FC025194/2090635420

In accordance with Regulation 32 of the Overseas Companies Regulations 2009.

OS AA01

Statement of details of parent law and other information for an overseas company

Companies House

FRIDAY

A9K5HYYX
A09 18/12/2020 #226
COMPANIES HOUSE

A85DUURL
A12 13/05/2019 #1
COMPANIES HOUSE

✓ **What this form is for**
You may use this form to accompany your accounts disclosed under parent law.

✗ **What this form is NOT for**
You cannot use this form to re[…] an alteration of manner of com[…] with accounting requirements.

Part 1 Corporate company name

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

Corporate name of overseas company ❶	FP MARINE RISKS LIMITED
	FC025194
UK establishment number	B R 0 0 7 5 7 0

❶ This is the name of the company in its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited.

Legislation ❷ Hong Kong Companies Ordinance

❷ This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box.

☐ **No.** Go to **Section A3.**

☑ **Yes.** Please enter the name of the organisation or other body which issued those principles below, and then go to **Section A3.**

Name of organisation or body ❸ Hong Kong Institute of Certified Public Accountants

❸ Please insert the name of the appropriate accounting organisation or body.

A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box.

☐ **No.** Go to **Section A5.**

☑ **Yes.** Go to **Section A4.**

OS AA01
Statement of details of parent law and other information for an overseas company

A4 Audited accounts

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box. ☐ **No.** Go to **Part 3 'Signature'**. ☑ **Yes.** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.	❶ Please insert the name of the appropriate accounting organisation or body.
Name of organisation or body ❶	Hong Kong Institute of Certified Public Accountants	

A5 Unaudited accounts

Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box. ☐ **No.** ☐ **Yes.**

Part 3 Signature

I am signing this form on behalf of the overseas company.

Signature	Signature **X** **X**
	This form may be signed by: Director, ~~Secretary, Permanent representative.~~

OS AA01

Statement of details of parent law and other information for an overseas company

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.

Important information

Please note that all this information will appear on the public record.

Where to send

You may return this form to any Companies House address:

England and Wales:
The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:
The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland:
The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

FP MARINE RISKS LIMITED
領航海上保險顧問有限公司

Reports and Financial Statements
For the period from 1 April 2013 to 30 September 2014

FP MARINE RISKS LIMITED
領航海上保險顧問有限公司

REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2013 TO 30 SEPTEMBER 2014

CONTENTS

FP MARINE RISKS LIMITED
領航海上保險顧問有限公司

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report together with the audited financial statements for the period from 1 April 2013 to 30 September 2014. During the current financial period, the reporting end date of the Company was changed from 31 March to 30 September because the directors of the Company determined to bring the annual reporting period end date of the Company in line with that of the ultimate holding company.

PRINCIPAL PLACE OF BUSINESS

FP Marine Risks Limited ("the Company") is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office is 5008, 50/F, Central Plaza, 18 Harbour Road, Hong Kong. Its principal place of business is 26/F, The Centrium, 60 Wyndham Street, Central, Hong Kong.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of an insurance broker.

RESULTS AND APPROPRIATIONS

The loss of the Company for the period from 1 April 2013 to 30 September 2014 and the state of the Company's affairs as at that date are set out in the financial statements on pages 5 to 48.

The directors do not recommend the payment of an interim dividend (2013: HK$nil) and final dividend (2013: HK$2.28 per share) in respect of the period from 1 April 2013 to 30 September 2014.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 23 to the financial statements. There were no movements during the period.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Company are set out in note 10 to the financial statements.

DIRECTORS

The directors of the Company during the period and up to the date of these financial statements are as follows:

Philip Bilney	
Charles Whiteaway	(resigned on 13 June 2014)
Tang Siu Hon	
Andrew Brooker	(resigned on 7 August 2013)
Peter King	
Wang Wei	
Ken Littlejohn	(appointed on 1 April 2013)
Andrew Glover	(appointed on 1 November 2014)
Richard Walker*	(appointed on 1 April 2014)
Angus Galbraith	(appointed on 1 April 2014 and resigned on 13 March 2015)
Nigel Roberts	(appointed on 1 April 2014)
David Howden	(appointed on 1 February2015)

* Chairman of the Company

There being no provision in the Company's articles of association to the contrary, all remaining directors continue in office.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance to which the Company or any of its holding companies or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly in indirectly, subsisted at the end of the period or at any time during the period.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the period was the Company or any of its holding companies or fellow subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

FP MARINE RISKS LIMITED
領航海上保險顧問有限公司

AUDITOR

During the period, Messrs. KPMG, who acted as auditor of the Company for the past year, resigned and Messrs. Deloitte Touche Tohmatsu was appointed as auditor of the Company. A resolution will be submitted to the annual general meeting to re-appoint the auditor, Messrs. Deloitte Touche Tohmatsu.

On behalf of the Board

DIRECTOR

Hong Kong,
16 March 2015

Deloitte.
德勤

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FP MARINE RISKS LIMITED
領航海上保險顧問有限公司
(incorporated in Hong Kong with limited liability)

We have audited the financial statements of FP Marine Risks Limited (the "Company") set out on pages 6 to 48, which comprise the statement of financial position as at 30 September 2014 and the statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period from 1 April 2013 to 30 September 2014, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors of the Company are 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 the Hong Kong Companies Ordinance (Cap. 622) (the "Hong Kong Companies Ordinance"), and for such internal control as the directors determine is necessary to enable the preparation of 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 financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 80 of Schedule 11 to the Hong Kong Companies Ordinance, 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 financial statements are free from material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FP MARINE RISKS LIMITED - continued
領航海上保險顧問有限公司
(incorporated in Hong Kong with limited liability)

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 2014, and of its loss and cash flows for the period from 1 April 2013 to 30 September 2014 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Other Matter

The financial statements of the Company for the year ended 31 March 2013 were audited by another auditor who expressed an unmodified opinion on such financial statements on 27 September 2013.

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
16 March 2015

FP MARINE RISKS LIMITED
領航海上保險顧問有限公司

STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD FROM 1 APRIL 2013 TO 30 SEPTEMBER 2014

	NOTES	1.4.2013 to 30.9.2014 HK$	1.4.2012 to 31.3.2013 HK$
Turnover	5	187,197,057	137,163,565
Direct expenses		(39,718,511)	(17,451,000)
		147,478,546	119,712,565
Other operating income	6	4,134,230	1,506,076
Administrative expenses		(171,099,761)	(106,188,105)
(Loss) profit from operations		(19,486,985)	15,030,536
Finance costs		(1,134,118)	(302,097)
Share of (loss) profit of an associate		(249,036)	250,691
(Loss) profit before taxation	7	(20,870,139)	14,979,130
Income tax credit (expense)	8	367,644	(2,154,959)
(Loss) profit for the period/year		(20,502,495)	12,824,171

FP MARINE RISKS LIMITED
領航海上保險顧問有限公司

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 APRIL 2013 TO 30 SEPTEMBER 2014

	1.4.2013 to 30.9.2014 HK$	1.4.2012 to 31.3.2013 HK$
(Loss) profit for the period/year	(20,502,495)	12,824,171
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Club debentures changes in fair value recognised during the period/year	420,400	50,000
Other comprehensive income for the period/year, net of tax	420,400	50,000
Total comprehensive (expense) income for the period/year	(20,082,095)	12,874,171

FP MARINE RISKS LIMITED
領航海上保險顧問有限公司

STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2014

	NOTES	30.9.2014 HK$	31.3.2013 HK$ (restated)	1.4.2012 HK$ (restated)
Non-current assets				
Property, plant and equipment	10	3,838,427	5,416,713	5,205,915
Intangible assets	11	29,012,266	8,746,782	5,808,530
Goodwill	12	5,594,183	1,255,923	-
Investment in a subsidiary	13	8,223,403	-	-
Interest in an associate	14	622,233	871,269	-
Other receivables	15	3,878,071	3,878,069	-
Deferred tax assets	22	341,682	-	7,310
		51,510,265	20,168,756	11,021,755
Current assets				
Trade and other receivables	15	51,473,469	48,108,332	36,534,872
Amount due from ultimate holding company	16	-	2,447,766	1,459,037
Amount due from intermediate holding company	16	2,629,524	-	-
Amounts due from fellow subsidiaries	16	4,486,689	5,432,953	6,898,907
Cash and bank balances	17	171,937,404	131,975,062	114,799,907
		230,527,086	187,964,113	159,692,723
Current liabilities				
Trade and other payables	18	185,806,766	129,242,769	105,756,495
Bank loans and overdrafts	19	7,637,983	12,926,680	4,093,740
Loans from shareholders	20	450,000	-	-
Obligations under finance leases	21	182,671	273,085	118,984
Amount due to ultimate holding company	16	10,840,642	-	-
Amount due to immediate holding company	16	-	1,646,412	3,011,489
Amount due to a subsidiary	16	1,870,291	-	-
Tax liabilities		621,078	1,007,760	5,104,225
		207,409,431	145,096,706	118,084,933
Net current assets		23,117,655	42,867,407	41,607,790
Total assets less current liabilities		74,627,920	63,036,163	52,629,545
Non-current liabilities				
Other payables	18	14,017,615	-	-
Bank loans	19	11,963,440	-	-
Loans from shareholders	20	3,323,768	-	-
Obligations under finance leases	21	59,357	529,332	974,673
Amount due to ultimate holding company	16	3,065,363	-	-
Deferred tax liabilities	22	-	226,359	243,461
		32,429,543	755,691	1,218,134
Net assets		42,198,377	62,280,472	51,411,411

	NOTE	30.9.2014 HK$	31.3.2013 HK$ (restated)	1.4.2012 HK$ (restated)
Capital and reserves				
Share capital	23	2,051,740	825,544	825,544
Reserves		40,146,637	61,454,928	50,585,867
Total equity		42,198,377	62,280,472	51,411,411

The financial statements on pages 6 to 48 were approved and authorised for issue by the board of directors on 16 March 2015 and are signed on its behalf by:

DIRECTOR

DIRECTOR

FP MARINE RISKS LIMITED
領航海上保險顧問有限公司

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 APRIL 2013 TO 30 SEPTEMBER 2014

	NOTE	Share capital HK$	Share premium HK$	Fair value reserve of intangible assets HK$	Retained profits HK$	Total HK$
At 1 April 2013		825,544	1,226,196	3,116,000	46,243,671	51,411,411
Profit for the year		-	-	-	12,824,171	12,824,171
Other comprehensive income for the year		-	-	50,000	-	50,000
Dividends declared in respect of the current year		-	-	-	(2,005,110)	(2,005,110)
At 31 March 2013		825,544	1,226,196	3,166,000	57,062,732	62,280,472
At 1 April 2013		825,544	1,226,196	3,166,000	57,062,732	62,280,472
Loss for the period		-	-	-	(20,502,495)	(20,502,495)
Other comprehensive income for the period		-	-	420,400	-	420,400
Transfer of share premium upon abolition of par value	23	1,226,196	(1,226,196)	-	-	-
At 30 September 2014		2,051,740	-	3,586,400	36,560,237	42,198,377

FP MARINE RISKS LIMITED
領航海上保險顧問有限公司

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 APRIL 2013 TO 30 SEPTEMBER 2014

	NOTE	1.4.2013 to 30.9.2014 HK$	1.4.2012 to 31.3.2013 HK$ (restated)
Cash flows from operating activities			
(Loss) profit before taxation		(20,870,139)	14,979,130
Adjustments for:			
Interest income		(86,453)	(38,392)
Interest expense		1,085,885	260,144
Finance lease charges		48,233	41,953
Depreciation		4,080,365	2,178,567
Amortisation and impairment loss of intangible assets		3,723,954	328,567
Allowance for doubtful debts		457,837	196,093
Share-based payment expenses		-	(986,630)
Share of loss (profit) of an associate		249,036	(250,691)
Loss on disposal of property, plant and equipment		838,124	-
Operating (loss) profit before working capital changes		(10,473,158)	16,708,741
Increase in trade and other receivables		(3,822,976)	(15,647,622)
Increase in cash at banks - client accounts		(50,180,921)	(6,209,470)
Increase in trade and other payables		49,193,325	23,486,274
Change in amount due from (to) ultimate holding company		6,363,129	(988,729)
Increase in amount due from intermediate holding company		(2,629,524)	-
Decrease in amount due to immediate holding company		(1,646,412)	(378,447)
Decrease in amounts due from fellow subsidiaries		946,264	1,465,954
Increase in amount due to a subsidiary		1,870,291	-
Cash (used in) generated from operations		(10,379,982)	18,436,701
Income tax paid		(587,079)	(6,017,755)
Net cash (used in) from operating activities		(10,967,061)	12,418,946
Cash flows from investing activities			
Interest received		86,453	38,392
Payment for purchase of intangible assets	12	(15,000,000)	(2,050,000)
Payment for purchase of property, plant and equipment		(3,340,203)	(1,720,766)
Payment for purchase of subsidiary		(431)	-
Payment for establishment of a subsidiary		-	(2,422,742)
Payment for acquisition of an associate		-	(620,578)
Net cash used in investing activities		(18,254,181)	(6,775,694)

	NOTE	1.4.2013 to 30.9.2014 HK$	1.4.2012 to 31.3.2013 HK$ (restated)
Cash flows from financing activities			
Capital element of finance lease rentals paid		(560,389)	(228,627)
Interest element of finance lease rentals paid		(48,233)	(41,953)
Interest paid		(827,868)	(260,144)
Proceeds from new bank loans		11,400,000	14,000,000
Proceeds from loans from shareholders		3,773,768	-
Proceeds from amount due to ultimate holding company		9,990,642	-
Repayment of bank loans		(8,033,089)	(4,547,993)
Dividends paid to equity shareholders of the Company		-	(2,005,110)
Net cash from financing activities		15,694,831	6,916,173
Net (decrease) increase in cash and cash equivalents		(13,526,411)	12,559,425
Cash and cash equivalents at 1 April		14,792,081	2,232,656
Cash and cash equivalents at 30 September/31 March	17	1,265,670	14,792,081

1. GENERAL

The Company is a private limited company incorporated in Hong Kong. Its immediate holding company is FP International Holdings Limited, incorporated in the British Virgin Islands and its ultimate holding company is Hyperion Insurance Group Limited, incorporated in England and Wales. The address of its registered office is 5008, 50/F, Central Plaza, 18 Harbour Road, Hong Kong. Its principal place of business is 26/F, The Centrium, 60 Wyndham Street, Central, Hong Kong. During the period, the principal activity of the Company consisted of insurance broking.

The financial statements are presented in Hong Kong dollars ("HK$"), which is also the Company's functional currency.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

During the current financial period, the reporting end date of the Company was changed from 31 March to 30 September because the directors of the Company determined to bring the annual reporting period end date of the Company in line with that of the ultimate holding company. Accordingly, the financial statements for the current period cover the eighteen month period ended 30 September 2014. The corresponding comparative amounts shown for the statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and related notes cover a twelve month period from 1 April 2012 to 31 March 2013 and therefore may not be comparable with amounts shown for the current period.

The Company is exempt from the preparation of consolidated financial statements as Hyperion Insurance Group Limited, the ultimate parent of the Company, produces consolidated financial statements in accordance with International Financial Reporting Standards (which is equivalent to HKFRSs in all material respects) which are available for public use. Accordingly, the results of the period and assets and liabilities at the end of the period of the subsidiary of the Company have not been consolidated into these financial statements of the Company. Hyperion Insurance Group Limited is incorporated in England and Wales and copies of the financial statements can be obtained from The Group Finance Department, 16 Eastcheap, London, EC3M 1BD.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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 the requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Company is set out below.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Application of new and revised Hong Kong Financial Reporting Standards and change in accounting policy

In the current period, the Company has applied a number of new and revised HKFRSs issued by the HKICPA. Except as described below, the application of the new and revised HKFRSs in the current period has had no material impact on the Company's financial performance and positions for the current period and prior years and/or on the disclosures set out in these financial statements.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The Company has applied the amendments to HKAS 1 "Presentation of items of other comprehensive income". Upon the adoption of the amendments to HKAS 1, the Company's 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Accounting for transactions where the Company acts as agent of insurers

During the period, the management of the Company has changed the accounting policy on recognition of insurance intermediary assets and liabilities.

As an insurance broker, the Company acts as an agent of various insurers in placing the insurable risks of its clients with such insurers. Under these terms of business the Company is generally not liable as principal for the amounts that its clients owe to the insurer as they enter in an insurance contract with the insurer and become its policyholders. In prior years, notwithstanding these agent relationships, debtors and creditors arising from amounts due from the policyholders to the insurer were recorded on the statement of financial position as debts due to the Company with a simultaneous recognition of a liability for the same amount due by the Company to the insurer. Under the new accounting policy, receivables arising from policyholders are not included as assets of the Company. The receivable from the insurer for fees and commissions earned on the transaction continues to be recognised within trade receivables. In the event that the insurer has delegated to the Company the collection of premiums or the payment of claims to the policyholders, the Company recognises the cash received in cash at banks - client accounts with a corresponding liability for amounts due to the insurer or the policyholder when cash is received in deposit from the policyholder or the insurer respectively. These financial liabilities are classified in the statement of financial position as trade payables.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Application of new and revised Hong Kong Financial Reporting Standards and change in accounting policy - continued

Accounting for transactions where the Company acts as agent of insurers - continued

The effects of the change in accounting policy in respect of the recognition of insurance intermediary assets and liabilities at the end of reporting period are as follows:

	31.3.2013 HK$	1.4.2012 HK$
Decrease in trade and other receivables	168,840,153	183,662,208
Decrease in trade and other payables	(168,840,153)	(183,662,208)
Change in net assets	-	-

There was no impact to the results of the Company for the periods ended 31 March 2013 and 30 September 2014 as a result of this change in accounting policy.

New and revised Hong Kong Financial Reporting Standards in issue but not yet effective

The Company has not early adopted the following new and revised HKFRSs that have been issued but are not yet mandatorily effective as at 1 April 2013 which is the beginning of the financial period covered in these financial statements:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities[1]
Amendments to HKFRS 11	Accounting for acquisition of interests in joint operations[5]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 - 2012 cycle[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 - 2013 cycle[2]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[5]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[2]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[1]
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets[1]
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting[1]
Amendments to HKFRS 7	Disclosures - Offsetting financial assets and financial liabilities[1]
HK(IFRIC) - INT 21	Levies[1]
HKFRS 9	Financial instruments[3]
HKFRS 14	Regulatory Deferral Accounts[7]
HKFRS 15	Revenue from contracts with customers[6]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 Effective for annual periods beginning on or after 1 January 2018
4 Effective for annual periods beginning on or after 1 July 2014, with limited exception
5 Effective for annual periods beginning on or after 1 January 2016
6 Effective for annual periods beginning on or after 1 January 2017
7 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

3. SIGNIFICANT ACCOUNTING POLICIES - continued

New and revised Hong Kong Financial Reporting Standards in issue but not yet effective - continued

HKFRS 15 Revenue from contacts with customers

In July 2014, HKFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customers
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied i.e. when control of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Company completes its detailed review of this impact.

Except for HKFRS 15, the directors anticipate that the application of the new and revised HKFRSs listed above will have no material impact on the financial statements.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Property, plant and equipment - continued

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

Leasehold improvements	the lower of 10 years and the remaining term of the lease
Furniture and fixtures	4 years
Computer equipment	4 years
Office equipment	4 years
Software licence	4 years
Motor vehicle	4 years

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

Intangible assets

Club debentures

Club debentures are initially stated at cost. These are subsequently measured at fair value. The fair value is re-measured at the end of the reporting period with the resultant gain or loss being recognised directly in equity. The revaluation reserve is transferred to retained earnings on disposal of the club debentures.

When there is objective evidence that club debentures are impaired, the cumulative loss that has been recognised directly in equity is removed from equity and is recognised in profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value.

Other intangible assets (other than goodwill)

Other intangible assets (other than goodwill) that are acquired by the Company are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Customer relationships	5 - 10 years

Both the period and method of amortisation are reviewed annually.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Finance leases

Assets that are held by the Company under leases which transfer to the Company substantially all the risks and rewards of ownership are classified as being held under finance leases.

Where the Company acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments of such assets is included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the Company will obtain ownership of the asset, the life of the asset. Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Operating leases

Leases which do not transfer substantially all the risks and rewards of ownership to the lessee are classified as operating leases.

Where the Company has the use of assets held under operating leases, payments made under the leases are charged to profit or loss 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 profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

Subsidiary

An investment in a subsidiary is stated at cost less impairment losses.

Associate

An associate is an entity over which the Company is able to exert significant influence but which is neither a subsidiary or a joint venture. Interest in an associate is stated in the financial statements using the equity method. The directors of the Company are aware that under HKAS 28 the Company is not required to use the equity method because all of the conditions set out can be met. However, the directors have selected the equity method to account for the Company's interest in its associate because it provides more relevant information to all shareholders of the Company.

The results and assets and liabilities of the associate are incorporated in these financial statements using the equity method of accounting. The financial statements of the associate used for equity accounting purposes are prepared using uniform accounting policies as those of the Company for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss. When the Company's share of losses of an associate exceeds the Company's interest in that associate the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Goodwill

Goodwill represents the difference between the cost of acquisitions and the fair value of the identifiable assets (including tangible and intangible) and liabilities of the business acquisitions at the dates of the transactions. Goodwill arising on the business acquisition represents the economic benefit generated from the synergies of the combination of the employees. Goodwill is initially recognised at cost and is subsequently reviewed for impairment annually. Any impairment is recognised immediately in the profit or loss during the period/year.

The Company has determined that for the purposes of impairment testing, goodwill is allocated to Company's cash generating units. Cash generating units to which goodwill has been allocated are tested for impairment annually. Recoverable amounts for cash generating units are mainly based on value in use, which is calculated from cash flow projections from the Company's latest internal forecasts. The key factors in the value in use calculations are discount rates and estimates of future cash flows. If the recoverable amount of the unit is less than the carrying amount of the goodwill, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Impairment of non-financial assets

Internal and external sources of information are reviewed at end of each reporting period to identify indications that property, plant and equipment and intangible assets may be impaired or, except in the case of goodwill, 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 Company tests goodwill annually to assess if an impairment loss needs to be recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing the 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 time value of money and the risks specific to the asset. When 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).

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Impairment of non-financial assets - continued

Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other 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 to sell, or value in use, if determinable.

Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss 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 period in which the reversals are recognised.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and liabilities are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, the Company's financial assets are classified as loans and receivables.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and bank balances, trade and other receivables, amount due from ultimate holding company, amount due from intermediate holding company and amounts due from fellow subsidiaries fall into this category of financial instruments.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

The Company's financial liabilities include trade and other payables, bank loans and overdrafts, loans from shareholders, obligations under finance leases, amount due to ultimate holding company, amount due to immediate holding company and amount due to a subsidiary. These are initially measured at fair value and subsequently measured at amortised cost using effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Redeemable share capital

Redeemable share capital is classified as equity if it is redeemable only at the Company's option, and any dividends are discretionary. Dividends on preference share capital classified as equity are recognised as distributions within equity.

Redeemable share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. The liability is recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, such balances are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period. Dividends thereon are recognised on an accruals basis in profit or loss as part of finance costs.

Impairment of financial assets

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

Individual receivables are considered for impairment when they are past the due date of payment or when other objective evidence is received that a specific counterparty will default. Impairment of trade receivables is presented within administrative expenses.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Insurance intermediary assets and liabilities

The Company acts as an agent in placing the insurable risks of their clients with insurers and, as such, generally is not liable as a principal for amounts arising from such transactions. Other than the receivable for fees and commissions earned on the transaction which is recognised within trade receivables, no recognition of the insurance transaction occurs until the Company receives cash in respect of premiums or claims, at which time the amount is recognised in cash at banks - client accounts and a corresponding deposit liability is established in favour of the insurer or the policyholder and recognised on the statement of financial position as a financial liability under the trade payables line item. Fiduciary cash arising from insurance broking deposits is settled over a short term and does not yield an interest for the insurer on the policyholders. Discounting is omitted given the effect of discounting is immaterial The Company is entitled to retain the interest income on any cash balances arising from these transactions.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances (excluding client accounts) 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.

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 Company and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

Commission/brokerage income

Commission/brokerage income received or receivable is recognised as revenue when the Company has completed its intermediation service and there is no obligation to render further services. This time is usually the effective commencement or renewal dates of the related insurance policies.

Interest income

Interest income is recognised as it accrues on the associated financial assets using the effective interest method.

Employee benefits

(i) Salaries, annual bonuses, paid annual leave, leave passage, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees.

(ii) Contributions to Mandatory Provident Funds and Defined Contribution Plan, as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and Hong Kong Occupational Retirement Schemes Ordinance, are recognised as an expense in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Share-based payments

The Company operates a number of share-based compensation schemes for the employees and directors to provide them with the benefits of share ownership in its immediate holding company (see notes 24 and 25).

The cost of employee's services received in exchange for the grant of rights under this scheme is measured at the fair value set out in the scheme arrangement and is charged against profits over the vesting period. Until the liabilities are settled, the Company re-measures the fair value of these liabilities at the end of the reporting period and at the date of settlement, with changes in fair value recognised in profit or loss.

Income tax

Income tax expense for the period/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 profit or loss 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 period/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.

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.

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.

The carrying amount of a deferred tax asset is reviewed at the end of the reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Translation of foreign currencies

Foreign currency transactions during the period 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 end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Hong Kong dollars 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 determined.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCE OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCE OF ESTIMATION UNCERTAINTY - continued

Functional currency of the Company's foreign operations

The Company operates branch offices in the United Kingdom and Australia and maintains a representative office in Beijing. The activities of these foreign operations are carried out as an extension of the Company and they are fully controlled and monitored by the management of the Company. In addition, these foreign operations primarily rely on the funding from the Company to support their ordinary business operation. The directors of the Company consider that the functional currency of these foreign operations is the same as that of the Company, which they have determined to be the Hong Kong dollar.

Identification of an unincorporated business and performance-based compensation to members of that business

In 2012, the Company began the acquisition of a team of marine insurance brokers in Australia for an initial consideration of HK$2,422,742. A separately identifiable asset of customer relationships with a fair value of HK$1,166,819 was recognised on the date of acquisition (see Note 11). The goodwill arising from this transaction is HK$1,255,923 (see Note 12), which is mainly attributable to the skills, experience and relationships of the employees. In making their judgement, the directors of the Company had identified the inputs such as organised workforce with necessary skills and experience and processes applied to those inputs that have the ability to creating outputs to ensure the fulfilment of the business.

In August 2013, as part of the acquisition process started in 2012, the Company formalised a shareholders' agreement that had been contemplated in the December 2012 agreement referred to above. Under this new agreement, the employee-shareholder will be paid a sum based on a pre-agreed formula in 2018 which is dependent on performance on the subsidiary of the Company. The directors have judged that this fact indicates that the August 2013 agreement is additional consideration of HK$5,975,253 for the acquisition of the business.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years.

Estimated impairment of goodwill and other intangible assets

The Company tests annually whether goodwill and other intangible assets suffered any impairment.

Assessing the impairment of goodwill requires management to determines the estimated value in use of cash generating units ("CGUs") to which goodwill has been allocated. The valuation assessment on goodwill is based on a multiple of projected revenue and profit discounted to terminal value. These calculations use projections based on financial forecasts approved by management covering a three to five year period. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates, and future cash flows. If the recoverable amount of the unit is less than the carrying amount of the goodwill, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit. Details of the goodwill are set out in note 12 to the financial statements.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCE OF ESTIMATION UNCERTAINTY - continued

Key sources of estimation uncertainty - continued

Estimated impairment of goodwill and other intangible assets - continued

The management assesses the recoverable amount of the intangible assets based on the value in use amount. The valuation assessment on intangible assets of customer relationships is based on discounted cash flow analysis. The key assumptions include the discount rates, retention rate and future cash flows from the customers. If the recoverable amount of the intangible assets is less than its carrying amount, the impairment loss is charged to profit or loss during the period.

Deferred consideration

The value of deferred consideration payable is contingent upon the results of the acquired businesses and any other specified performance criteria set out in the applicable sale and purchase/shareholders agreements. Budgets and projections for acquired businesses for relevant periods are reviewed each financial year at the end of each reporting period. Details of the deferred consideration payable are set out in note 18 to the financial statements.

5. TURNOVER

The principal activity of the Company is that of an insurance broker. Turnover represents brokerage commissions earned and service fees from the provision of insurance system services.

	1.4.2013 to 30.9.2014 HK$	1.4.2013 to 31.3.2013 HK$
Commission income	184,823,392	135,841,024
System fees	2,373,665	1,322,541
	187,197,057	137,163,565

Commission income arises from placement of the insurance risks of the Company's clients with the insurance companies that have appointed the Company as their insurance broker. System fees represent the service rendered by the Company on providing the support for the insurance system used by its client to prepare insurance documents.

6. OTHER OPERATING INCOME

	1.4.2013 to 30.9.2014 HK$	1.4.2012 to 31.3.2013 HK$
Interest income	86,453	38,392
Rental income	-	381,448
Other income	4,047,777	1,086,236
	4,134,230	1,506,076

7. LOSS (PROFIT) BEFORE TAXATION

	1.4.2013 to 30.9.2014 HK$	1.4.2012 to 31.3.2013 HK$
Loss (profit) before taxation is arrived at after charging:		
Finance costs		
Interest on the deferred consideration	258,017	-
Interest on bank loans and overdrafts	827,868	260,144
Finance charges on obligations under a finance lease	48,233	41,953
Staff costs		
Salaries, wages and other benefits	99,102,178	69,990,956
Contributions to defined contribution retirement plan	4,026,098	2,695,731
Share-based payments	-	249,845
	103,128,276	72,936,532
Other items		
Loss on disposal of property, plant and equipment	838,124	-
Auditor's remuneration	308,000	199,520
Directors' remuneration		
Fee	-	-
Other emoluments	26,611,172	13,768,151
Allowance for doubtful debts	457,837	196,093
Amortisation and impairment loss of intangible assets	3,723,954	328,567
Depreciation	4,080,365	2,178,567
Net foreign exchange loss	3,047,011	895,148
Operating lease charges in respect of office premises	18,536,842	12,246,575

8. INCOME TAX (CREDIT) EXPENSE

	1.4.2013 to 30.9.2014 HK$	1.4.2012 to 31.3.2013 HK$
Current tax - Hong Kong Profits Tax		
Provision for the period/year	-	3,040,123
Overprovision in prior year	-	(1,490,199)
Current tax - Overseas		
Provision for the period/year	200,397	439,937
Overprovision in prior year	-	(68,571)
Deferred tax (note 22)		
Origination and reversal of temporary differences	(568,041)	233,669
Total income tax (credit) expense	(367,644)	2,154,959

The provision for Hong Kong Profits Tax for 2014 is calculated at 16.5% (2013: 16.5%) of the estimated assessable loss (profit) for the period/year. Taxation for overseas branches is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

Reconciliation between income tax (credit) expense and accounting (loss) profit at applicable tax rates:

	1.4.2013 to 30.9.2014 HK$	1.4.2012 to 31.3.2013 HK$
(Loss) profit before taxation	(20,870,139)	14,979,130
Notional tax on (loss) profit before taxation, calculated at the rates applicable to profits in the countries concerned	(3,587,498)	3,257,338
Tax effect of non-deductible expenses	692,426	507,577
Tax effect of non-taxable income	(2,353)	(51,186)
Overprovision for prior years	-	(1,558,770)
Tax effect of tax losses not recognised	2,529,781	-
Income tax (credit) expense	(367,644)	2,154,959

As at 30 September 2014, the Company has tax losses of approximately HK$14 million (2013: nil) available for offset against future profits. No deferred tax asset has been recognised in respect of these tax losses due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

9. DIVIDENDS

	1.4.2013 to 30.9.2014 HK$	1.4.2012 to 31.3.2013 HK$
Final dividend declared HK$ Nil in respect of each ordinary and redeemable share (2013: HK$2.28)	-	2,005,110
	-	2,005,110

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$	Furniture and fixtures HK$	Computer equipment HK$	Software licence HK$	Motor vehicles HK$	Total HK$
COST						
At 1 April 2013	7,052,671	3,674,987	4,869,814	387,545	1,115,346	17,100,363
Additions	2,418,824	365,823	555,556	-	-	3,340,203
Disposals	(1,523,241)	(37,057)	(11,850)	-	(284,842)	(1,856,990)
At 30 September 2014	7,948,254	4,003,753	5,413,520	387,545	830,504	18,583,576
ACCUMULATED DEPRECIATION						
At 1 April 2013	4,699,750	2,475,976	4,006,186	234,143	267,595	11,683,650
Charge for the period	2,244,280	703,570	586,735	145,328	400,452	4,080,365
Written off on disposals	(858,773)	(6,563)	(11,109)	-	(142,421)	(1,018,866)
At 30 September 2014	6,085,257	3,172,983	4,581,812	379,471	525,626	14,745,149
NET BOOK VALUE						
At 30 September 2014	1,862,997	830,770	831,708	8,074	304,878	3,838,427

	Leasehold improvements HK$	Furniture and fixtures HK$	Computer equipment HK$	Software licence HK$	Motor vehicle HK$	Total HK$
COST						
At 1 April 2012	6,417,690	3,135,359	4,323,657	387,545	446,747	14,710,998
Additions	634,981	539,628	546,157	-	668,599	2,389,365
At 31 March 2013	7,052,671	3,674,987	4,869,814	387,545	1,115,346	17,100,363
ACCUMULATED DEPRECIATION						
At 1 April 2012	3,642,570	2,084,626	3,594,095	137,256	46,536	9,505,083
Charge for the year	1,057,180	391,350	412,091	96,887	221,059	2,178,567
At 31 March 2013	4,699,750	2,475,976	4,006,186	234,143	267,595	11,683,650
NET BOOK VALUE						
At 31 March 2013	2,352,921	1,199,011	863,628	153,402	847,751	5,416,713

During the year ended 31 March 2013, the Company financed additions of motor vehicles by new finance leases amounting to HK$668,599. As the end of the reporting period, the net book value of motor vehicles held under finance leases was HK$304,878 (2013: HK$847,751).

11. INTANGIBLE ASSETS

	Club debentures HK$	Customer relationships HK$	Total HK$
COST			
At 1 April 2013	2,114,000	4,452,483	6,566,483
Additions (note 12)	-	24,560,834	24,560,834
Transfer to subsidiary (note 13)	-	(1,166,819)	(1,166,819)
At 30 September 2014	2,114,000	27,846,498	29,960,498
ACCUMULATED AMORTISATION AND FAIR VALUE RESERVE			
At 1 April 2013	3,166,000	(985,701)	2,180,299
Surplus on revaluation	420,400	-	420,400
Amortisation charge for the period	-	(3,123,954)	(3,123,954)
Impairment loss	(600,000)	-	(600,000)
Transfer to subsidiary (note 13)	-	175,023	175,023
At 30 September 2014	2,986,400	(3,934,632)	(948,232)
NET BOOK VALUE			
At 30 September 2014	5,100,400	23,911,866	29,012,266

	Club debentures HK$	Customer relationships HK$	Total HK$
COST			
At 1 April 2012	64,000	3,285,664	3,349,664
Additions	2,050,000	1,166,819	3,216,819
At 31 March 2013	2,114,000	4,452,483	6,566,483
ACCUMULATED AMORTISATION AND FAIR VALUE RESERVE			
At 1 April 2012	3,116,000	(657,134)	2,458,866
Surplus on revaluation	50,000	-	50,000
Amortisation charge for the year	-	(328,567)	(328,567)
At 31 March 2013	3,166,000	(985,701)	2,180,299
NET BOOK VALUE			
At 31 March 2013	5,280,000	3,466,782	8,746,782

12. GOODWILL

	HK$
COST	
At 1 April 2012	-
Acquisitions	1,255,923
At 31 March 2013	1,255,923
Acquisitions	11,569,436
Transfer to subsidiary (note 13)	(7,231,176)
At 30 September 2014	5,594,183
IMPAIRMENT	
At 1 April 2012, 31 March 2013 and 30 September 2014	-
NET BOOK VALUE	
At 30 September 2014	5,594,183
At 31 March 2013	1,255,923

In 2012, the Company began the acquisition of a team of marine insurance brokers in Australia for an initial consideration of HK$2,422,742. A separately identifiable asset of customer relationships with a fair value of HK$1,166,819 was recognised on the date of acquisition (see Note 11). The goodwill arising from this transaction is HK$1,255,923 (see Note 12), which is mainly attributable to the skills, experience and relationships of the employees. In making their judgement, the directors of the Company had identified the inputs such as organised workforce with necessary skills and experience and processes applied to those inputs that have the ability to creating outputs to ensure the fulfilment of the business.

As an extension of the marine broking business acquisition project in Australia in prior year, deferred consideration agreement was entered into on 6 August 2013, followed by a subscription and shareholders agreement on 18 August 2014, with the workforce of the business for the transfer of the business to an entity in Australia. This entity will be the business platform for integrating the acquired customer relations and the processes and system introduced by the acquired workforce. The agreed consideration model entered in 2013 was restructured into purchase option of the 40% minority interest in 5 years time. The fair value of the deferred consideration gave rise to a goodwill of HK$5,975,253.

On 1 April 2014, the Company acquired 100% of all policies with customers and existing employees from a Hong Kong broking company for consideration of HK$30,155,017, including deferred payment of HK$15,155,017. The goodwill arising from this transaction is HK$5,594,183 which is mainly attributable to the skills and experience of the employees. An intangible asset of customer relationships of HK$24,560,834 was recognised on the date of acquisition during the period.

13. INVESTMENT IN A SUBSIDIARY

	30.9.2014 HK$	31.3.2013 HK$
Unlisted shares, at cost	431	-
Contribution in-kind	8,222,972	-
	8,223,403	-

The marine broking business acquisition project in Australia that secured the organised workforce and customer relationships during prior year was completed on 6 August 2013 with the agreement to compensate the workforce with a deferred payment of consideration that will be vesting on 1 April 2018. The fair value of this additional consideration gave rise to additional goodwill on the Australian business for HK$5,975,253.

As noted in note 12, subsequently to the completion of the acquisition of the Australian business, a subscription and shareholders agreement was entered into on 18 August 2014, whereby the business was transferred from the Company to a new subsidiary which has now employed the workforce and will benefit from the customer relationships acquired. The new subsidiary in Australia operates as the business platform for integrating the acquired customer relationships and the process and system introduced by the acquired workforce.

The assets transferred to the new subsidiary include goodwill for HK$7,231,176 and customer relationships for HK$991,796 (net of accumulated amortisation of HK$175,023).

The particulars of the subsidiary are as follows:

Name of subsidiary	Place of incorporation	Particulars of issued/ registered share capital	Proportion of nominal value of issued/ registered capital directly held by the Company		Proportion of voting power held by the Company		Principal activity
			30.9.2014	31.3.2013	30.9.2014	31.3.2013	
FP Marine Australia Pty Ltd.	Australia	60%	60%	-	-	-	Insurance broker

14. INTEREST IN AN ASSOCIATE

	30.9.2014 HK$	31.3.2013 HK$
Unlisted shares, at cost	504,235	504,235
Share of post-acquisition profits and other comprehensive income	117,998	367,034
	622,233	871,269

14. INTEREST IN AN ASSOCIATE - continued

The particulars of the associate are as follows:

Name of associate	Place of incorporation	Particulars of issued/ registered share capital	Proportion of nominal value of issued/ registered capital directly held by the Company		Proportion of voting power held by the Company		Principal activity
			30.9.2014	31.3.2013	30.9.2014	31.3.2013	
HY Insurance Broker Broking Limited	People's Republic of China	24%	24%	24%	33%	33%	Insurance broker

Summarised financial information in respect of the Company's associate is set out below.

	Assets HK$	Liabilities HK$	Equity HK$	Revenues HK$	(Loss) profit HK$
2014					
100 percent	13,533,231	(2,582,627)	10,950,604	26,507,466	(1,037,650)
Company's effective interest	3,247,975	(619,830)	2,628,145	6,361,792	(249,036)
2013					
100 percent	16,864,335	(4,876,081)	11,988,254	8,308,675	1,044,546
Company's effective interest	4,047,440	(1,170,259)	2,877,181	1,994,082	250,691

15. TRADE AND OTHER RECEIVABLES

	30.9.2014 HK$	31.3.2013 HK$ (restated)
Commission receivables	44,339,415	41,770,536
Less: allowance for doubtful debts	(2,202,706)	(1,744,870)
	42,136,709	40,025,666
Deposits, prepayments and other receivables	13,214,831	11,960,735
	55,351,540	51,986,401
Current	51,473,469	48,108,332
Non-current	3,878,071	3,878,069
	55,351,540	51,986,401

Impairment of insurance broking receivables

Impairment losses in respect of insurance broking receivables are recorded using an allowance account unless the Company is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly.

15. TRADE AND OTHER RECEIVABLES - continued

Impairment of insurance broking receivables - continued

The movement in the allowance for doubtful debts during the period/year is as follows:

	30.9.2014 HK$	31.3.2013 HK$
At 1 April	1,744,870	1,548,777
Impairment loss recognised	457,836	196,093
At 30 September/31 March	2,202,706	1,744,870

At end of the reporting period, the Company's commission receivables of HK$2,202,706 (2013: HK$1,744,870) were individually determined to be impaired. The individually impaired receivables related to brokerage commission and management assessed that the receivables are not expected to be recovered. Consequently, individual impairment allowances for doubtful debts of HK$457,836 (2013: HK$196,093) were recognised during the period/year.

Insurance broking receivables net of allowance for impaired debts

The aging analysis of commission receivables before allowance for doubtful debts is as follows:

	30.9.2014 HK$	31.3.2013 HK$ (restated)
Neither past due nor impaired	20,938,335	26,391,995
Within six months past due	13,635,011	5,441,459
Six or more than six months past due	9,766,069	9,937,082
	44,339,415	41,770,536

Receivables that were neither past due nor impaired relate to a wide range of counterparties for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of counterparties that have a good track record with the Company. Based on past experience, management believes that no impairment allowance is necessary.

16. AMOUNTS DUE FROM/TO ULTIMATE HOLDING COMPANY/IMMEDIATE HOLDING COMPANY/FELLOW SUBSIDIARIES/SUBSIDIARY

The amount due to ultimate holding company is unsecured and includes HK$4,200,000. which is repayable from April 2015 to March 2017 and carries interest at the rate of HIBOR + 3% per annum, and HK$5,790,642, which is repayable on demand and carries interest at the rate of 5% per annum. The remaining balance with ultimate holding company is unsecured, interest free and repayable on demand.

The other balances with immediate holding company/fellow subsidiaries/subsidiary are unsecured, interest free and repayable on demand.

17. CASH AND BANK BALANCES

	30.9.2014 HK$	31.3.2013 HK$
Cash at banks		
- General accounts	4,563,581	14,755,479
- Client accounts	167,363,902	117,182,981
Cash in hand	9,921	36,602
Total	171,937,404	131,975,062
Cash and cash equivalents in the statement of cash flows including bank overdrafts HK$3,307,832 (2013: Nil) (note 19)	1,265,670	14,792,081

Cash at banks earns interest at floating rates based on daily bank deposit rates.

18. TRADE AND OTHER PAYABLES

	30.9.2014 HK$	31.3.2013 HK$ (restated)
Insurance broking payables - premiums and claims	169,123,983	112,878,157
Accruals and other payables	9,570,128	16,364,612
Deferred consideration (note 12)	21,130,270	-
	199,824,381	129,242,769

	30.9.2014 HK$	31.3.2013 HK$ (restated)
Current	185,806,766	129,242,769
Non-current	14,017,615	-
	199,824,381	129,242,769

18. TRADE AND OTHER PAYABLES - continued

The aging analysis of insurance broking payables on premiums and claims is follows:

	30.9.2014 HK$	31.3.2013 HK$ (restated)
Neither past due nor impaired	92,224,862	59,945,693
Within 3 months past due	40,426,053	2,316,184
3 or more than 3 months past due	36,473,068	50,616,280
	169,123,983	112,878,157

19. BANK LOANS AND OVERDRAFTS

At the end of the reporting period, the bank loans and overdrafts were as follows:

	30.9.2014 HK$	31.3.2013 HK$
Unsecured bank overdrafts	3,307,832	-
Unsecured bank loans	16,293,591	12,926,680
Total bank loans and overdrafts	19,601,423	12,926,680
Repayable within 1 year or on demand	7,637,983	12,926,680
Repayable after 1 year but within 5 years	11,963,440	-
	19,601,423	12,926,680

The interests rates of banks loans and overdrafts range from 1.9% to 4% per annum (2013: 2.5% to 3.28%).

20. LOANS FROM SHAREHOLDERS

The interest rates of loans from shareholders range from 3.28% to 5% per annum.

	30.9.2014 HK$	31.3.2013 HK$
Current	450,000	-
Non-current	3,323,768	-
	3,773,768	-

21. OBLIGATIONS UNDER FINANCE LEASES

At the end of the reporting period, the Company had obligations under finance leases repayable as follows:

	30.9.2014		31.3.2013	
	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
	HK$	HK$	HK$	HK$
Within 1 year	182,671	189,789	273,085	310,346
After 1 year but within 5 years	59,357	60,218	529,332	558,216
	242,028	250,007	802,417	868,562
Less: total future interest expenses		(7,979)		(66,145)
Present value of lease obligations		242,028		802,417

22. DEFERRED TAXATION

The components of deferred tax assets (liabilities) recognised at the end of the reporting period and the movements during the period/year on the statement of financial position are as follows:

	Share-based payments	Depreciation allowances in excess of the related depreciation	Undistributed profits of an associate	Total
	HK$	HK$	HK$	HK$
At 1 April 2012	106,778	(99,468)	-	7,310
Credited (charged) to profit or loss	461	(209,061)	(25,069)	(233,669)
At 31 March 2013	107,239	(308,529)	(25,069)	(226,359)
Credited to profit or loss	-	543,137	24,904	568,041
At 30 September 2014	107,239	234,608	(165)	341,682

23. SHARE CAPITAL

	Number of shares	Amount HK$
Authorised:		
At 1 April 2012 and 31 March 2013		
Ordinary shares of HK$1 each	1,000,000	1,000,000
Redeemable shares of HK$0.01 each	100,000	1,000
	1,100,000	1,001,000
At 30 September 2014	N/A (note)	N/A (note)
Issued and fully paid:		
At 1 April 2012 and 31 March 2013		
Ordinary shares of HK$1 each	825,000	825,000
Redeemable shares of HK$0.01 each	54,434	544
	879,434	825,544
Transfer of share premium upon abolition of par value	-	1,226,196
At 30 September 2014		
Ordinary shares with no par value	879,434	2,051,740

Notes:

(1) The Company has no authorised share capital and its shares have no par value since the commencement date of the new Hong Kong Companies Ordinance (i.e. 3 March 2014).

(2) In accordance with the transitional provisions set out in section 37 of schedule 11 to Hong Kong Companies Ordinance (Cap.622), on 3 March 2014 any amount standing to the credit of the share premium account has become part of the Company's share capital.

In March 2007, the Company, with the approval of all the redeemable shareholders, amended the rights of the redeemable shares so that they are only redeemable at the Company's option. The redeemable shares were then reclassified as equity.

The redeemable shares rank pari passu with ordinary shares in respect of dividends and return of capital but do not carry any voting rights at any general meeting of the Company.

24. EQUITY PARTICIPATION PROGRAMME

The Equity Participation Programme ("EPP") is designed to retain and motivate employees within the Company. The EPP works in a very similar manner to the ISAP with the issue price being valued by an agreed formula based on the financial performance for the preceding financial year. The redemption value is calculated in the same way as the ISAP. However, these shares of FPIH vest one year after the issue date and the staff have the right to demand the Company to redeem their shares of FPIH at any time.

The outstanding redeemable shares issued under the EPP at the end of the reporting period represent a liability to the Company. The fair value of this liability is based on the calculation set out in the EPP agreement which the directors believe that is a reasonable assessment of the fair value of the shares. Movements in the fair value of the liability are recognised in profit or loss in the period/year in which it arises.

Movements in shares granted under the equity participation scheme are as follows:

	30.9.2014		31.3.2013	
	Number of shares	Weighted average grant date fair value HK$	Number of shares	Weighted average grant date fair value HK$
Unvested at the beginning of the period/year	10,843	200	4,199	138.54
Shares awarded during the period/year	3,035	240	8,585	215.00
Vested during the period/year	(4,390)	186	(1,722)	135.52
Forfeited during the period/year	(3,639)	207	(219)	135.66
Unvested at the end of the year	5,849	227	10,843	199.61

The Company recognised expenses of HK$nil (2013: HK$249,845) for the period/year in respect of redeemable shares issued under the EPP. The Company also recognised a financial liability in respect of the EPP of HK$1,146,449 at the end of the reporting period (2013: HK$1,146,469).

25. SHARE OPTION PLAN

FPIH has granted share options on 1 November 2008, 1 January 2010, 1 January 2013 and 1 January 2013 whereby the directors of FPIH are authorised, at their discretion, to invite employees of FPIH and its related companies, including directors of any related companies, to take up options at nil consideration to subscribe for redeemable shares of FPIH. The options vest after 3 years from the date of grant and are then exercisable within a period of 7 years.

Where it is not possible to estimate reliably the grant date fair value of the share options granted, the share options are measured at their intrinsic values, initially at the date the employees render service and subsequently at end of the reporting period until the final settlement of the share-based payment arrangement, with the effect of the remeasurements recognised in profit or loss. Intrinsic value represents the difference between the exercise price of the share options granted and the fair value of redeemable shares measured at end of the reporting period based on formula set out in the share option agreements which the directors believe that is a reasonable assessment of the fair value of the shares. For a grant of share options, the share-based payment arrangement is finally settled when the options are exercised, forfeited or lapsed.

The Company accounts for those services as they are rendered by employees during the vesting period, with a corresponding increase in liability. The amount recognised for services received during the vesting period is based on the number of share options expected to vest. The Company revises this estimate, if necessary, if subsequent information indicates that the number of share options expected to vest differs from previous estimates.

On the vesting date, the Company revises the estimate to equal the number of share options that ultimately vested. After vesting date, the Company reverses the amount recognised for services received if the share options are later forfeited, or lapsed at the end of the share option's life.

(a) The terms and conditions of the grants are as follows:

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to directors:			
On 1 November 2008	8,000	3 years from the date of grant	7 years
On 1 January 2010	23,500	3 years from the date of grant	7 years
On 1 January 2013	20,000	3 years from the date of grant	7 years
On 1 January 2013	1,000	3 years from the date of grant	7 years
Total share options granted	52,500		

25. SHARE OPTION PLAN - continued

(b) The number and weighted average exercise prices of share options are as follows:

	30.9.2014		31.3.2013	
	Weighted average exercise price HK$	Number of options	Weighted average exercise price HK$	Number of options
Outstanding at the beginning of the period/year	125.82	32,500	123.99	41,500
Exercised during the period/year	-	-	-	-
Forfeited during the period/year	119.20	(12,000)	127.15	(10,000)
Granted during the period/year	-	-	215.00	1,000
Outstanding at the end of the period/year	129.69	20,500	125.82	32,500
Exercisable at the end of the period/year	98.28	9,500	97.52	16,500

No share options were exercised during the current period/year. The weighted average share price at the date of exercise for share options exercised during the prior year was HK$215.

The options outstanding at 30 September 2014 had an exercise price of HK$79.46, HK$103.30, HK$151 or HK$215 (2013: HK$79.46, HK$103.30, HK$151 or HK$215) and a weighted average remaining contractual life of 7 years (2013: 7 years).

26. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases, in respect of office premises and staff quarters, are payable as follows:

	30.9.2014 HK$	31.3.2013 HK$
Within 1 year	14,751,799	12,084,873
After 1 year but within 5 years	19,463,123	9,577,662
	34,214,922	21,662,535

The Company leases a number of properties under operating leases. The leases run for an initial period of one to five years, with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Company and the respective landlords. None of the leases includes contingent rentals.

27. RELATED PARTY TRANSACTIONS

The Company had the following transactions with related parties during the period/year.

	Shareholders of the Company		Ultimate holding company		Intermediate holding company		Fellow subsidiaries		Subsidiaries	
	30.9.2014 HK$	31.3.2013 HK$	30.9.2014 HK$	31.3.2013 HK$	30.9.2014 HK$	31.3.2013 HK$	30.9.2014 HK$	31.3.2013 HK$	30.9.2014 HK$	31.3.2013 HK$
Amounts due from (to)	-	-	(13,906,005)	-	2,629,524	801,354	4,486,689	5,432,953	(1,870,291)	-
Commission receivables	-	-	-	-	-	-	3,645,413	-	-	-
Commission income	-	-	-	-	-	-	4,229,776	-	-	-
Interest expense	132,081	-	120,860	-	-	-	-	-	-	-

The terms of the amounts due from (to) related parties are set out in notes 16 and 20.

Compensation to key management personnel

The remuneration of directors who are also the key management personnel during the period/year was as follows:

	1.4.2013 to 30.9.2014 HK$	1.4.2012 to 31.3.2013 HK$
Short-term benefits	26,611,172	13,768,151

28. FINANCIAL INSTRUMENTS

Categories of financial instruments

	30.9.2014 HK$	31.3.2013 HK$ (restated)
Financial assets		
Loans and receivables (including cash and cash equivalents)	231,331,702	189,573,666
Financial liabilities		
At amortised cost	216,526,210	144,063,856

29. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is based on close monitoring by the board of directors, and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets. The most significant financial risks to which the Company is exposed are described below.

Credit risk

The Company's credit risk is primarily attributable to cash and bank balances and the share of commissions earned which are being included as part of the trade and other receivables. Cash and cash and bank balances are placed with major financial institutions with good credit ratings. As a result, management does not consider the credit risk significant.

Management has a credit policy in place and the exposures of commission receivables to credit risks are monitored on an ongoing basis. The Company has the obligation to collect the cash from its clients on behalf of the insurers for which they have now become policyholders under an insurance contract that the Company successfully brokered. This arrangement allows the Company to act as the agent of the insurer and to receive the payment for the commission receivable by collecting the full premium cash flow from the policyholder and remitting to the insurer, at the agreed due date, the premiums collected less the commission amount.

Foreign currency risk

The Company's functional currency is Hong Kong dollars. The Company operates branch offices in the United Kingdom and Australia and maintains a representative office in Beijing. It also carries on business with customers in various overseas countries and receives commission income denominated in various foreign currencies. The Company manages its foreign currency risk arising from foreign currency transactions by maintaining its net exposure within acceptable limits. For United States dollar transactions, the Company does not consider that significant foreign currency risk arises because the Hong Kong dollar is pegged to the United States dollar.

The Company's net exposure to significant foreign currency risk is as follows:

	30.9.2014		31.3.2013	
Net financial assets (liabilities)	Original currency	HK$ equivalent	Original currency (restated)	HK$ equivalent (restated)
Euros	51,418	505,723	(149,999)	(1,493,177)
Australian dollars	(1,536,991)	(10,417,068)	(542,201)	(4,383,982)
Pounds sterling	59,145	746,121	(38,454)	(453,937)

At 30 September 2014, had the Hong Kong dollar strengthened by 4% (2013: 5%) in relation to the Euro with all other variables held constant, loss for the period before taxation would have increased by approximately HK$9,866 (profit increased 2013: HK$79,249).

29. FINANCIAL RISK MANAGEMENT - continued

Foreign currency risk - continued

At 30 September 2014, had the Hong Kong dollar strengthened by 6% (2013: 4%) in relation to the Australian dollar with all other variables held constant, the loss for the period before taxation would have decreased by approximately HK$582,161 (profit increased 2013: HK$183,195).

At 30 September 2014, had the Hong Kong dollar strengthened by 4% (2013: 4%) in relation to the Sterling with all other variables held constant, the loss for the period before taxation would have increased by approximately HK$30,956 (profit decreased 2013: HK$19,528).

Interest rate risk

The Company's interest rate risk arises primarily from finance lease liabilities, bank loans and overdrafts, loans from shareholders and amount due to holding company. The Company's interest rate profile as monitored by management is set out below.

Interest rate profile

The following table details the interest rate profile of the Company's third party and intercompany financing at the end of the reporting period.

	30.9.2014		31.3.2013	
	Effective interest rate	Amount	Effective interest rate	Amount
	%	HK$	%	HK$
Fixed rate borrowings				
Bank loans	4.00	810,191	-	-
Finance lease liabilities	2.09	242,028	7.20	802,417
Amount due to ultimate holding company	5.00	5,790,642	-	-
		6,842,861		802,417
Variable rate borrowings				
Bank loans	3.13	15,483,400	3.17	12,926,680
Bank overdrafts	1.90	3,307,832	-	-
Loans from shareholders	4.14	3,773,768	-	-
Amount due to ultimate holding company	3.28	4,200,000	-	-
		26,765,000		12,926,680
Total interest-bearing borrowings		33,607,861		13,729,097

At end of the reporting period, it is estimated that an increase/decrease of 100 basis points (2013: 100 basis points) in interest rates, with all other variables held constant, would have increased the loss for the period before taxation by approximately HK$336,079 (profit decreased 2013: HK$107,938).

29. FINANCIAL RISK MANAGEMENT - continued

Liquidity risk

The Company is responsible for its own cash management. The Company'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 term.

The following table shows the remaining contractual maturities at the end of the reporting period of the Company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting period) and the earliest date the Company can be required to pay:

	30.9.2014				
	Carrying amount HK$	Total contractual undiscounted cash flow HK$	Within 1 year or on demand HK$	More than 1 year HK$	Fair value HK$
Trade and other payables	177,132,695	177,132,695	177,132,695	-	176,702,568
Bank loans	16,293,591	17,373,502	4,807,787	12,565,715	16,244,325
Overdrafts	3,307,832	3,307,832	3,307,832	-	3,307,832
Loans from shareholders	3,773,768	3,833,808	401,020	3,432,788	3,756,641
Finance lease liabilities	242,028	250,007	189,789	60,218	242,028
Amount due to ultimate holding company	13,906,005	14,512,265	11,096,303	3,415,962	14,317,430
Amount due to a subsidiary	1,870,291	1,870,291	1,870,291	-	1,870,291
	216,526,210	218,280,400	198,805,717	19,474,683	216,441,115

	31.3.2013 (restated)				
	Carrying amount HK$	Total contractual undiscounted cash flow HK$	Within 1 year or on demand HK$	More than 1 year HK$	Fair value HK$
Trade and other payables	128,688,347	128,688,347	128,688,347	-	129,242,769
Bank loans	12,926,680	13,009,180	13,009,180		12,926,680
Amount due to immediate holding company	1,646,412	1,646,412	1,646,412	-	1,646,412
Finance lease liabilities	802,417	868,562	310,346	558,216	802,417
	144,063,856	144,212,501	143,654,285	558,216	144,618,278

29. FINANCIAL RISK MANAGEMENT - continued

Fair value measurements of financial instruments

Except for trade and other payables, bank loans, loans from shareholders, and amount due to ultimate holding company, the directors of the Company considered that the fair values of financial assets and liabilities of the Company are not materially different from their carrying amounts because of the short term maturity of these financial instruments.

The fair value of trade and other payables, bank loans, loans from shareholders, and amount due to ultimate holding company is determined by discounted cash flow analysis with prevailing market interest.

30. CAPITAL MANAGEMENT

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to ensure that it will be able to meet the minimum net assets and minimum fully paid up share capital requirements for an insurance broker as set out in the Hong Kong Insurance Companies Ordinance at all times. As the Company is part of a larger group, the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the Group's capital management objectives.

The Company defines capital as including equity, bank loans and the amount due to ultimate holding company. The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the group to which the Company belongs. The Company's overall capital management strategy remains unchanged from the prior year. The Company has met the minimum net assets and minimum fully paid up share capital requirements during the period/year ended 31 March 2013 and 30 September 2014.

In addition, as a Lloyd's broker registered under the Financial Conduct Authority ("FCA") of the United Kingdom, the Company is also subject to the capital resources requirements of CASS 5, Client money: insurance mediation activities. The Company must have and at all times maintain capital resources of not less than 50,000 British Pounds as calculated in accordance with CASS 5. The Company monitors its compliance with the requirements of the FCA on a monthly basis. The Company complied with the capital requirements of the FCA at all times during the period and the prior year.

31. PLEDGED ASSETS

On 17 October 2013, Hyperion Finance S.a.r.l , a fellow subsidiary, entered into a financing agreement with JPMorgan Chase Bank, N.A., HSBC Bank plc and Lloyds Bank plc. Under the terms of this agreement, the Company together with a number of other subsidiaries have given guarantees in respect of Hyperion Finance S.a.r.l.'s obligations under the terms of the agreement. As at 30 September 2014, the Company's relevant assets amounting to approximately HK$92 million were pledged to secure these term loans.

32. INSURANCE BROKING DEBTORS AND CREDITORS

As disclosed in the change of accounting policy on recognition of insurance intermediary assets and liabilities in note 3, the Company is generally not liable as principal for the amounts that its clients owe to the insurer as they enter in an insurance contract with insurer and become its policyholders. Receivables (including premiums or claims receivables) arising from policyholders and corresponding liability for the same amount due by the Company to the insurer are not the assets or liabilities of the Company.

The following additional information on insurance broking debtors and creditors prepared by the management is solely for the purpose of compliance in accordance with disclosure requirements of Guidance Note 11 issued by Hong Kong Confederation of Insurance Brokers on 16 August 2013:

Insurance Broking Debtors

The aging analysis of insurance broking debtors as at 30 September 2014 is follows:

	Insurance debtors - premium and claims not recognised as assets HK$	Commission receivables HK$	Total insurance debtors HK$
Neither past due not impaired	99,266,326	20,938,335	120,204,661
Within 3 months past due	83,101,751	13,635,011	96,736,762
3 or more than 3 months past due	27,393,329	9,766,069	37,159,398
	209,761,406	44,339,415	254,100,821

32. INSURANCE BROKING DEBTORS AND CREDITORS - continued

Insurance Broking Creditors

The aging analysis of insurance broking creditors as at 30 September 2014 is follows:

	Insurance creditors - premium and claims not recognised as liabilities HK$	Insurance creditors - cash received in deposits HK$	Total insurance creditors HK$
Neither past due not impaired	99,266,326	92,224,862	191,491,188
Within 3 months past due	83,101,751	40,426,053	123,527,804
3 or more than 3 months past due	27,393,329	36,473,068	63,866,397
	209,761,406	169,123,983	378,885,389

It was impracticable to prepare the comparative ageing information as at 31 March 2013 regarding the insurance broking debtors and creditors. This date is prior to the date on which the guidance has been introduced and the Company, after making all reasonable efforts to prepare the comparative information, concluded that the ageing information would not be determinable without undue effort.