

**THE UNIVERSITY OF HONG KONG**  
**- SENIOR COMMON ROOM**

**Report and Financial Statements**  
**For the year ended 30 June 2022**

**THE UNIVERSITY OF HONG KONG  
- SENIOR COMMON ROOM  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
THE SENIOR COMMON ROOM OF THE UNIVERSITY OF HONG KONG**

*Opinion*

We have audited the financial statements of the Senior Common Room of The University of Hong Kong ("the Club") set out on pages 5 to 18, which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Club as at 30 June 2022, and of its financial performance and its 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 Financial Statements* section of our report. We are independent of the Club 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.

*Material Uncertainty Related to Going Concern*

We draw attention to note 2 to the financial statements, which indicates that the Club incurred a deficit of HK\$4,705,166 during the year ended 30 June 2022 and, as of that date, the Club's current liabilities exceeded its current assets by HK\$5,947,949. As stated in note 2, this event or condition indicate that a material uncertainty exists that may cast significant doubt on the Club's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
THE SENIOR COMMON ROOM OF THE UNIVERSITY OF HONG KONG**

*Responsibilities of Executive Committee and Those Charged with Governance for the Financial Statements*

The Executive Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and for such internal control as the Executive Committee determines is necessary to enable the preparation of these financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee is responsible for assessing the Club'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 Executive Committee either intends to liquidate the Club or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Club's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, 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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
THE SENIOR COMMON ROOM OF THE UNIVERSITY OF HONG KONG**

*Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)*

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committee's 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 Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



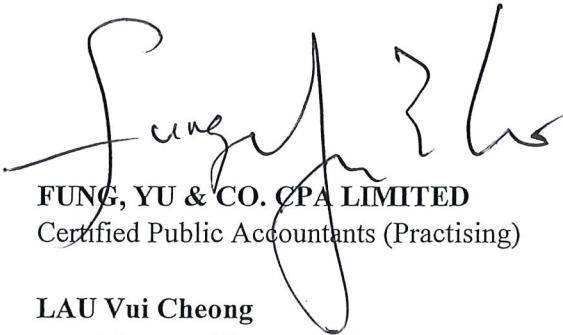
FUNG, YU & CO. CPA LIMITED  
馮兆林余錫光會計師事務所有限公司

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香港干諾道中148號粵海投資大廈10樓

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
THE SENIOR COMMON ROOM OF THE UNIVERSITY OF HONG KONG**

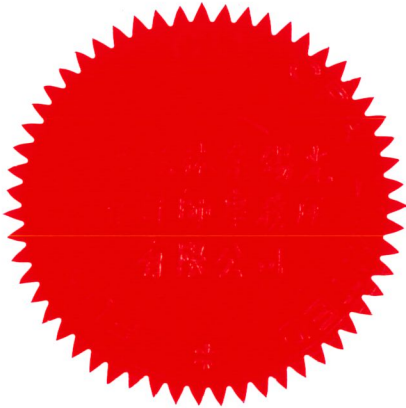
*Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)*

We communicate with those charged with governance 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.



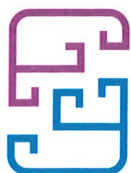
**FUNG, YU & CO. CPA LIMITED**  
Certified Public Accountants (Practising)

**LAU Vui Cheong**  
Practising Certificate Number: P03455



Date:

18 NOV 2022



FUNG, YU & CO. CPA LIMITED  
馮兆林余錫光會計師事務所有限公司

THE UNIVERSITY OF HONG KONG - SENIOR COMMON ROOM  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 HK\$	2021 HK\$
Turnover	6	4,805,069	2,807,059
Less:			
Cost of turnover	6	<u>1,417,466</u>	<u>804,379</u>
Gross profit		3,387,603	2,002,680
Other income	7	<u>2,136,845</u>	<u>2,902,328</u>
		5,524,448	4,905,008
Less:			
Staff emolument costs	8	<u>4,738,762</u>	<u>4,613,377</u>
Operating expenses	9	1,077,510	273,665
Administrative and general expenses	10	<u>4,372,456</u>	<u>116,081</u>
		<u>10,188,728</u>	<u>5,003,123</u>
		(4,664,280)	(98,115)
Contribution to members' functions		(40,030)	(8,604)
Contribution to SCR staff functions		<u>(856)</u>	<u>(1,212)</u>
Deficit for the year transferred to accumulated fund		(4,705,166)	(107,931)
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u><u>(4,705,166)</u></u>	<u><u>(107,931)</u></u>



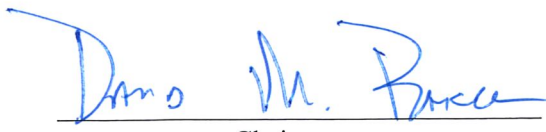
THE UNIVERSITY OF HONG KONG - SENIOR COMMON ROOM  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022

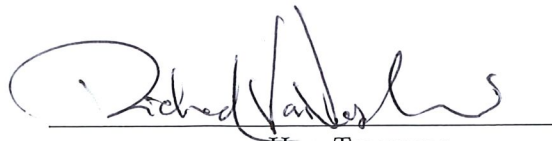
	Notes	2022 HK\$	2021 HK\$
<b>Current assets</b>			
Inventories at cost (Certified by Chairman)	11	22,302	32,710
Trade debtors		27,100	87,190
Cash in hand		5,000	5,000
		54,402	124,900
<b>Deduct:</b>			
<b>Current liabilities</b>			
Trade deposit received		84,990	94,270
Associate members' deposits		190,772	192,773
Members' subscriptions in advance		-	751,592
The University of Hong Kong current account		4,299,216	97,630
Provision for Staff Incentive Bonus Scheme		143,453	68,590
Provision for untaken annual leave		115,492	112,339
Received in advance		91,692	-
Accrued expenses		1,076,736	50,489
		6,002,351	1,367,683
<b>Net current liabilities</b>		<u>(5,947,949)</u>	<u>(1,242,783)</u>
<b>Accumulated deficit</b>	13	<u>(5,947,949)</u>	<u>(1,242,783)</u>

These financial statements have been approved and authorized  
for issue by the Executive Committee on

18 NOV 2022

On behalf of the Executive Committee:

  
Chairman

  
Hon. Treasurer





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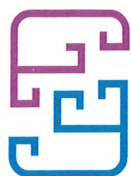
**THE UNIVERSITY OF HONG KONG - SENIOR COMMON ROOM  
STATEMENT OF CHANGES IN FUND  
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Accumulated fund HK\$
Balance at 1 July 2020		(1,134,852)
Deficit for the year	13	(107,931)
Other comprehensive income for the year		-
Total comprehensive income for the year		(107,931)
Balance at 30 June 2021		(1,242,783)
Deficit for the year	13	(4,705,166)
Other comprehensive income for the year		-
Total comprehensive loss for the year		(4,705,166)
Balance at 30 June 2022		(5,947,949)



THE UNIVERSITY OF HONG KONG - SENIOR COMMON ROOM  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022

	2022 HK\$	2021 HK\$
<b>Cash flows from operating activities</b>		
Deficit for the year transferred to accumulated fund and operating deficit before working capital changes	(4,705,166)	(107,931)
Decrease in inventories	10,408	28,480
Decrease in trade debtors	60,090	13,718
Increase in The University of Hong Kong current account	4,201,586	242,661
Increase in received in advance	91,692	-
Decrease in trade deposit received	(9,280)	(20,237)
Decrease in associate members' deposits	(2,001)	(19,884)
Decrease in members' subscriptions in advance	(751,592)	(84,730)
Increase in provision for staff incentive bonus scheme	74,863	2,670
Increase / (decrease) in provision for untaken annual leave	3,153	(7,480)
Increase / (decrease) in accrued expenses	1,026,247	(47,267)
<b>Net cash used in operating activities</b>	-	-
<b>Net cash from investing activity</b>	-	-
<b>Net cash from financing activity</b>	-	-
<b>Net decrease in cash and cash equivalents</b>	-	-
<b>Cash and cash equivalents at beginning of year</b>	5,000	5,000
<b>Cash and cash equivalents at end of year</b>	5,000	5,000
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash in hand	5,000	5,000



**THE UNIVERSITY OF HONG KONG - SENIOR COMMON ROOM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**1. General information**

The University of Hong Kong - Senior Common Room (the "Club") is a club registered under the Clubs Ordinance in Hong Kong. Its business address is located at the main campus of the University of Hong Kong, Pokfulam Road, Hong Kong. During the year, the principal activity of the Club was to provide catering services for its registered members who are senior staff members of the University of Hong Kong.

**2. Going concern**

The financial statements have been prepared on a going concern basis notwithstanding that there are net current liabilities in the financial position of the Club as the members and the University of Hong Kong have pledged their continuous financial support for the operations of the Club.

**3. Adoption of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")**

In the current year, the Club has adopted, for the first time, all of the new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are relevant to its operation and effective for the accounting year ended 30 June 2022. The adoption of these new and revised HKFRSs does not have material effect on these accounts.

**4. New and revised HKFRSs issued but not yet effective**

Up to the date of these financial statements, certain new and revised HKFRSs which may be relevant to the Club's operations and financial statements have been issued by the HKICPA but are not yet effective for the accounting year ended 30 June 2022. The Club is not yet in a position to state whether the adoption of them would have a significant impact on the Club's results of operations and financial position.

**5. Significant accounting policies**

**(a) Basis of preparation**

These financial statements have been prepared in accordance with the HKFRSs issued by the HKICPA and the requirements of the Hong Kong Companies Ordinance.

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

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Club. All amounts are rounded to nearest one.



**THE UNIVERSITY OF HONG KONG - SENIOR COMMON ROOM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**5. Significant accounting policies (cont'd)**

**(b) Revenue recognition**

Income is classified by the Club as revenue when it arises from the sale of goods or the provision of services in the ordinary course of the Club's business.

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Club 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.

Membership subscription income

Membership subscription is recognized on accrual basis.

**(c) Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost, which comprises all costs of purchase and where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the first-in, first-out method. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(d) Credit losses and impairment of financial assets other than investments**

The Club recognises a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost (including cash and cash equivalents, trade debtors and amount due from a related party).

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Club in accordance with the contract and the cash flows that the Club expects to receive). The expected cash shortfalls are discounted using the effective interest rate determined at initial recognition or an approximation thereof where the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Club is exposed to credit risk. In measuring ECLs, the Club takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

Loss allowances for other receivables are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies. ECLs on these financial assets are estimated using a provision matrix based on the Club'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.



THE UNIVERSITY OF HONG KONG - SENIOR COMMON ROOM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

5. **Significant accounting policies** (cont'd)

(d) **Credit losses and impairment of financial assets other than investments** (cont'd)

At each reporting date, the Club assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

The gross carrying amount of a financial asset 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 Club 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. Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(e) **Impairment of non-financial assets**

At the end of each reporting period, the carrying amounts of the Club's tangible and intangible assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in profit or loss except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case, it is treated as a revaluation decrease.

(f) **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank 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 at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are also included as a component of cash and cash equivalents for the purpose of the statement of cash flows.



**THE UNIVERSITY OF HONG KONG - SENIOR COMMON ROOM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**5. Significant accounting policies (cont'd)**

**(g) Employee leave entitlements**

Employee entitlements to annual leave is recognized as it accrues to employees. An accrual is made for unutilized leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave or maternity leave are not recognized until the time of leave.

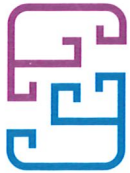
**(h) Retirement scheme obligations**

The pension plan of the Club is under a number of defined benefit and defined contribution plans in Hong Kong, the assets of which are held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and by the Club taking account of the recommendations of an independent qualified actuary.

The Club's contributions to the defined contribution plans are recognized as staff cost expense when they are due and are not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The Club has no further payment obligations once the contributions have been paid.

**(i) Provisions**

Provisions are recognized when the Club has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognized are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. Where the Club expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.



THE UNIVERSITY OF HONG KONG - SENIOR COMMON ROOM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

6. Turnover

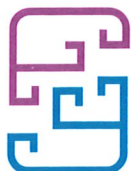
Turnover represents the net invoiced value of goods sold after taking into account any allowance for returns and discounts during the year.

Revenue from the following categories is included in turnover:

	Food HK\$	Snacks HK\$	Wines and spirits HK\$	Beer and soft drinks HK\$	2022 HK\$	2021 HK\$
Turnover	4,512,780	260,422	-	31,867	4,805,069	2,807,059
<b>Less:</b>						
Cost of turnover	<u>1,310,392</u>	<u>61,956</u>	<u>10,817</u>	<u>34,301</u>	<u>1,417,466</u>	<u>804,379</u>
Gross profit	3,202,388	198,466	(10,817)	(2,434)	<u>3,387,603</u>	<u>2,002,680</u>

7. Other income

	2022 HK\$	2021 HK\$
Membership subscriptions	1,525,713	1,663,247
Miscellaneous income	322,437	580,012
Photocopying service	-	21
Staff Incentive Bonus Scheme - contribution from members	74,747	141,048
Rental income	213,948	-
University subvention	-	518,000
	<u>2,136,845</u>	<u>2,902,328</u>



THE UNIVERSITY OF HONG KONG - SENIOR COMMON ROOM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

8. Staff emolument costs

	2022 HK\$	2021 HK\$
Under / (over) - provision for untaken annual leave	3,153	(7,480)
Provision for Staff Incentive Bonus Scheme	74,863	141,048
Salaries and superannuation - catering staff	1,917,123	2,076,203
Salaries and superannuation - general staff	2,627,236	2,302,252
Staff medical benefits	93,835	101,354
Staff uniforms	22,552	-
	<u>4,738,762</u>	<u>4,613,377</u>

Included in the above salaries and superannuation are the Club's contributions to defined contribution retirement scheme amounting to HK\$125,298 (2021: HK\$103,859).

9. Operating expenses

	2022 HK\$	2021 HK\$
Building management fee	234,070	-
Cleaning and laundry	-	101,096
Consumables	457,280	14,230
Crockery, cutlery and kitchen equipment	-	3,502
Electricity	230,008	8,683
Gas	147,994	130,646
Telephone	4,134	12,691
Water	4,024	2,817
	<u>1,077,510</u>	<u>273,665</u>





THE UNIVERSITY OF HONG KONG - SENIOR COMMON ROOM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

10. Administrative and general expenses

	2022 HK\$	2021 HK\$
Audit fee	19,500	17,500
Bank charges	26,379	9
Furniture and equipment	57,258	25,600
Licences and permits	67,886	-
Human resources service fee		
- Reimbursement of staff related recruitment cost	3,719,614	-
- Management fee	322,575	-
Miscellaneous expenses	30,674	736
Newspapers and journals	10	1,214
Photocopying and printing	3,561	4,510
Rental expenses	96,097	-
Repairs and maintenance	26,200	41,044
Stationery	-	8,648
Travelling expenses	2,702	-
Website development and maintenance	-	16,820
	<u>4,372,456</u>	<u>116,081</u>

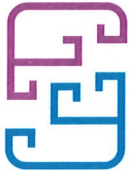
11. Inventories - at cost

	2022 HK\$	2021 HK\$
Raw materials - foods	19,478	22,867
Finished goods - wines, spirits, snacks, etc.	2,824	9,843
	<u>22,302</u>	<u>32,710</u>

12. Financial instruments

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	2022 HK\$	2021 HK\$
<b>Financial assets at amortised cost</b>		
Trade debtors	27,100	87,190
Cash in hand	5,000	5,000
	<u>32,100</u>	<u>92,190</u>



THE UNIVERSITY OF HONG KONG - SENIOR COMMON ROOM  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

12. **Financial instruments** (cont'd)

	2022 HK\$	2021 HK\$
<b>Financial liabilities at amortised cost</b>		
Associate members' deposits	190,772	192,773
The University of Hong Kong current account	4,299,216	97,630
Accrued expenses	1,076,736	50,489
	<u>5,566,724</u>	<u>340,892</u>

The fair values of the Club's financial assets and liabilities are not materially different from their carrying amounts.

13. **Accumulated fund**

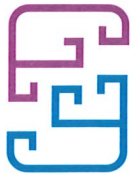
	2022 HK\$	2021 HK\$
Balance brought forward	(1,242,783)	(1,134,852)
Deficit transferred from the statement of comprehensive income	<u>(4,705,166)</u>	<u>(107,931)</u>
Balance carried forward	<u>(5,947,949)</u>	<u>(1,242,783)</u>

14. **Risk related to financial instruments**

The Club's overall policy on risk management remained the same as in the previous year. The Club's major financial instruments include trade debtors, The University of Hong Kong current account, deposits received and accrued expenses. The risk associated with these financial instruments is set out below.

**Credit risk**

The carrying amounts of trade debtors, and The University of Hong Kong current account as stated in the statement of financial position represent the Club's maximum exposure to credit risk at the end of the reporting period. The Club has a credit policy in place and exposures to the credit risk are monitored on an ongoing basis. At the end of the reporting period, the Club has a concentration of credit risk as the amount of the University current account accounted for nil (2021: nil) of the Club's current assets.



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14. Risk related to financial instruments (cont'd)

**Credit risk** (cont'd)

An analysis of the age of trade receivables that were past due as at the end of the reporting period but not impaired is as follows:

	2022 HK\$	2021 HK\$
1 to 30 days	-	7,888
31 to 60 days	-	3,975
61 to 90 days	-	1,381
Over 91 days	27,100	3,972

Receivables that were past due but not impaired relate to a number of members that have a good track record with the Club. Based on past experience, the Executive Committee believes that no provision for doubtful debt is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Club does not hold any collateral over these balances.

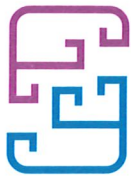
**Liquidity risk**

The Club'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 longer term.

The maturity analysis for the company's financial liabilities at the end of the reporting period, based on the contractual undiscounted cash flows, is as follows:

At 30 June 2022

	<u>Payables and accruals</u> HK\$
Carrying amount	<u>5,566,724</u>
Without fixed repayment terms	-
Within 3 months	5,566,724
More than 3 months but within 1 year	-
More than 1 year	-
Total contractual undiscounted cash flows	<u>5,566,724</u>



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14. Risk related to financial instruments (cont'd)

Liquidity risk (cont'd)

At 30 June 2021

	<b>Payables and accruals</b>
	<b>HK\$</b>
Carrying amount	340,892
Without fixed repayment terms	-
Within 3 months	340,892
More than 3 months but within 1 year	-
More than 1 year	-
Total contractual undiscounted cash flows	340,892

15. Critical accounting estimates and judgements

In preparing these financial statements, the management is required to exercise significant judgements in the selection and application of accounting principles, including making estimates and assumptions concerning the future. The resulting accounting estimate will, by definition, seldom equal to the related actual results. The following is a review of the more significant accounting policies that are impacted by judgements and uncertainties and for which different amounts may be reported under a different set of conditions or using different assumptions.

**Going concern**

The Club's management's assessment of the going concern assumption involves making a judgement, at a particular point in time, about the future outcome of events or conditions which are inherently uncertain. The condition under which the going concern assumption was made is set out in note 2.

- The End -