "Transition Date"). After the Amendment Ordinance has taken effect, an employer can no longer use any of the accrued benefits derived from its mandatory provident fund ("MPF") scheme to reduce the long service payment ("LSP") in respect of an employee's service from the Transition Date (the abolition of the "offsetting mechanism"). In addition, the LSP in respect of the service before the Transition Date will now have to be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides guidance on the accounting considerations relating to the offsetting mechanism and the abolition of the mechanism. The Group has assessed the implications of this new guidance on the above accounting policies and has decided to change those accounting policies to conform with the guidance retrospectively. This change in accounting policy did not have any material impact on the Group's results and financial position for the current or prior periods that have been prepared or presented in these consolidated financial statements.

(d) Films, publicity and advertising materials

Films, publicity and advertising materials are charged to the consolidated statement of comprehensive income 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.

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 consolidated statement of comprehensive income 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 to 12 years
- Properties leased for own use	Unexpired term of lease
- Owned motor vehicles	4 years
- Motor vehicles leased for own use	Unexpired term of lease
- 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.

Notes to the financial statements (continued)

2 Material accounting policies (continued)

(h) Debtors, deposits and payments in advance (continued)

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost using the effective interest method and including an 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 consolidated statement of comprehensive income. 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 debtor 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 invoice amounts.

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)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(n)).

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand, demand deposits with banks and other financial institutions, property pre-sale proceeds held by solicitor that are held for meeting short-term cash commitments, 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, contingent liabilities and onerous contracts

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.

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.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract. The cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling that contract.

(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). A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

Notes to the financial statements (continued)

2 Material accounting policies (continued)

(l) Impairment of non-financial assets (continued)

An impairment loss is recognised in consolidated statement of comprehensive income 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 consolidated statement of comprehensive income 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 consolidated statement of comprehensive income 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.

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 is determined with regard to the needs of the Board as presented in its annual business plan of budget to finance the general activities of the Group and is recognised as revenue in the consolidated statement of comprehensive income during the year it becomes receivable. Unutilised balance is presented as a liability ("Amount payable to the Government").
- (ii) Government subvention to finance Meetings, Incentives, Conventions and Exhibitions ("MICE") bidding activities of the Group is recognised as revenue as and when the related expenditure is incurred during the year, with any unutilised balance presented as a liability.
- (iii) Event staging income is recognised when the right to receive is certain.
- (iv) Interest income is recognised as it accrues using the effective interest method.
- (v) Sponsorship income for the events are recognised upon the completion date of the respective events.

(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 consolidated statement of comprehensive income.

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.

Notes to the financial statements (continued)

2 Material accounting policies (continued)

(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 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 note 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 rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of HKFRS 16 *Leases*. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

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 consolidated statement of comprehensive income 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 consolidated statement of comprehensive income 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.
- (v) The Group has the following defined benefit plan:
 - LSP under the Hong Kong Employment Ordinance.

For LSP obligations, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF and "Choice Plan" contributions that have been vested with employees, which are deemed to be contributions from the relevant employees. Contributions made under the schemes applicable to each year are charged to the consolidated statement of comprehensive income for the year. The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method.

Notes to the financial statements (continued)

2 Material 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"). The total income during the year is analysed as follows:

	2024	2023
Revenue from other sources		
- Government subvention for the year	1,349,662,177	1,018,195,817
- Interest income	44,184,823	25,767,263
Revenue from contracts with customers within the scope of HKFRS 15	47,738,542	10,293,688
	1,441,585,542	1,054,256,768

(b) As at 31 March 2024, 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.

Notes to the financial statements (continued)

4 Income tax in the consolidated statement of comprehensive income

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

	2024	2023
Current tax - Overseas		
Provision for the year	112,543	137,262
Deferred tax		
Origination and reversal of temporary differences	(12,147)	(69,559)
	100,396	67,703

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 (2023: 20%).

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

	2024	2023
Surplus before tax for the year	33,930,646	7,789,703
Notional tax on surplus before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	5,610,434	1,293,027
Tax effect of non-deductible expenses	232,111,534	172,724,867
Tax effect of non-taxable income	(237,621,572)	(173,950,191)
Actual tax expense	100,396	67,703

5 Surplus before tax for the year

The Group

Staff costs

	2024	2023
Contributions to defined contribution retirement plan	14,153,804	13,084,926
Salaries and other benefits	294,185,902	269,764,599
	308,339,706	282,849,525

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:

	2024		
	Executive Director	Other senior executives	Total
Basic salaries	5,647,680	24,738,557	30,386,237
Discretionary performance pay	892,001	2,024,149	2,916,150
Retirement benefit expenses, contract gratuities and other allowances	853,438	4,729,538	5,582,976
	7,393,119	31,492,244	38,885,363
	2023		
	Executive Director	Other senior executives	Total
Basic salaries	5,388,960	24,671,856	30,060,816
Discretionary performance pay	795,981	1,865,438	2,661,419
Retirement benefit expenses, contract gratuities and other allowances	811,510	5,419,450	6,230,960
	6,996,451	31,956,744	38,953,195

Notes to the financial statements (continued)

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:

	Note	2024 No. of senior executive positions	2023 No. of senior executive positions
Pay ranges			
1 - \$0 to \$500,000	(a)	1	-
2 - \$500,001 to \$1,000,000	(b)	1	-
3 - \$1,000,001 to \$1,500,000		-	-
4 - \$1,500,001 to \$2,000,000	(b)	2	3
5 - \$2,000,001 to \$2,500,000	(c)	4	5
6 - \$2,500,001 to \$3,000,000	(c)	2	1
7 - \$3,000,001 to \$3,500,000		1	1
8 - \$3,500,001 to \$4,000,000		-	-
9 - \$4,000,001 to \$4,500,000		1	1
10 - \$4,500,001 to \$5,000,000		-	-
11 - \$5,000,001 to \$5,500,000		-	-
12 - \$5,500,001 to \$6,000,000		-	-
13 - \$6,000,001 to \$6,500,000	(d)	-	1
14 - \$6,500,001 to \$7,000,000	(d)	1	-
		13	12

(a) Senior executive position under Pay range 1 increased by 1 due to one senior position was added during 2023/24.

(b) One senior executive position moved from Pay range 4 to Pay range 2 due to the position being vacant in the middle of 2023/24.

(c) One senior executive position moved from Pay range 5 to Pay range 6 due to the salary adjustment.

(d) One senior executive position moved from Pay range 13 to Pay range 14 due to salary adjustment.

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 \$892,001 for the year ended 31 March 2024 (2023: \$795,981).

The remuneration of other senior executive positions for the year ended 31 March 2024 represents compensation for the Deputy Executive Director, eight General Manager positions (2023: seven General Manager positions) and three Regional Director positions (2023: three Regional Director positions).

Notes to the financial statements (continued)

7 Property, plant and equipment

(a) The Group

	Leasehold properties	Leasehold improvements	Properties leased for own use	Motor vehicles	Furniture, fixtures and other equipment	Computer hardware, software and system development	Work in progress	Total
Cost:								
At 1 April 2023	252,855,009	24,470,377	78,466,850	1,078,088	13,988,730	36,150,765	949,039	407,958,858
Additions	-	1,249,100	13,612,029	-	777,788	2,619,611	34,242,043	52,500,571
Disposals	-	(3,725,897)	-	-	(5,770,694)	(6,100,134)	-	(15,596,725)
Transfer	-	23,604,866	-	-	1,722,166	918,213	(26,245,245)	-
At 31 March 2024	252,855,009	45,598,446	92,078,879	1,078,088	10,717,990	33,588,455	8,945,837	444,862,704
Accumulated depreciation:								
At 1 April 2023	252,855,009	18,680,936	54,044,709	821,266	13,014,939	30,726,271	-	370,143,130
Charge for the year	-	2,877,367	14,747,599	114,143	697,105	3,086,757	-	21,522,971
Disposals	-	(3,703,636)	-	-	(5,745,998)	(6,088,071)	-	(15,537,705)
At 31 March 2024	252,855,009	17,854,667	68,792,308	935,409	7,966,046	27,724,957	-	376,128,396
Net book value:								
At 31 March 2024	-	27,743,779	23,286,571	142,679	2,751,944	5,863,498	8,945,837	68,734,308

Leasehold properties are all held on long-term leases in Hong Kong.

Notes to the financial statements (continued)

7 Property, plant and equipment (continued)

(a) The Group (continued)

	Leasehold properties	Leasehold improvements	Properties leased for own use	Motor vehicles	Furniture, fixtures and other equipment	Computer hardware, software and system development	Work in progress	Total
Cost:								
At 1 April 2022	252,855,009	22,012,808	72,029,971	745,459	14,467,462	32,573,497	3,289,371	397,973,577
Additions	-	692,592	6,436,879	332,629	257,336	4,265,485	74,942	12,059,863
Disposals	-	-	-	-	(736,068)	(1,338,514)	-	(2,074,582)
Transfer	-	1,764,977	-	-	-	650,297	(2,415,274)	-
At 31 March 2023	252,855,009	24,470,377	78,466,850	1,078,088	13,988,730	36,150,765	949,039	407,958,858
Accumulated depreciation:								
At 1 April 2022	252,855,009	16,203,458	38,856,546	687,257	12,896,773	28,472,124	-	349,971,167
Charge for the year	-	2,477,478	15,188,163	134,009	843,286	3,592,661	-	22,235,597
Disposals	-	-	-	-	(725,120)	(1,338,514)	-	(2,063,634)
At 31 March 2023	252,855,009	18,680,936	54,044,709	821,266	13,014,939	30,726,271	-	370,143,130
Net book value:								
At 31 March 2023	-	5,789,441	24,422,141	256,822	973,791	5,424,494	949,039	37,815,728

Leasehold properties are all held on long-term leases in Hong Kong.

Notes to the financial statements (continued)

7 Property, plant and equipment (continued)

(b) The Board

	Leasehold properties	Leasehold improvements	Properties leased for own use	Motor vehicles	Furniture, fixtures and other equipment	Computer hardware, software and system development	Work in progress	Total
Cost:								
At 1 April 2023	252,855,009	24,400,205	72,693,740	1,078,088	13,898,871	36,128,685	949,039	402,003,637
Additions	-	1,249,100	13,612,029	-	750,995	2,520,223	34,242,043	52,374,390
Disposals	-	(3,725,897)	-	-	(5,755,094)	(6,100,134)	-	(15,581,125)
Transfer	-	23,604,866	-	-	1,722,166	918,213	(26,245,245)	-
At 31 March 2024	252,855,009	45,528,274	86,305,769	1,078,088	10,616,938	33,466,987	8,945,837	438,796,902
Accumulated depreciation:								
At 1 April 2023	252,855,009	18,678,597	50,828,657	821,266	12,948,320	30,721,740	-	366,853,589
Charge for the year	-	2,853,976	13,858,188	114,143	683,209	3,073,410	-	20,582,926
Disposals	-	(3,703,636)	-	-	(5,730,398)	(6,088,071)	-	(15,522,105)
At 31 March 2024	252,855,009	17,828,937	64,686,845	935,409	7,901,131	27,707,079	-	371,914,410
Net book value:								
At 31 March 2024	-	27,699,337	21,618,924	142,679	2,715,807	5,759,908	8,945,837	66,882,492

Leasehold properties are all held on long-term leases in Hong Kong.

Notes to the financial statements (continued)

7 Property, plant and equipment (continued)

(b) The Board (continued)

	Leasehold properties	Leasehold improvements	Properties leased for own use	Motor vehicles	Furniture, fixtures and other equipment	Computer hardware, software and system development	Work in progress	Total
Cost:								
At 1 April 2022	252,855,009	22,012,808	68,925,096	745,459	14,389,712	32,569,998	3,289,371	394,787,453
Additions	-	622,420	3,768,644	332,629	245,225	4,246,904	74,942	9,290,764
Disposals	-	-	-	-	(736,066)	(1,338,514)	-	(2,074,580)
Transfer	-	1,764,977	-	-	-	650,297	(2,415,274)	-
At 31 March 2023	252,855,009	24,400,205	72,693,740	1,078,088	13,898,871	36,128,685	949,039	402,003,637
Accumulated depreciation:								
At 1 April 2022	252,855,009	16,203,458	36,473,501	687,257	12,843,857	28,468,625	-	347,531,707
Charge for the year	-	2,475,139	14,355,156	134,009	829,581	3,591,629	-	21,385,514
Disposals	-	-	-	-	(725,118)	(1,338,514)	-	(2,063,632)
At 31 March 2023	252,855,009	18,678,597	50,828,657	821,266	12,948,320	30,721,740	-	366,853,589
Net book value:								
At 31 March 2023	-	5,721,608	21,865,083	256,822	950,551	5,406,945	949,039	35,150,048

Leasehold properties are all held on long-term leases in Hong Kong.

Notes to the financial statements (continued)

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	2024	2023
Properties leased for own use, carried at depreciated cost	(i)	23,286,571	24,422,141
Motor vehicle, carried at depreciated cost	(ii)	142,679	256,822
		23,429,250	24,678,963

The Board

	Notes	2024	2023
Properties leased for own use, carried at depreciated cost	(i)	21,618,924	21,865,083
Motor vehicle, carried at depreciated cost	(ii)	142,679	256,822
		21,761,603	22,121,905

The analysis of expense items in relation to leases recognised in the consolidated statement of comprehensive income is as follows:

The Group

	2024	2023
Depreciation charge of right-of-use assets by class of underlying asset:		
Properties leased for own use	14,747,599	15,188,163
Motor vehicle	114,143	105,187
	14,861,742	15,293,350
Interest on lease liabilities	557,331	276,120
Expense relating to short-term leases	3,183,061	472,917
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	362,379	380,602
COVID-19-related rent concessions received	-	(813,456)

During the year, additions to right-of-use assets were \$13,612,029 (2023: \$6,769,508), primarily related to the increase in renewal of existing leases.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 10(c) and 16(b) respectively.

(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 a lease for a period of 3 years. The lease does not include variable lease payments.

Notes to the financial statements (continued)

8 Interests in a subsidiary and amount due to a subsidiary

The Board

	2024	2023
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	3,488,602	3,912,052

As at 31 March 2024, the Board assessed the interests in the subsidiary and no additional impairment loss was recognised during the year (2023: 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
HKT Limited	Marketing and promoting Hong Kong	Hong Kong

Auditor's remuneration and other operating expenses of \$43,600 for the year ended 31 March 2024 (2023: \$42,400) 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	
	2024	2023	2024	2023
Debtors	299,552	395,244	299,552	395,244
Other debtors, deposits and payments in advance	30,793,781	31,769,763	30,458,544	31,375,554
	31,093,333	32,165,007	30,758,096	31,770,798

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:

	Exposure to foreign currencies (expressed in Hong Kong dollars)			
	The Group		The Board	
	2024	2023	2024	2023
Australian Dollars	784,896	278,364	784,896	278,364
British Pounds Sterling	1,214,058	1,178,027	1,214,058	1,178,027
Euros	595,055	612,006	595,055	612,006
Japanese Yen	2,087,357	1,490,553	2,087,357	1,490,553
New Taiwan Dollars	335,237	430,437	-	-
Renminbi	1,389,099	2,086,770	1,389,099	2,086,770
South Korean Won	205,928	141,750	205,928	141,750
United States Dollars	3,096,799	2,506,732	3,096,799	2,506,732

The gross amount of debtors, deposits and payments in advance at 31 March 2024 that is expected to be recovered after more than one year for the Group is \$3,714,468 and the Board is \$3,498,214 (2023: the Group is \$4,586,832 and the Board is \$4,376,933).

Further details on the Group's credit policy are set out in note 16(a).

(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)).

At 31 March 2024, no loss allowance (2023: Nil) was recognised for the Group and the Board.

Notes to the financial statements (continued)

10 Cash and cash equivalents and other cash flow information

(a) Cash and cash equivalents

	The Group		The Board	
	2024	2023	2024	2023
Deposits with banks and financial institutions	825,225,044	1,056,754,782	825,225,044	1,056,754,782
Cash at banks and in hand	11,242,535	10,125,482	11,180,363	9,641,861
Cash and cash equivalents	836,467,579	1,066,880,264	836,405,407	1,066,396,643
Less: Deposits with banks and financial institutions with maturity of more than three months from the date of acquisition	(748,856,066)	(922,436,997)		
Cash and cash equivalents in the consolidated statement of cash flows	87,611,513	144,443,267		

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:

	Exposure to foreign currencies (expressed in Hong Kong dollars)			
	The Group		The Board	
	2024	2023	2024	2023
Australian Dollars	367,802	192,688	367,802	192,688
British Pounds Sterling	190,597	68,607	190,597	68,607
Canadian Dollars	183,119	422,693	183,119	422,693
Euros	499,938	164,966	499,938	164,966
Japanese Yen	22,196	48,202	22,196	48,202
New Taiwan Dollars	29,048	39,346	-	-
Renminbi	105,010	344,216	105,010	344,216
Singapore Dollars	3,110,260	3,784,406	3,110,260	3,784,406
South Korean Won	88,018	3,155	88,018	3,155
United States Dollars	241,839	1,618,703	241,839	1,618,703

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 3.4% to 5.4% (2023: the Group and the Board ranging from 3.1% to 5.7%).

(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 consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities
At 1 April 2022	33,633,017
Changes from financing cash flows:	
Capital element of lease rentals paid	(13,805,994)
Interest element of lease rentals paid	(276,120)
Total changes from financing cash flows	(14,082,114)
Exchange adjustments	(1,400,907)
Other changes:	
Increase in lease liabilities from entering into new leases during the period	6,769,508
COVID-19-related rent concessions received (note 7(c))	(813,456)
Interest expenses	276,120
Total other changes	6,232,172
At 31 March 2023 and 1 April 2023	24,382,168
Changes from financing cash flows:	
Capital element of lease rentals paid	(14,167,900)
Interest element of lease rentals paid	(557,331)
Total changes from financing cash flows	(14,725,231)
Exchange adjustments	(850,423)
Other changes:	
Increase in lease liabilities from entering into new leases during the period	13,612,029
Interest expenses	557,331
Total other changes	14,169,360
At 31 March 2024	22,975,874

Notes to the financial statements (continued)

10 Cash and cash equivalents and other cash flow information (continued)

(c) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2024	2023
Within operating cash flows	3,545,440	853,519
Within financing cash flows	14,725,231	14,082,114
	18,270,671	14,935,633

11 Accounts payable and accruals

	The Group		The Board	
	2024	2023	2024	2023
Accounts payable and accruals	297,297,672	243,101,301	295,237,010	240,439,310
Other payables and sundry creditors	51,518,668	48,231,397	49,713,808	46,221,108
	348,816,340	291,332,698	344,950,818	286,660,418

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

	Exposure to foreign currencies (expressed in Hong Kong dollars)			
	The Group		The Board	
	2024	2023	2024	2023
Australian Dollars	5,068,355	4,337,911	5,068,355	4,337,911
British Pounds Sterling	3,278,599	3,005,387	3,278,599	3,005,387
Canadian Dollars	6,829,404	2,821,226	6,829,404	2,821,226
Euros	3,710,554	3,655,628	3,710,554	3,655,628
Japanese Yen	10,567,094	9,868,892	10,567,094	9,868,892
Malaysian Ringgit	2,325,929	2,210,812	2,325,929	2,210,812
New Taiwan Dollars	3,865,522	4,672,279	-	-
Renminbi	7,675,963	18,351,980	7,675,963	18,351,980
Singapore Dollars	11,797,966	5,752,084	11,797,966	5,752,084
South Korean Won	5,486,032	7,142,455	5,486,032	7,142,455
United States Dollars	16,070,192	13,429,158	16,070,192	13,429,158

The gross amount of accounts payable and accruals at 31 March 2024 that is expected to be settled after more than one year for the Group is \$7,703,354 and the Board is \$7,628,954 (2023: the Group is \$7,784,985 and the Board is \$7,706,385).

Notes to the financial statements (continued)

12 Receipts in advance and amount payable to the Government

(a) Receipts in advance

The balance as at 31 March 2024 represents government subvention received in advance.

(b) Amount payable to the Government

The balance represents unutilised 2023/24 Government subvention, which will be returned to the Government on demand.

13 Income tax in the consolidated statement of financial position

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

	2024	2023
Provision for overseas tax for the year	112,543	137,262
Provisional tax paid for the year	(62,882)	(22,495)
	49,661	114,767
Balance of provisional tax relating to prior years	-	(15,651)
	49,661	99,116

(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 2022	231,545
Credited to profit or loss	69,559
At 31 March 2023 and 1 April 2023	301,104
Credited to profit or loss	12,147
Exchange loss	(40,913)
At 31 March 2024	272,338

14 Employee retirement benefits

The Group and the Board

The Board makes contributions to the 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% (2023: 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.

Hong Kong employees that have been employed continuously for at least five years are entitled to long service payments in accordance with the Hong Kong Employment Ordinance under certain circumstances. These circumstances include where an employee is dismissed for reasons other than serious misconduct or redundancy, that employee resigns at the age of 55 or 60 or above, or the employment contract is of fixed term and expires without renewal. The amount of LSP payable is determined with reference to the employee's final salary (capped at \$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to the MPF scheme or the Choice Plan with an overall cap of \$390,000 per employee.

In June 2022, the Government gazetted the Amendment Ordinance, which will eventually abolish the statutory right of an employer to reduce its LSP payable to a Hong Kong employee by drawing on its mandatory contributions to the MPF scheme. The Government has subsequently announced that the Amendment Ordinance will come into effect from the Transition Date.

Among other things, once the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date; in addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

The group has accounted for the offsetting mechanism and its abolition as disclosed in notes 2(c)(ii) and 2(q)(v).

Notes to the financial statements (continued)

15 Reserves

Based on the understanding between the Government and the Board, the total amount of the Reserves at the end of a financial year shall not exceed 25% of its annual subvention in the following financial year. Reserves comprise General Fund and Other Fund.

The Group

	General Fund	Other Fund	Total
At 1 April 2022	337,735,250	-	337,735,250
Surplus and total comprehensive income for the year	7,722,000	-	7,722,000
At 31 March 2023 and 1 April 2023	345,457,250	-	345,457,250
Transfer-(out)/in	(44,800,000)	44,800,000	-
Surplus and total comprehensive income for the year	37,697,374	(3,867,124)	33,830,250
At 31 March 2024	338,354,624	40,932,876	379,287,500

The Board

	General Fund	Other Fund	Total
At 1 April 2022	337,715,603	-	337,715,603
Surplus and total comprehensive income for the year	7,719,764	-	7,719,764
At 31 March 2023 and 1 April 2023	345,435,367	-	345,435,367
Transfer-(out)/in	(44,800,000)	44,800,000	-
Surplus and total comprehensive income for the year	37,693,874	(3,867,124)	33,826,750
At 31 March 2024	338,329,241	40,932,876	379,262,117

General Fund

The General Fund represents the Group's and the Board's unspent subvention in the form of reserves for meeting operational contingencies.

Other Fund

As approved by the Board, the Other Fund was established to finance the head office renovation. During the year, the Other Fund accounted for the depreciation expenses of the head office renovation as well as related incidental expenses.

16 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.

Notes to the financial statements (continued)

16 Financial risk management (continued)

(b) Liquidity risk (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	2024 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	176,315,553	176,315,553	176,315,553	-	-	-
Amount payable to the Government	9,122,630	9,122,630	9,122,630	-	-	-
Accounts payable and accruals	348,816,340	348,816,340	341,112,986	3,755,420	1,782,484	2,165,450
Lease liabilities	22,975,874	23,518,851	11,813,385	5,426,632	5,663,508	615,326
	557,230,397	557,773,374	538,364,554	9,182,052	7,445,992	2,780,776

	2023 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	104,881,440	104,881,440	104,881,440	-	-	-
Amount payable to the Government	371,009,431	371,009,431	371,009,431	-	-	-
Accounts payable and accruals	291,332,698	291,332,698	283,547,713	3,067,443	1,858,215	2,859,327
Lease liabilities	24,382,168	24,885,730	9,449,987	5,957,754	7,551,729	1,926,260
	791,605,737	792,109,299	768,888,571	9,025,197	9,409,944	4,785,587

The Board	2024 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	176,315,553	176,315,553	176,315,553	-	-	-
Amount payable to the Government	9,122,630	9,122,630	9,122,630	-	-	-
Accounts payable and accruals	344,950,818	344,950,818	337,321,864	3,681,020	1,782,484	2,165,450
Lease liabilities	21,458,151	21,973,476	10,989,560	4,705,082	5,663,508	615,326
	551,847,152	552,362,477	533,749,607	8,386,102	7,445,992	2,780,776

	2023 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	104,881,440	104,881,440	104,881,440	-	-	-
Amount payable to the Government	371,009,431	371,009,431	371,009,431	-	-	-
Accounts payable and accruals	286,660,418	286,660,418	278,954,033	3,067,443	1,779,615	2,859,327
Lease liabilities	21,970,657	22,383,528	8,579,656	5,087,423	6,790,189	1,926,260
	784,521,946	784,934,817	763,424,560	8,154,866	8,569,804	4,785,587

Notes to the financial statements (continued)

16 Financial risk management (continued)

(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.

(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, British Pounds Sterling, Canadian Dollars, Euros, Japanese Yen, Malaysian Ringgit, New Taiwan Dollars, Renminbi, Singapore Dollars and South 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.

	2024		2023	
	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% (5)%	(207,543) 207,543	5% (5)%	(234,481) 234,481
British Pounds Sterling	5% (5)%	(145,386) 145,386	5% (5)%	(198,091) 198,091
Canadian Dollars	5% (5)%	(363,312) 363,312	5% (5)%	(160,711) 160,711
Euros	5% (5)%	(248,034) 248,034	5% (5)%	(287,501) 287,501
Japanese Yen	5% (5)%	(493,057) 493,057	5% (5)%	(523,550) 523,550
Malaysian Ringgit	5% (5)%	(116,296) 116,296	5% (5)%	(110,541) 110,541
New Taiwan Dollars	5% (5)%	(250,948) 250,948	5% (5)%	(330,699) 330,699
Renminbi	5% (5)%	(514,020) 514,020	5% (5)%	(999,179) 999,179
Singapore Dollars	5% (5)%	(539,011) 539,011	5% (5)%	(104,011) 104,011
South Korean Won	5% (5)%	(285,195) 285,195	5% (5)%	(349,878) 349,878

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 2023.

Notes to the financial statements (continued)

16 Financial risk management (continued)

(e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2024 and 2023.

17 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.

18 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 March 2024 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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