INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

Independent auditor's report to the Hong Kong Tourism Board

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

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 85 to 120, which comprise the consolidated and the Board statements of financial position as at 31 March 2015, the consolidated income statement, 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 a summary of significant accounting policies and other explanatory information.

Board members' responsibility for the consolidated financial statements

The members of the Board are responsible for the preparation of consolidated 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 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.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation of the consolidated financial statements that give a true and fair view 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 Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board members, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Board and of the Group as at 31 March 2015 and of the Group's surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
13 August 2015

Consolidated Income Statement

for the year ended 31 March 2015 (Expressed in Hong Kong dollars)

	Note	2015	2014
General Fund			
Principal source of income	3		
Government subvention for the year		**692,245,218**	609,901,289
Other revenue			
Interest income		**1,550,481**	1,025,795
Realisation of deferred income — office premises	12	**10,000,000**	10,000,000
Sponsorships		**24,188,517**	23,165,119
Promotion and advertising income		**10,070,477**	16,442,763
Sundry income		**19,064,789**	19,420,878
		64,874,264	70,054,555
Other net income			
Gain on disposal of fixed assets		**2,118**	121,180
Total income		**757,121,600**	680,077,024
Promotional, advertising and literature expenses		**284,681,987**	296,324,623
Research and product development		**14,755,462**	14,660,347
Local services and events		**136,369,024**	101,218,461
Staff costs	5	**235,335,773**	221,473,054
Rent, rates and management fees		**16,713,269**	16,677,981
Depreciation	7(a)	**10,999,072**	12,886,009
Auditor’s remuneration		**566,800**	526,700
Other operating expenses		**25,798,856**	23,250,292
Total expenditure		**725,220,243**	687,017,467
Surplus/(deficit) before tax for the year		**31,901,357**	(6,940,443)
Taxation	4	**(83,196)**	(55,677)
Surplus/(deficit) for the year		**31,818,161**	(6,996,120)

The notes on pages 91 to 120 form part of these financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2015 (Expressed in Hong Kong dollars)

	2015	2014
Surplus/(deficit) for the year	**31,818,161**	(6,996,120)
Other comprehensive income for the year:		
Items that will not be reclassified to the income statement:		
– Remeasurement of net assets of defined benefit plans	**3,465,000**	12,333,000
Total comprehensive income for the year	**35,283,161**	5,336,880

The notes on pages 91 to 120 form part of these financial statements.

Consolidated Statement of Financial Position

as at 31 March 2015 (Expressed in Hong Kong dollars)

	Note	2015	2014
Non-current assets			
Fixed assets	7(a)	**50,733,703**	53,201,282
Defined benefit retirement plan asset	13(a)(i)	**51,872,000**	49,088,000
		102,605,703	102,289,282
Current assets			
Debtors, deposits and payments in advance	9	**23,748,587**	19,059,082
Tax recoverable		**–**	52,281
Deposits with banks and financial institutions	10	**224,123,173**	145,738,790
Cash at banks and in hand	10	**6,609,837**	7,644,339
		254,481,597	172,494,492
Current liabilities			
Receipts in advance		**31,058,682**	9,484,963
Accounts payable and accruals	11	**138,716,758**	103,271,929
Deferred income	12	**10,000,000**	10,000,000
Current taxation		**1,817**	–
		179,777,257	122,756,892
Net current assets		**74,704,340**	49,737,600
Non-current liabilities			
Deferred income	12	**31,666,667**	41,666,667
NET ASSETS		**145,643,376**	110,360,215
Represented by:			
RESERVES			
General Fund	14	**145,643,376**	110,360,215

Approved and authorised for issue on 13 August 2015.

Anthony Lau
Executive Director

Dr Peter Lam Kin-ngok, GBS
Chairman of the Board

The notes on pages 91 to 120 form part of these financial statements.

Statement of Financial Position

as at 31 March 2015 (Expressed in Hong Kong dollars)

	Note	2015	2014
Non-current assets			
Fixed assets	7(b)	**50,723,509**	53,201,282
Defined benefit retirement plan asset	13(a)(i)	**51,872,000**	49,088,000
Interests in a subsidiary	8	**551,876**	551,876
		103,147,385	102,841,158
Current assets			
Debtors, deposits and payments in advance	9	**23,156,118**	18,613,384
Deposits with banks and financial institutions	10	**224,123,173**	145,738,790
Cash at banks and in hand	10	**6,322,734**	7,483,900
		253,602,025	171,836,074
Current liabilities			
Amount due to a subsidiary	8	**1,733,711**	2,061,584
Receipts in advance		**31,058,682**	9,484,963
Accounts payable and accruals	11	**136,650,409**	101,103,803
Deferred income	12	**10,000,000**	10,000,000
		179,442,802	122,650,350
Net current assets		**74,159,223**	49,185,724
Non-current liabilities			
Deferred income	12	**31,666,667**	41,666,667
NET ASSETS		**145,639,941**	110,360,215
Represented by:			
RESERVES			
General Fund	14	**145,639,941**	110,360,215

Approved and authorised for issue on 13 August 2015.

Anthony Lau
Executive Director

Dr Peter Lam Kin-ngok, GBS
Chairman of the Board

The notes on pages 91 to 120 form part of these financial statements.

Consolidated Statement of Changes in Reserves

for the year ended 31 March 2015 (Expressed in Hong Kong dollars)

	2015	2014
General fund at the beginning of the year	**110,360,215**	105,023,335
Surplus/(deficit) for the year	**31,818,161**	(6,996,120)
Other comprehensive income for the year	**3,465,000**	12,333,000
Total comprehensive income for the year	**35,283,161**	5,336,880
General fund at the end of the year	**145,643,376**	110,360,215

The notes on pages 91 to 120 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2015 (Expressed in Hong Kong dollars)

	Note	2015	2014
Operating activities			
Surplus/(deficit) before tax for the year		**31,901,357**	(6,940,443)
Adjustments for:			
Interest income		**(1,550,481)**	(1,025,795)
Depreciation		**10,999,072**	12,886,009
Gain on disposal of fixed assets		**(2,118)**	(121,180)
Realisation of deferred income — office premises		**(10,000,000)**	(10,000,000)
Operating surplus/(deficit) before changes in working capital		**31,347,830**	(5,201,409)
Amount in defined benefit retirement plan asset recognised in the consolidated income statement	13(a)(v)	**681,000**	1,749,000
(Increase)/decrease in debtors, deposits and payments in advance		**(4,631,539)**	647,815
Increase/(decrease) in receipts in advance, accounts payable and accruals		**57,018,548**	(5,016,710)
Cash generated from/(used in) operation		**84,415,839**	(7,821,304)
Overseas tax paid		**(29,098)**	(304,246)
Net cash generated from/(used in) operating activities		**84,386,741**	(8,125,550)
Investing activities			
Interest received		**1,492,515**	1,014,296
Purchase of fixed assets		**(8,531,493)**	(2,480,975)
Proceeds from disposal of fixed assets		**2,118**	121,180
Net cash used in investing activities		**(7,036,860)**	(1,345,499)
Net increase/(decrease) in cash and cash equivalents		**77,349,881**	(9,471,049)
Cash and cash equivalents at the beginning of the year	10	**153,383,129**	162,854,178
Cash and cash equivalents at the end of the year	10	**230,733,010**	153,383,129

The notes on pages 91 to 120 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars)

1 Status of the Board

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

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

2 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. A summary of the significant accounting policies adopted by the Group is set out below.

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

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2015 comprise the Board and its subsidiary (together referred to as the "Group").

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.

2 Significant accounting policies (Continued)

(c) Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Board. However, none of these developments have impact to the Group's financial statements.

(d) Films, publicity and advertising materials

Films, publicity and advertising materials are charged to the income statement on purchase, and no account is taken of stocks on hand at the statement of financial position date.

(e) Investment in subsidiary

Subsidiaries are entities controlled by the Board. The Board 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 Board has power, only substantive rights are considered.

An investment 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, an investment 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) Fixed assets

Fixed assets are stated in the statement of financial position at cost less accumulated depreciation and impairment losses (see note 2(l)).

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

2 Significant accounting policies (Continued)

(g) Depreciation

Depreciation is calculated to write off the cost of fixed assets using the straight-line method over their estimated useful lives as follows:

—	Leasehold properties	25 years
—	Leasehold improvements	Over the shorter of the fixed lease term and 5 years
—	Motor vehicles	4 years
—	Furniture, fixtures and other equipment	3–5 years
—	Computer hardware, software and system development	3 years

The estimated useful lives of certain existing leasehold improvements, furniture, fixtures and other equipment and computer hardware have been revised during the year based on a review of historical information over depreciation of these fixed assets. This change in accounting estimate reflects the Group's best estimate of the remaining useful lives of these fixed assets. The change in useful life has decreased the depreciation charge for the year by approximately $2,220,234 and will increase the depreciation charge for the year ending 31 March 2016 by approximately $779,047. This change in estimate does not have any effect on the total depreciation expenses of those fixed assets during their lives as the effect of such change represents a timing difference.

The useful life of an asset is reviewed annually.

(h) Debtors

Debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts, except where the effect of discounting would be immaterial. In such cases, the debtors are stated at cost less impairment losses for bad and doubtful debts.

Impairment losses for bad and doubtful debts are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets where the effect of discounting is material).

(i) Accounts payable and accruals

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

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

2 Significant accounting policies (Continued)

(k) Provisions and contingent liabilities

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

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

(l) Impairment of assets

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

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

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

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

2 Significant accounting policies (Continued)

(m) Income tax

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

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

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 certain limited exceptions, 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. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

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.

2 Significant accounting policies (Continued)

(n) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

(i) Government subvention to finance the general recurrent activities of the Group is recognised as revenue in the income statement of the year in respect of which it becomes receivable.

(ii) Government subvention to finance MICE bidding activities of the Group is recognised as revenue to the extent of the related expenditure incurred during the year, with the unutilised balance included in receipts in advance.

(iii) Government subvention to finance the non-recurrent activities of the Group is recognised as revenue to the extent of the related expenditure incurred during the year, with the unutilised balance included in receipts in advance.

(iv) Government subvention received for the purchase of office premises of the Group is included in the statement of financial position as deferred income and is credited to the income statement by instalments over the expected useful life of the related asset on a basis consistent with the depreciation policy (note 2(g)).

(v) Subscription fees are recognised on a time-apportioned basis.

(vi) Interest income is recognised as it accrues using the effective interest method.

(vii) Sponsorship income for the events is recognised in the income statement upon the completion date of the respective events.

(viii) Promotion and advertising income are accounted for on the accrual basis.

(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 are translated into Hong Kong dollars at the foreign exchange rates ruling at the statement of financial position date. Exchange gains and losses are recognised in the income statement.

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

2 Significant accounting policies (Continued)

(p) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, except where land is held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease. In such cases, it is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee, or at the date of construction of those buildings, if later.

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made.

(q) Employee benefits

(i) Salaries, 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 a defined benefit and a defined contribution staff retirement scheme for the Hong Kong office, and defined contribution staff retirement schemes for certain overseas offices. Contributions made under the schemes applicable to each year are charged to the income statement for the year. Contributions for the defined benefit scheme of the Hong Kong office are made in accordance with the recommendations made by the actuary. Assets of the schemes, are held separately from those of the Group.

(iii) Contributions to Mandatory Provident Fund as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as an expense in the income statement as incurred.

2 Significant accounting policies (Continued)

(q) Employee benefits (Continued)

(iv) The Group's net obligation in respect of defined benefit retirement plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Service cost and net interest expenses (income) on the net defined benefit liability (asset) are recognised in the income statement as part of "staff costs". Current service cost is measured as the increase in the present value of the defined benefit obligation resulting from employee service in the current period. When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised as an expense in the income statement at the earlier of when the plan amendment or curtailment occurs and when related restructuring costs or termination benefits are recognised. Net interest expense (income) for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period of the net defined benefit liability (asset). The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

Remeasurements arising from defined benefit retirement plans are recognised in the other comprehensive income and reflected immediately in general fund. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

(v) Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

2 Significant accounting policies (Continued)

(r) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group.

(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).

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 Principal source of income

The Group

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

	2015	2014
Recurrent		
– Subvention for the year	**612,367,033**	570,157,000
Non-recurrent		
– Meetings, Incentives, Conventions and Exhibitions Promotion/ Wine and Dine Festival/Image Booster Campaign/ Image Booster Campaign in Short Haul Markets/ 3D Projection Mapping/Cruise Tourism/Visitor Support Programme/ Enhancement of Digital Offer Project/Enhancement of CNY Programme/ Cruise Promotion in Southern China/Indonesian Project/ Cruise Holiday Expo	**79,878,185**	39,744,289
	692,245,218	609,901,289

4 Income tax

Income tax in the income statement represents:

	2015	2014
Current tax — Overseas		
Provision for the year	**83,196**	55,677

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 Board, is charged at 17% of its estimated assessable profits (2014: 17%).

5 Staff costs

The Group

	2015	2014
Contributions to defined contribution retirement plans	**8,539,038**	8,269,248
Amounts recognised in respect of defined benefits retirement plans (note 13(a)(v))	**681,000**	1,749,000
Retirement costs	**9,220,038**	10,018,248
Salaries and other benefits	**226,115,735**	211,454,806
	235,335,773	221,473,054

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:

	2015		
	Executive Director	**Other senior executives**	**Total**
Basic salaries	**3,903,000**	**19,691,000**	**23,594,000**
Discretionary performance pay	**516,000**	**1,546,000**	**2,062,000**
Retirement benefit expenses, contract gratuities and other allowances	**603,000**	**4,967,000**	**5,570,000**
	5,022,000	**26,204,000**	**31,226,000**

	2014		
	Executive Director	Other senior executives	Total
Basic salaries	3,679,000	21,064,000	24,743,000
Discretionary performance pay	613,000	1,890,000	2,503,000
Retirement benefit expenses, contract gratuities and other allowances	569,000	7,497,000	8,066,000
	4,861,000	30,451,000	35,312,000

6 Senior executives' pay and allowances (Continued)

The Group (Continued)

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

Pay ranges	2015 No. of senior executive positions	2014 No. of senior executive positions
1 — $500,001 to $1,000,000 (note (a))	**1**	1
2 — $1,000,001 to $1,500,000 (note (b))	**2**	3
3 — $1,500,001 to $2,000,000 (note (c))	**1**	2
4 — $2,000,001 to $2,500,000 (note (d))	**6**	4
5 — $2,500,001 to $3,000,000 (note (e))	**–**	2
6 — $3,000,001 to $3,500,000 (note (f))	**1**	–
7 — $3,500,001 to $4,000,000	**–**	–
8 — $4,000,001 to $4,500,000	**1**	1
	12	13

Notes: One senior executive position was vacant in 2014/15.

The salaries of senior executives were subject to annual review during the year. Such salary increases were approved by the Remuneration Review Committee accordingly.

(a) Senior executive position under Pay range 1 is due to the following movements:

   (i) one senior executive position moved from Pay range 1 to Pay range 3 due to full year impact in 2014/15; and

   (ii) one senior executive position moved from Pay range 4 to Pay range 1 due to the position being vacant in the second half of 2014/15.

(b) Senior executive positions in Pay range 2 decreased by 1 due to one senior position was vacant for the full year in 2014/15.

(c) Senior executive positions in Pay range 3 is due to the following movements:

   (i) two senior executive positions moved from Pay range 3 to Pay range 4 due to annual salary increases; and

   (ii) one senior executive position moved from Pay range 1 to Pay range 3 as described in (a) (i) above.

6 Senior executives' pay and allowances (Continued)

The Group (Continued)

(d) Senior executive positions in Pay range 4 increased from 4 to 6 is due to the following movements:

(i) two senior executive positions moved from Pay range 3 to Pay range 4 as described in (c) (i) above;

(ii) one senior executive position moved from Pay range 5 to Pay range 4 due to depreciation of foreign exchange rate; and

(iii) one senior executive position moved from Pay range 4 to Pay range 1 as described in (a) (ii) above.

(e) The decrease in senior executive position in Pay range 5 from 2 to 0 is due to the following movements:

(i) one senior executive position moved from Pay range 5 to Pay range 6 due to annual salary increases; and

(ii) one senior executive position moved from Pay range 5 to Pay range 4 as explained in (d) (ii).

(f) The increase in senior executive position in Pay range 6 from 0 to 1 as explained in (e) (i) above.

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, Key Strategic Focus 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 $516,000 for the year ended 31 March 2015 (2014: $613,000).

The remuneration of other senior executive positions for the year ended 31 March 2015 represents compensation for the Deputy Executive Director, five General Manager positions (2014: six General Manager positions) and five Regional Director positions (2014: five Regional Director positions).

7 Fixed assets

(a) The Group

	Leasehold properties	Leasehold improvements	Motor vehicles	Furniture, fixtures and other equipment	Computer hardware, software and system development	Work in progress	Total
Cost:							
At 1 April 2014	252,855,009	8,006,639	1,187,199	11,952,052	17,530,142	–	291,531,041
Additions	–	291,615	–	1,193,035	4,670,163	2,376,680	8,531,493
Disposals	–	–	–	(1,662,586)	(1,428,939)	–	(3,091,525)
At 31 March 2015	252,855,009	8,298,254	1,187,199	11,482,501	20,771,366	2,376,680	296,971,009
Accumulated depreciation:							
At 1 April 2014	200,598,303	7,430,749	818,513	11,952,052	17,530,142	–	238,329,759
Charge for the year	10,114,200	119,704	194,853	197,359	372,956	–	10,999,072
Disposals	–	–	–	(1,662,586)	(1,428,939)	–	(3,091,525)
At 31 March 2015	210,712,503	7,550,453	1,013,366	10,486,825	16,474,159	–	246,237,306
Net book value:							
At 31 March 2015	42,142,506	747,801	173,833	995,676	4,297,207	2,376,680	50,733,703

7 Fixed assets (Continued)

(a) The Group (Continued)

	Leasehold properties	Leasehold improvements	Motor vehicles	Furniture, fixtures and equipment	Total
Cost:					
At 1 April 2013	252,855,009	8,006,639	1,534,354	29,527,379	291,923,381
Additions	–	–	–	2,480,975	2,480,975
Disposals	–	–	(347,155)	(2,526,160)	(2,873,315)
At 31 March 2014	252,855,009	8,006,639	1,187,199	29,482,194	291,531,041
Accumulated depreciation:					
At 1 April 2013	190,484,103	7,334,767	970,816	29,527,379	228,317,065
Charge for the year	10,114,200	95,982	194,852	2,480,975	12,886,009
Disposals	–	–	(347,155)	(2,526,160)	(2,873,315)
At 31 March 2014	200,598,303	7,430,749	818,513	29,482,194	238,329,759
Net book value:					
At 31 March 2014	52,256,706	575,890	368,686	–	53,201,282

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

7 Fixed assets (Continued)

(b) The Board

	Leasehold properties	Leasehold improvements	Motor vehicles	Furniture, fixtures and other equipment	Computer hardware, software and system development	Work in progress	Total
Cost:							
At 1 April 2014	252,855,009	8,006,639	1,187,199	11,928,606	17,526,643	–	291,504,096
Additions	–	291,615	–	1,189,816	4,662,895	2,376,680	8,521,006
Disposals	–	–	–	(1,662,586)	(1,428,939)	–	(3,091,525)
At 31 March 2015	252,855,009	8,298,254	1,187,199	11,455,836	20,760,599	2,376,680	296,933,577
Accumulated depreciation:							
At 1 April 2014	200,598,303	7,430,749	818,513	11,928,606	17,526,643	–	238,302,814
Charge for the year	10,114,200	119,704	194,853	197,268	372,754	–	10,998,779
Disposals	–	–	–	(1,662,586)	(1,428,939)	–	(3,091,525)
At 31 March 2015	210,712,503	7,550,453	1,013,366	10,463,288	16,470,458	–	246,210,068
Net book value:							
At 31 March 2015	42,142,506	747,801	173,833	992,548	4,290,141	2,376,680	50,723,509

7 Fixed assets (Continued)

(b) The Board (Continued)

	Leasehold properties	Leasehold improvements	Motor vehicles	Furniture, fixtures and equipment	Total
Cost:					
At 1 April 2013	252,855,009	8,006,639	1,534,354	29,504,851	291,900,853
Additions	–	–	–	2,476,558	2,476,558
Disposals	–	–	(347,155)	(2,526,160)	(2,873,315)
At 31 March 2014	252,855,009	8,006,639	1,187,199	29,455,249	291,504,096
Accumulated depreciation:					
At 1 April 2013	190,484,103	7,334,767	970,816	29,504,851	228,294,537
Charge for the year	10,114,200	95,982	194,852	2,476,558	12,881,592
Disposals	–	–	(347,155)	(2,526,160)	(2,873,315)
At 31 March 2014	200,598,303	7,430,749	818,513	29,455,249	238,302,814
Net book value:					
At 31 March 2014	52,256,706	575,890	368,686	–	53,201,282

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

8 Interests in a subsidiary and amount due to a subsidiary

The Board

	2015	2014
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	**1,733,711**	2,061,584

During the year ended 31 March 2014, the Board had waived an amount of $31,527,724 due from a subsidiary and recognised this as capital contribution to the subsidiary. As at 31 March 2015, the Board assessed the interests in the subsidiary and no additional impairment loss was recognised during the year ended 31 March 2015.

The amounts due to a subsidiary are unsecured, interest free and have no fixed terms of repayment.

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

Name of company	Principal activities	Place of incorporation
HKTB Limited	Marketing and Promoting Hong Kong	Hong Kong

Auditor's remuneration and other operating expenses of $58,955 for the year ended 31 March 2015 (2014: $54,955) 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	
	2015	2014	**2015**	2014
Debtors	**5,870,653**	2,281,996	**5,870,653**	2,281,996
Less: Provision for impairment loss of debtors	**(19,117)**	(19,117)	**(19,117)**	(19,117)
	5,851,536	2,262,879	**5,851,536**	2,262,879
Deposits and payments in advance	**17,897,051**	16,796,203	**17,304,582**	16,350,505
	23,748,587	19,059,082	**23,156,118**	18,613,384

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	
	2015	2014	**2015**	2014
Australian Dollars	**351,202**	266,167	**351,202**	266,167
Chinese Yuan	**995,367**	962,146	**995,367**	962,146
Euros	**626,473**	724,746	**626,473**	724,746
Great Britain Pounds	**1,770,805**	523,002	**1,770,805**	523,002
Japanese Yen	**4,300,030**	5,114,370	**4,300,030**	5,114,370
Korean Won	**202,511**	177,959	**202,511**	177,959
New Taiwan Dollars	**592,470**	445,698	**–**	–
United States Dollars	**903,075**	673,196	**903,075**	673,196

The gross amount of debtors, deposits and payments in advance at 31 March 2015 that is expected to be recovered after more than one year for the Group is $5,785,703 and the Board is $5,576,506 (2014: the Group is $1,848,364 and the Board is $1,644,633).

9 Debtors, deposits and payments in advance (Continued)

(a) Impairment of debtors

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

The movement in the provision for impairment loss of debtors during the year is as follows:

	The Group		The Board	
	2015	2014	**2015**	2014
At 1 April	**19,117**	–	**19,117**	–
Impairment loss recognised	**–**	19,117	**–**	19,117
At 31 March	**19,117**	19,117	**19,117**	19,117

At 31 March 2014 and 2015, the Group's and the Board's debtors of $108,000 was determined to be impaired. The impairment loss relating to a customer that was in dispute, was partially set off against $88,883 being amount due to the same customer. Consequently, a provision for the net impairment loss of $19,117 was recognised.

(b) Debtors that are not impaired

The ageing analysis of debtors that are neither individually nor collectively considered to be impaired are as follows:

	The Group		The Board	
	2015	2014	**2015**	2014
Neither past due nor impaired	**802,143**	616,697	**802,143**	616,697
Less than 1 month past due	**4,429,861**	828,098	**4,429,861**	828,098
1 to 3 months past due	**108,874**	333,550	**108,874**	333,550
More than 3 months but less than 12 months past due	**414,215**	395,651	**414,215**	395,651
More than 1 year	**7,560**	–	**7,560**	–
	4,960,510	1,557,299	**4,960,510**	1,557,299
	5,762,653	2,173,996	**5,762,653**	2,173,996

10 Cash and cash equivalents

	The Group		The Board	
	2015	2014	**2015**	2014
Deposits with banks and financial institutions	**224,123,173**	145,738,790	**224,123,173**	145,738,790
Cash at banks and in hand	**6,609,837**	7,644,339	**6,322,734**	7,483,900
Cash and cash equivalents in the statement of cash flows	**230,733,010**	153,383,129	**230,445,907**	153,222,690

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	
	2015	2014	**2015**	2014
Australian Dollars	**445,354**	1,364,275	**445,354**	1,364,275
Canadian Dollars	**132,550**	163,040	**132,550**	163,040
Chinese Yuan	**283,921**	1,075,763	**283,921**	1,075,763
Euros	**372,597**	493,290	**372,597**	493,290
Great Britain Pounds	**217,064**	167,882	**217,064**	167,882
Japanese Yen	**132,228**	69,340	**132,228**	69,340
Korean Won	**106,354**	96,370	**106,354**	96,370
New Taiwan Dollars	**230,315**	129,252	**–**	–
United States Dollars	**141,248**	161,108	**141,248**	161,108

Deposits with banks and financial institutions bear fixed interest rates with the effective interest rates per annum at the statement of financial position date for the Group and the Board ranging from 0.013% to 1.43% (2014: The Group and the Board 0.005% to 1.35%).

11 Accounts payable and accruals

	The Group		The Board	
	2015	2014	**2015**	2014
Accounts payable	**99,801,488**	68,493,734	**98,526,156**	67,112,619
Other payables and sundry creditors	**38,915,270**	34,778,195	**38,124,253**	33,991,184
	138,716,758	103,271,929	**136,650,409**	101,103,803

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	
	2015	2014	**2015**	2014
Australian Dollars	**1,928,103**	2,004,396	**1,928,103**	2,004,396
Chinese Yuan	**3,289,149**	3,350,373	**3,289,149**	3,350,373
Euros	**755,210**	2,367,753	**755,210**	2,367,753
Great Britain Pounds	**2,094,346**	1,457,068	**2,094,346**	1,457,068
Japanese Yen	**4,493,969**	5,736,883	**4,493,969**	5,736,883
New Taiwan Dollars	**2,050,952**	1,813,145	**–**	–
Singapore Dollars	**1,212,644**	2,942,059	**1,212,644**	2,942,059
United States Dollars	**1,698,192**	5,275,428	**1,698,192**	5,275,428

The gross amount of accounts payable and accruals at 31 March 2015 that is expected to be settled after more than one year for the Group is $8,353,937 and the Board is $8,157,395 (2014: the Group is $8,464,008 and the Board is $8,147,994).

12 Deferred income

	The Group and The Board	
	2015	2014
Government subvention granted		
– 1994/95	**250,000,000**	250,000,000
Aggregate realisation:		
At 1 April	**198,333,333**	188,333,333
Realised during the year	**10,000,000**	10,000,000
At 31 March	**208,333,333**	198,333,333
Balance at 31 March	**41,666,667**	51,666,667
Less: Amount included in "current liabilities"	**10,000,000**	10,000,000
Amount included in "non-current liabilities"	**31,666,667**	41,666,667

13 Employee retirement benefits

The Group and the Board

(a) Defined benefit retirement plan

The Board makes contributions to a defined benefit retirement scheme registered under the Hong Kong Occupational Retirement Schemes Ordinance. The scheme covers approximately 12% (2014: 12%) of the Board's employees based in Hong Kong. The scheme is administered by an independent trustee, and the assets are held in a trust separately from those of the Board.

(i) The amounts recognised in the statements of financial position are as follows:

	2015	2014
Present value of wholly or partly funded obligations	**(36,153,000)**	(32,483,000)
Fair value of plan assets	**88,025,000**	81,571,000
Defined benefit retirement plan asset	**51,872,000**	49,088,000

A portion of the above assets are expected to be recovered after more than one year. However, it is not practicable to segregate this amount from the amounts recoverable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions. The Board expects no contributions to the defined benefit retirement plan in the year ending 31 March 2016 since the Board has taken the contribution holiday recommended by an independent actuary, Towers Watson Hong Kong Limited ("Towers Watson").

13 Employee retirement benefits (Continued)

The Group and the Board (Continued)

(a) Defined benefit retirement plan (Continued)

(ii) Plan assets consist of the following:

	2015	2014
Equity securities		
– Pacific Basin	**18,401,000**	16,897,000
– Europe	**10,523,000**	12,099,000
– Americas	**17,182,000**	14,627,000
	46,106,000	43,623,000
Bonds		
– Global Bond	**41,127,000**	36,884,000
	41,127,000	36,884,000
Cash at banks	**792,000**	1,064,000
	88,025,000	81,571,000

(iii) Movement in the present value of the defined benefit obligations:

	2015	2014
At 1 April	**32,483,000**	40,045,000
Remeasurements:		
– Actuarial losses/(gains) arising from changes in liability experience	**396,000**	(3,417,000)
– Actuarial losses/(gains) arising from changes in financial assumptions	**1,372,000**	(2,158,000)
	1,768,000	(5,575,000)
Benefits paid by the plans	**(325,000)**	(4,439,000)
Current service costs	**1,614,000**	2,096,000
Interest cost	**613,000**	356,000
At 31 March	**36,153,000**	32,483,000

The weighted average duration of the defined benefit obligation is 5.6 years (2014: 6.5 years).

13 Employee retirement benefits (Continued)

The Group and the Board (Continued)

(a) Defined benefit retirement plan (Continued)

(iv) Movements in fair value of plan assets:

	2015	2014
At 1 April	**81,571,000**	78,549,000
Benefits paid by the plan	**(325,000)**	(4,439,000)
Interest income	**1,546,000**	703,000
Return on plan assets, excluding interest income	**5,233,000**	6,758,000
At 31 March	**88,025,000**	81,571,000

(v) Amounts recognised in the consolidated income statement and other comprehensive income are as follows:

	2015	2014
Current service cost	**1,614,000**	2,096,000
Net interest on net defined benefit asset	**(933,000)**	(347,000)
Total amounts recognised in the consolidated income statement	**681,000**	1,749,000
Actuarial losses/(gains)	**1,768,000**	(5,575,000)
Return on plan assets, excluding interest income	**(5,233,000)**	(6,758,000)
Total amounts recognised in other comprehensive income	**(3,465,000)**	(12,333,000)
Total defined benefit costs	**(2,784,000)**	(10,584,000)

The retirement expense is recognised under staff costs in the consolidated income statement.

13 Employee retirement benefits (Continued)

The Group and the Board (Continued)

(a) Defined benefit retirement plan (Continued)

(vi) The principal actuarial assumptions used as at 31 March 2015 (expressed as weighted averages) and sensitivity analysis are as follows:

	2015	2014
Discount rate	**1.20%**	1.90%
Future salary increases	**4.50%**	4.50%

The below analysis shows how the defined benefit obligation as at 31 March 2015 would have increased/(decreased) as a result of 0.25% change in the significant actuarial assumptions:

	2015		2014	
	Increase in 0.25% $'000	Decrease in 0.25% $'000	Increase in 0.25% $'000	Decrease in 0.25% $'000
Discount rate	**(499)**	**510**	(510)	521
Future salary increases	**504**	**(496)**	518	(509)

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

(b) Defined contribution retirement plans

The Board makes contributions to a defined contribution plan ("Choice Plan") in accordance with the terms stated in the Trust Deed. Under the Choice Plan, the employer is required to make 8%–15% (2014: 8%–15%) contributions of the employees' relevant income. Employees are not required to make contribution 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 $25,000 or $30,000 (effective from 1 June 2014). Contributions to the scheme vest immediately.

14 Reserves

	The Group		The Board	
	2015	2014	**2015**	2014
General fund at the beginning of the year	**110,360,215**	105,023,335	**110,360,215**	106,720,361
Surplus/(deficit) for the year	**31,818,161**	(6,996,120)	**31,814,726**	(8,693,146)
Other comprehensive income for the year	**3,465,000**	12,333,000	**3,465,000**	12,333,000
Total comprehensive income for the year	**35,283,161**	5,336,880	**35,279,726**	3,639,854
General fund at the end of the year	**145,643,376**	110,360,215	**145,639,941**	110,360,215

General Fund

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

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

15 Commitments

At 31 March 2015, the Group and the Board had commitments in respect of the following:

The total future minimum lease payments under non-cancellable operating leases are payable as follows:

	The Group		The Board	
	2015	2014	**2015**	2014
Within 1 year	**9,970,717**	13,096,856	**9,751,945**	12,316,120
After 1 year but within 5 years	**15,878,046**	19,143,324	**15,876,372**	16,797,993
After 5 years	**256,618**	2,151,306	**256,618**	2,151,306
	26,105,381	34,391,486	**25,884,935**	31,265,419

The Group and the Board lease a number of properties and office equipment under operating leases. The leases typically run for an initial period from one to ten years, with an option to renew the leases when all terms are renegotiated for properties lease. None of the leases includes contingent rentals.

16 Financial instruments

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

(a) Credit risk

The Group's credit risk is primarily attributable to deposits with banks and financial institutions, cash at banks and debtors. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group's deposit placements with banks and financial institutions are with financial institutions based in Hong Kong and overseas with sound credit rating.

(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.

The following tables detail the remaining contractual maturities at the statement of financial position date 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

	2015				
	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	**31,058,682**	**31,058,682**	**–**	**–**	**–**
Accounts payable and accruals	**138,716,758**	**130,362,821**	**3,893,336**	**2,152,564**	**2,308,037**
	169,775,440	**161,421,503**	**3,893,336**	**2,152,564**	**2,308,037**

	2014				
	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	9,484,963	9,484,963	–	–	–
Accounts payable and accruals	103,271,929	94,807,921	2,392,488	3,238,234	2,833,286
	112,756,892	104,292,884	2,392,488	3,238,234	2,833,286

16 Financial instruments (Continued)

(b) Liquidity risk (Continued)

The Board

	2015				
	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	**31,058,682**	**31,058,682**	**–**	**–**	**–**
Accounts payable and accruals	**136,650,409**	**128,493,014**	**3,828,194**	**2,021,164**	**2,308,037**
	167,709,091	**159,551,696**	**3,828,194**	**2,021,164**	**2,308,037**

	2014				
	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	9,484,963	9,484,963	–	–	–
Accounts payable and accruals	101,103,803	92,955,810	2,278,009	3,036,698	2,833,286
	110,588,766	102,440,773	2,278,009	3,036,698	2,833,286

(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 at the statement of financial position date of the Group's income-earning financial instruments.

16 Financial instruments (Continued)

(d) Foreign currency risk

Exposure to currency risk

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

As the HKD is pegged to the USD, the Group does not expect any significant movements in the HKD/USD exchange rate.

For transactions denominated in Japanese Yen, Australian Dollars, Canadian Dollars, Euros, Great Britain Pounds, Chinese Yuan, Singapore Dollars, New Taiwan Dollars and Korean Won, the Group ensures that the net exposure is kept at an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short term imbalances.

(e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2015 and 2014.

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 new interpretations issued but not yet effective for the annual accounting year ended 31 March 2015

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and new standards which are not yet effective for the year ended 31 March 2015 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 amendments and the new standard is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.