

TRAIL RUNNERS ASSOCIATION OF HONG KONG LIMITED
香港越野跑步總會有限公司

**REPORT OF THE EXECUTIVE COMMITTEE
AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM OCTOBER 23, 2017
(DATE OF INCORPORATION) TO DECEMBER 31, 2018**

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盧榮棠會計師事務所
JOHN LO & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

TRAIL RUNNERS ASSOCIATION OF HONG KONG LIMITED

香港越野跑步總會有限公司

REPORT OF THE EXECUTIVE COMMITTEE

The executive committee members have pleasure in submitting their first report together with the audited financial statements for the period from October 23, 2017 (date of incorporation) to December 31, 2018.

Principal activities

The association is mainly engaged in promoting the interests of the sport of trail running and trail runners in Hong Kong.

Financial statements

The results of the association for the period ended December 31, 2018 and the state of the association's affairs at that date are set out in the financial statements on pages 6 to 13.

Share capital

The association is limited by guarantee and not having a share capital.

Executive committee members

The executive committee members who held office during the financial period and up to the date of this report are:-

Ng Shiaw Hwa Janet	(Appointed on October 23, 2017)
Tsang Siu Keung	(Appointed on October 23, 2017)
Cheng Ming Wai Agnes	(Appointed on May 23, 2018)
Yung Ha Kuk Victor	(Appointed on May 23, 2018)
Andre Urban Blumberg	(Appointed on October 2, 2018)
Clement Pierre Luc Dumont	(Appointed on October 2, 2018)
Dominic Alexander Rigby	(Appointed on October 2, 2018)
John Robert Victor Ellis	(Appointed on October 2, 2018)
Keith Samuel Noyes	(Appointed on October 2, 2018)
Ng Hor Hong Philip	(Appointed on October 2, 2018)
William Lancaster Sargent	(Appointed on October 2, 2018)

In accordance with article 39 of the association's articles of association, all the executive committee members shall retire at the first annual general meeting, but shall be eligible for re-election.

Executive committee members' interests in transactions, arrangements or contracts

No transactions, arrangements or contracts of significance in relation to the association's business to which the association was a party, and in which the executive committee members had a material interest, subsisted at the end of the period or at any time during the period.

Management contracts


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

Auditors

During the period, Messrs. John Lo & Co. were first appointed as auditors of the association.

A resolution for the re-appointment of Messrs. John Lo & Co. as auditors of the association is to be proposed at the forthcoming annual general meeting.

On behalf of The Executive Committee



Ng Shiaw Hwa Janet

Chairman

Hong Kong, 22 MAR 2019



JOHN LO & Co.

CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

盧榮棠會計師事務所

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAIL RUNNERS ASSOCIATION OF HONG KONG LIMITED

香港越野跑步總會有限公司

(Incorporated in Hong Kong, limited by guarantee and not having a share capital)

Opinion

We have audited the financial statements of Trail Runners Association of Hong Kong Limited set out on pages 6 to 13, which comprise the balance sheet as at December 31, 2018, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the period from October 23, 2017 (Date of incorporation) to December 31, 2018, 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 association as at December 31, 2018 and of its financial performance and cash flows for the period from October 23, 2017 (Date of incorporation) to December 31, 2018 in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The executive committee members are responsible for the other information. The other information comprises the information included in the report of the executive committee, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Other information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of executive committee members and those charged with governance for the financial statements

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

In preparing the financial statements, the executive committee members are responsible for assessing the association'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 members either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA 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.

Auditors' responsibilities for the audit of the financial statements (Continued)

As part of an audit in accordance with HKSA, 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee members.
- Conclude on the appropriateness of the executive committee 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 association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.



JOHN LO & CO.

Certified Public Accountants (Practising)

Hong Kong, 22 MAR 2019

TRAIL RUNNERS ASSOCIATION OF HONG KONG LIMITED**香港越野跑步總會有限公司****STATEMENT OF COMPREHENSIVE INCOME****FOR THE PERIOD FROM OCTOBER 23, 2017****(DATE OF INCORPORATION) TO DECEMBER 31, 2018**

	<u>Note</u>	HK\$
Donations and membership subscription received	4	55,140
Bank interest income		8
		<hr/>
		55,148
Administrative expenses	5	(30,249)
		<hr/>
Surplus for the period		24,899
Other comprehensive income		-
		<hr/>
Total comprehensive income for the period		24,899
		<hr/> <hr/>

The notes on pages 10 to 13 form part of these financial statements.

TRAIL RUNNERS ASSOCIATION OF HONG KONG LIMITED**香港越野跑步總會有限公司****STATEMENT OF CHANGES IN RESERVES****FOR THE PERIOD FROM OCTOBER 23, 2017****(DATE OF INCORPORATION) TO DECEMBER 31, 2018**

	Accumulated <u>surplus</u> HK\$
At incorporation	-
Total comprehensive income for the period	24,899
	<hr/>
At December 31, 2018	24,899
	<hr/> <hr/>

TRAIL RUNNERS ASSOCIATION OF HONG KONG LIMITED**香港越野跑步總會有限公司****BALANCE SHEET AT DECEMBER 31, 2018**

	HK\$
Current assets	
Cash at bank	31,899
Current liabilities	
Accruals	7,000
	<hr/>
Net assets	24,899
	<hr/> <hr/>
Reserves	
Accumulated surplus	24,899
	<hr/> <hr/>

Approved by the Executive Committee on **22 MAR 2019**


Ng Shiaw Hwa Janet
Executive committee member



Yung Ha Kuk Victor
Executive committee member

TRAIL RUNNERS ASSOCIATION OF HONG KONG LIMITED
香港越野跑步總會有限公司

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM OCTOBER 23, 2017

(DATE OF INCORPORATION) TO DECEMBER 31, 2018

	HK\$	HK\$
Operating activities		
Surplus for the period		24,899
Bank interest income		(8)
		<hr/>
Operating surplus before working capital changes		24,891
Increase in accruals		7,000
		<hr/>
Net cash generated from operating activities		31,891
Investing activities		
Bank interest income	8	
	<hr/>	
Net cash generated from investing activities		8
		<hr/>
Net increase in cash and cash equivalents since incorporation		31,899
		<hr/> <hr/>
Analysis of the balances of cash and cash equivalents		
Cash at bank		31,899
		<hr/> <hr/>

TRAIL RUNNERS ASSOCIATION OF HONG KONG LIMITED

香港越野跑步總會有限公司

NOTES TO THE FINANCIAL STATEMENTS

1. Date of incorporation

Trail Runners Association of Hong Kong Limited was incorporated under the Hong Kong Companies Ordinance on October 23, 2017 and commenced business in August, 2018.

2. General

The association is a limited liability company incorporated in Hong Kong and limited by guarantee. The liability of each member is limited to the extent of HK\$100 in the event of the association being wound up. The association's registered office is located at 2601, Universal Trade Centre, 3-5A Arbuthnot Road, Central, Hong Kong. The association is mainly engaged in promoting the interests of the sport of trail running and trail runners in Hong Kong.

These financial statements are presented in Hong Kong dollars, unless otherwise stated.

3. Significant accounting policies

a) Statement of compliance

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

b) Basis of preparation

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

3. Significant accounting policies (Continued)

b) Basis of preparation (Continued)

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 estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

c) Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

d) Revenue

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 association 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 association's revenue and other income recognition policies are as follows:

- (i) Annual subscription from members are recognised in these financial statements when the subscriptions are paid.
- (ii) Donations are accounted for on accrual basis.

4. Donations and membership subscription received

	HK\$
Annual subscription from members	42,900
General donations	12,240
	<hr/>
	55,140
	<hr/>

5. Administrative expenses

	HK\$
Auditors' remuneration	7,000
Bank charge	2,000
Business registration fee	4,500
Formation expenses	5,000
IT expenses	2,784
Legal and professional fees	6,800
Miscellaneous	2,165
	<hr/>
	30,249
	<hr/> <hr/>

6. Executive committee members' remuneration

Executive committee members' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:-

	HK\$
Fees	Nil
Salaries and other benefits	Nil
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7. Income tax

The association received from its members not less than half of its gross receipts on revenue account (i.e. membership subscriptions). The association shall be deemed not to carry on a business under Section 24 of the Inland Revenue Ordinance and the association shall not be chargeable in respect of the profits therefrom.

8. Financial instruments

The association has classified its financial instruments in the following categories:

Financial assets	HK\$
<i>Loan and receivables:-</i>	
- Cash at bank	31,899
	<hr/> <hr/>
Financial liabilities	
<i>At amortised cost:-</i>	
- Accruals	7,000
	<hr/> <hr/>

The association is exposed to credit risk arising in the normal course of its operation. The association's risk management objectives, policies and processes mainly focus on minimising the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

The association is not subject to currency risk as all assets are denominated in its functional currency.

The association is not subject to interest rate risk as it does not have significant interest bearing assets.

Credit risk

The association's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at December 31, 2018 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the balance sheet.

The association reviews the recoverable amount of each individual financial assets at each balance sheet date to ensure that adequate impairment losses, if necessary, are made for irrecoverable amounts. In this regard, the executive committee members of the association consider that the association's credit risk is significantly reduced.

The association's executive committee considers that all the financial assets at each of the reporting dates under review are of good credit quality. None of them are impaired.

9. Future changes in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of new/revised standards and interpretations that are not yet effective. The executive committee members anticipate that adoption of these new HKFRSs in future periods will have no material impact on the results of the association.