(expressed in Hong Kong Dollars)

1. General information

The Urban Renewal Authority (the "Authority") is a statutory body established by the Hong Kong SAR Government under the Urban Renewal Authority Ordinance (Chapter 563). The principal activities of the Authority and its subsidiaries (the "Group") have been to promote urban renewal in Hong Kong by way of redevelopment, rehabilitation, revitalisation and heritage preservation. As a result of the Urban Renewal Strategy promulgated on 24 February 2011, the Group is to focus on redevelopment and rehabilitation as its core business.

The address of the Authority is 26/F, COSCO Tower, 183 Queen's Road Central, Hong Kong.

As part of the financial support for the Authority, the Government has agreed that all urban renewal sites for new projects set out in the Corporate Plans and Business Plans of the Authority, approved by the Financial Secretary ("FS") from time to time, may in principle be granted to the Authority at nominal premium, subject to satisfying FS of the need therefor.

2. Significant accounting policies

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

(a) Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with accounting principles generally accepted in Hong Kong and comply with all applicable Hong Kong Financial Reporting Standards (which include all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations ("HKFRSs")) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to the presentation and disclosures of certain information in the consolidated financial statements.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(b) Relevant standards, amendments to standards and interpretations effective in current year

In current year, the Group has adopted the following new standards, amendments and interpretations which are relevant to the Group's operations and are mandatory for the financial year ended 31 March 2015:

HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-Financial Assets
HKFRS 7 and HKFRS 9 (Amendments)	Financial Instruments: Disclosures - Mandatory Effective Date of HKFRS 9 and Transition Disclosures
Annual Improvements Project	Annual Improvements 2010-2012 and 2011-13 Cycle
HKFRS 9 (2013)	Financial Instruments

The application of the above standards, amendments to standards and interpretations in the current year had no material impact on the Group's consolidated financial statements.

(c) Standards, amendments to standards and interpretations that are not yet effective

The HKICPA has issued certain new standards, amendments to standards and interpretations which are not yet effective as at 31 March 2015. Those which are relevant to the Group's operation are as follows:

		Effective for accounting periods beginning on or after
HKAS 1 (Amendments)	Disclosure Initiative	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements	1 January 2016
HKFRS 9 (2014)	Financial Instruments	1 January 2018
HKFRS 10, HKFRS 12 and HKAS 28 (2011) (Amendments)	Investment Entities: Applying the Consolidation Exception	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2017
Annual Improvements 2010-2012 Cycle	Improvements to HKFRSs	1 January 2015
Annual Improvements 2011-2013 Cycle	Improvements to HKFRSs	1 January 2015
Annual Improvements 2012-2014 Cycle	Improvements to HKFRSs	1 January 2016

The Group has not early adopted the above standards, amendments to standards and interpretations in the consolidated financial statement for the year ended 31 March 2015. The Group will apply the above standards, amendments and interpretations from 1 April 2015, and has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

2. Significant accounting policies (Continued)

(d) Basis of consolidation

The consolidated financial statements include the financial statements of the Authority and all its subsidiaries made up to 31 March.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

All material intercompany transactions and balances within the Group are eliminated on consolidation.

In the Authority's statement of financial position, investments in subsidiaries are stated at cost less any provision for impairment losses. Any such provisions are recognised as an expense in the profit or loss.

(e) Revenue recognition

Revenue is measured at fair value of consideration received or receivable. Provided it is probable that the economic benefit will flow to the Group and the revenue can be measured reliably, revenue is recognised in the profit or loss as follows:

(i) Income from sale of properties is recognised upon the risks and rewards of ownership have been passed.

(ii) Where the Authority receives its share of surplus from property development projects undertaken as jointly controlled development projects, sharing of such surplus is recognised in accordance with the terms of the joint development agreements, unless the significant risks and rewards of ownership of the underlying properties under development have not been transferred. Proceeds received in advance from sale of properties of jointly development projects prior to their completion are included in current liabilities.

(iii) Where the Authority receives a distribution of the assets of a joint venture, surplus is recognised based on the fair value of such assets at the time when agreement to distribute the assets has been reached.

(iv) When the developer is obligated to settle the upfront premium to the Authority at the inception of joint development agreement, surpluses arising from such upfront premium are recognised when the Authority has no further substantial acts to complete. Generally, such surpluses are recognised as soon as the Group has performed its obligations in respect of the upfront premium, the events leading to the possible cancellation of the joint development agreements have lapsed, and the upfront premium have become non-refundable/non-cancellable.

(v) Interest income is recognised on a time-proportion basis using the effective interest method.

(vi) Rental income net of any incentives given to the lessee is recognised on a straight line basis over the periods of the respective leases.

(vii) Income from Urban Redevelopment Facilitating Services Company Limited ("Facilitating Services") is recognised upon completion of the sale of the properties by the owners in accordance with the terms of the sale agreement.

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(f) Property, plant and equipment

Building comprises rehousing blocks, preservation properties and commercial premises held for self-use. Rehousing blocks represent properties held by the Authority for the intended purpose of providing interim accommodation for affected tenants of development projects who are normally charged a rent which is substantially below the market value, with a view to assisting the dispossessed tenants who are yet to obtain public housing units. Preservation properties are properties that are of historical or architectural interest to be preserved by the Authority.

All property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the profit or loss during the financial period in which they are incurred.

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use.

Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated to write off their costs less residual values over their anticipated useful lives on a straight line basis as follows:

Leasehold land classified as finance lease	-	Over the period of the unexpired lease
Buildings	-	2% per annum or over the period of the unexpired lease if less than 50 years
Leasehold improvements	-	Office : Over 10 years or the life of the respective lease, whichever is the shorter Non-office : Over the period of the unexpired terms of the leases if less than 50 years
Plant and machinery	-	10% per annum
Motor vehicles	-	25% per annum
Furniture and office equipment	-	20% to 33 1/3% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss.

2. Significant accounting policies (Continued)

(g) Impairment of investments in subsidiaries and non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Financial assets and liabilities

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determine the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets designated at fair value through profit or loss on initial recognition or held for trading. Assets in this category are classified as current assets. Financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit or loss within 'other income, net', in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss as part of 'other income, net' when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit or loss.

Purchases and sales of financial assets are recognised on the trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial liabilities are recognised initially at fair value, net of transaction costs incurred. Financial liabilities are subsequently carried at amortised cost; any different between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(i) Leases

Leases are classified as finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease except for those incurred for accommodation in project sites which have been capitalised in property under development.

(j) Properties acquired pending redevelopment

Properties acquired pending redevelopment are stated at cost less provision for impairment losses until a decision is reached as to whether the redevelopment is to be undertaken by the Group or through joint ventures.

When a property is to be redeveloped, the cost of the property is reclassified as properties under development or jointly controlled development projects for projects undertaken in joint ventures.

(k) Properties under development

Properties under development represent all costs incurred by the Authority in connection with property redevelopment, and include acquisition costs, the cost of properties being reclassified from properties acquired pending redevelopment, borrowing costs, costs of rehousing units (see Note 2(m)) and other costs incurred in connection with the development, less any provisions for impairment losses. For preservation properties, the properties are transferred to property, plant and equipment at cost upon completion.

Upon disposal of the development properties, the relevant cost of the properties will be apportioned between the part to be retained and the part to be sold on an appropriate basis.

The relevant cost for the part to be sold will be charged as 'direct costs' to the profit or loss at the inception of joint development agreement.

(l) Properties held for sale

Property to be sold at the end of the reporting period will be stated at the lower of cost and net realisable value.

(m) Costs of rehousing units provided by the Hong Kong Housing Authority and the Hong Kong Housing Society

The Hong Kong Housing Authority and the Hong Kong Housing Society have agreed to provide certain rehousing units to the Authority. In return, the Authority will pay for the reservation fees until a tenant is moved into the unit and the development costs of the rehousing unit. These costs are recognised as part of the cost of properties under development referred to in Note 2(k), or jointly controlled development projects for projects undertaken in joint ventures (Note 2(r)).

2. Significant accounting policies (Continued)

(n) Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses, except for those cases where the Group has a present obligation as a result of committed events.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the consolidated financial statements when an inflow economic benefits is probable. When inflow is virtually certain, an asset is recognised.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(o) Current and deferred income tax

Income tax expenses represent the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expenses that are taxable or deductible in other years and it further exclude profit or loss items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised.

(expressed in Hong Kong Dollars)

2. Significant accounting policies (Continued)

(p) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

Other borrowing costs are charged to the profit or loss in the period in which they are incurred.

(q) Translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong Dollars, which is the Authority's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(r) Jointly controlled development projects

The arrangements entered into by the Group with property developers for redevelopment projects are considered to be joint operations pursuant to HKFRS 11 "Joint Arrangements" and are accounted for in accordance with the terms of the development agreements. The Group's share of income earned from such operations is recognised in the profit or loss in accordance with the bases set out in Notes 2(e) (ii), (iii) and (iv).

Where property is received by the Authority as its share of distribution of assets from jointly controlled development projects, such property is recorded within non-current assets at its fair value at the time when agreement is reached or, if a decision is taken for it to be disposed of, at the lower of this value and net realisable value within current assets.

(s) Cash and cash equivalents

Cash and cash equivalents comprise bank balances and deposits held at call with banks with maturities of three months or less.

(t) Employee benefits

Salaries and annual leave are accrued and recognised as an expense in the year in which the associated services are rendered by the employees of the Group.

The Group operates defined contribution schemes and pays contributions to scheme administrators on a mandatory or voluntary basis. The contributions are recognised as an expense when they are due.

3. Financial risk management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: cash flow interest rate risk, credit risk, liquidity risk, price risk and foreign exchange risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance.

(i) Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits. Nevertheless, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

Interest rate sensitivity

As at 31 March 2015, if interest rates had been increased/decreased by 0.5% and all other variables were held constant, the surplus of the Group would increase/decrease by approximately $47,976,000 (2013/14: the deficit of the Group would decrease/increase by approximately $30,725,000) resulting from the change in the interest income generated from the cash and bank balances (exclude cash and bank balances held under investment at fair value through profit or loss).

The Group's interest rate risk for "financial assets at fair value through profit or loss" is set out in Note 3(a)(iv).

(ii) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and bank balances, building rehabilitation loans, receivables from property developers, and trade and other receivables.

The credit risk on cash and bank balances is limited because most of the funds are placed in banks with credit ratings, ranging from Aa1 to A3 and there is no concentration in any particular bank.

The credit risk on building rehabilitation loans is limited as the Authority has monitoring procedures to ensure that follow-up action is taken to recover overdue debts and place charges on the properties.

The credit risk on receivables from property developers is limited as all due performance of the property developers are guaranteed by their respective holding companies or joint venturers.

The credit risk on trade receivables is limited as rental deposit in the form of cash are usually received from tenants.

The credit risk on other receivables is limited as the Authority is entitled to refund and has monitoring procedures to claim for refund of Buyer's Stamp Duty and Ad Valorem Double Stamp Duty from the Government upon the happening of the refund event in accordance with Stamp Duty Ordinance Chapter 117.

(expressed in Hong Kong Dollars)

3. Financial risk management (Continued)

(a) Financial risk factors (Continued)

(iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through committed credit facilities.

Management monitors rolling forecasts of the Group's cash and bank balances (Note 17) on the basis of expected cash flow.

The table below analyses the Group's and the Authority's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances (except for debt securities issued which include interest element), as the impact of discounting is insignificant.

	2015 $'000	2014 $'000
Less than 1 year		
Trade and other payables	2,363,838	2,388,616
Amounts due to jointly controlled development projects	192,916	191,629
Debt securities issued	1,376,863	289,136
Between 1 to 3 years		
Trade and other payables	552,900	-
Debt securities issued	643,291	1,450,363
Between 3 to 5 years		
Trade and other payables	189,800	-
Debt securities issued	1,127,037	635,563
Over 5 years		
Trade and other payables	455,800	-
Debt securities issued	1,969,122	3,030,388

3. Financial risk management (Continued)

(a) Financial risk factors (Continued)

(iv) Price risk

Price risk arising from uncertainties about future prices of the underlying investments held at fair value through profit or loss.

Price risk sensitivity

As at 31 March 2015, if the respective market price of the quoted investments had been increased/decreased by 1% and all other variables held constant, the surplus of the Group would increase/decrease by approximately $29,949,000 (2013/14: the deficit of the Group would decrease/increase by approximately $17,924,000) resulting from the change in fair value of the financial assets at fair value through profit or loss.

(v) Foreign exchange risk

The Group has certain cash and bank balances denominated in Renminbi, which are exposed to foreign currency translation risk. When the exchange rates of Renminbi against the Hong Kong dollar fluctuate, the value of the Renminbi-denominated cash and bank balances translated into Hong Kong dollar will vary accordingly.

Foreign exchange risk sensitivity

At 31 March 2015, if Hong Kong dollar had weakened/strengthened by 1% against the Renminbi with all other variables held constant, the surplus of the Group would increase/decrease by approximately $4,147,000 (2013/14: the deficit of the Group would decrease/increase by approximately $4,753,000) resulting from the foreign exchange gains/losses on translation of Renminbi-denominated cash and bank balances.

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to promote urban renewal in Hong Kong by way of redevelopment, rehabilitation, revitalisation and heritage preservation.

The Group's working capital is mainly financed by the Government's equity injection, accumulated surplus and debt securities issued. The Group also maintains committed credit facilities to ensure the availability of funding when needed.

(c) Fair value estimation

The carrying amounts of the Group's financial assets including receivables from property developers, amount due from jointly controlled development projects, cash and bank balances and trade and other receivables; and financial liabilities including amount due to jointly controlled development projects and trade and other payables, approximate their fair values due to their short maturities.

The carrying amounts of the Group's building rehabilitation loans and debt securities issued approximate their fair value as the impact of discounting is insignificant.

(expressed in Hong Kong Dollars)

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of properties under development and provision for committed projects

Properties under development are tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired in accordance with the accounting policy stated in Note 2(g).

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past and committed events in accordance with the accounting policy stated in Note 2(n). When the estimated valuation of the committed project is lower than the present legal or constructive obligation, a provision would be recognised.

The valuation of properties under development and provision for committed projects are made on the basis of the "Market Value" adopted by the Hong Kong Institute of Surveyors ("HKIS"). The valuation is performed annually by internal valuers who are qualified members of the HKIS. The Group's management review the assumptions used by the internal valuers by considering the information from a variety of sources including (i) current prices in an active market for properties of different nature, condition or location, adjusted to reflect those differences; (ii) recent prices of comparable properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; (iii) expected arrangement with property developers on tender awarded; (iv) estimated development and related cost and allocation thereof; and (v) discount rate used in land value assessment, which is made with reference to the Prime Rate.

Estimated impairment of properties under development and provision for committed projects sensitivity

As at 31 March 2015, if the respective estimated upfront premium to be received on the projects had been increased/decreased by 5% and all other variables held constant, the surplus of the Group would increase by approximately $299,000,000 (2013/14: the deficit of the Group would decrease by approximately $482,000,000)/decrease by approximately $299,000,000 (2013/14: the deficit of the Group would increase by approximately $511,000,000) resulting from the change in provision written back/charge for impairment on properties under development and provision for committed projects.

The final impairment amount for properties under development and the ultimate losses arise from the committed projects would be affected by the actual realised value and development and related cost and the final arrangements with the property developers.

(expressed in Hong Kong Dollars)

5. Revenues and other income, net

(a) Revenues

Revenues recognised during the year represents:

	2015	2014
	$'000	$'000
Upfront premium from property developers	9,167,433	-
Share of property development surplus on jointly controlled development projects	605,378	1,168,489
Sale of properties	130,871	150
	9,903,682	1,168,639

(b) Other income, net

Other income, net recognised during the year represents:

	2015	2014
	$'000	$'000
Interest income	157,773	117,058
Rental income	24,838	15,181
Facilitating Services income	-	4,790
Gain/(loss) on financial assets at fair value through profit or loss	13,430	(1,579)
Loss on disposal of property, plant and equipment	(129)	(16)
Net foreign exchange losses	(738)	(8,607)
	195,174	126,827

(expressed in Hong Kong Dollars)

6. Operating surplus/(deficit) before income tax

Operating surplus/(deficit) before income tax is arrived at after charging/(crediting) the following items:

(a) Other items

	2015 $'000	2014 $'000
Cost of properties under jointly controlled development projects charged	7,714,271	-
Depreciation	44,067	32,372
(Write back of)/provision for impairment on property, plant and equipment	(115,552)	259
Provision for impairment on properties under development	399,800	2,605,200
Provision for committed projects	419,000	405,000
Operating lease charges in respect of rental of office premises	21,870	17,332
Outgoings in respect of properties	31,331	28,941
Staff costs (excluding directors' remuneration)*	339,308	306,214
Auditor's remuneration		
- Audit services	639	588
- Non-audit services	51	49

* Including salaries and allowance of $272,445,000 (2013/14: $243,874,000).

6. Operating surplus/(deficit) before income tax (Continued)

(b) Managing Director, Executive Directors and senior management's remuneration paid or payable during the year

	2015					
	Fees	Salaries	Provident fund scheme contributions	Sub-total	Variable pay	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Managing Director - Iris Tam Siu-ying	-	3,527	17	3,544	1,058	4,602
Executive Director (Planning, Design & Works)# - Calvin Lam Che-leung	-	1,769	12	1,781	442	2,223
Executive Director (Commercial & Operations) - Pius Cheng Kai-wah	-	2,990	17	3,007	748	3,755
6 Directors & 2 Ex-Directors	-	20,943	637	21,580	4,695	26,275
Total**	-	29,229	683	29,912	6,943	36,855

	2014					
	Fees	Salaries	Provident fund scheme contributions	Sub-total	Variable pay	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Managing Director - Iris Tam Siu-ying	-	3,527	15	3,542	1,058	4,600
Executive Director (Planning, Design & Works) - Calvin Lam Che-leung	-	2,895	15	2,910	724	3,634
Executive Director (Commercial & Operations)## - Pius Cheng Kai-wah	-	747	4	751	187	938
7 Directors & 1 Ex-Director	-	22,174	438	22,612	5,751	28,363
Total**	-	29,343	472	29,815	7,720	37,535

The Executive Director (Planning, Design & Works) has been vacant since 11 November 2014.

The Executive Director (Commercial & Operations) assumed his role with effect from 1 January 2014.

** Excluding compensation in lieu of leave in the aggregate sum of $1,244,000 (2013/14: $530,000).

(expressed in Hong Kong Dollars)

6. Operating surplus/(deficit) before income tax (Continued)

(b) Managing Director, Executive Directors and senior management's remuneration paid or payable during the year (Continued)

	2015	2014
Their remuneration fell within the following bands:	No. of individuals	No. of individuals
$1,000,001 to $1,500,000	-	1
$2,000,001 to $2,500,000	2	-
$2,500,001 to $3,000,000	2	-
$3,000,001 to $3,500,000	2	4
$3,500,001 to $4,000,000	4	5
$4,500,001 to $5,000,000	1	1
Total	11	11

There were no payments made or benefit provided in respect of the termination of director service or consideration provided to / receivable by third parties in respect of the services of directors, whether in the capacity of directors or in any other capacity while directors.

There were no loans, quasi-loans provided to the directors.

No significant transactions, arrangements or contracts in relation to the Group's business to which URA was a party, and in which a director of URA had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

6. Operating surplus/(deficit) before income tax (Continued)

(c) Other members of the Board

Fees for the chairman and non-executive members of the Board (excluding the government public officers who are not entitled to receive any fees) are as follows:

	2015	2014
	$'000	$'000
Chairman		
Mr Barry Cheung Chun-yuen, GBS, JP *(up to 24 May 2013)*	-	14
Mr Victor So Hing-woh, JP *(from 15 June 2013)*	100	79
Non-Executive Directors (non-public officers)		
Mr Victor Chan Hin-fu *(up to 30 April 2013)*	-	5
Mr Walter Chan Kar-lok, SBS, JP *(up to 30 April 2013)*	-	5
Dr Hon. Ann Chiang Lai-wan, JP *(from 1 May 2013)*	65	60
Mr Edward Chow Kwong-fai, JP *(from 1 May 2013)*	65	60
Mr Andrew Fung Wai-kwong *(from 1 May 2013 to 14 Dec 2013)*	-	40
Mr Laurence Ho Hoi-ming *(from 1 May 2013)*	65	60
Professor Ho Pui-yin *(up to 30 April 2013)*	-	5
Mr Lester Garson Huang, JP *(from 1 May 2013)*	65	60
Professor Desmond Hui Cheuk-kuen *(up to 30 Nov 2014)*	43	65
Professor Eddie Hui Chi-man *(from 1 May 2013)*	65	60
The Honourable Ip Kwok-him, GBS, JP *(up to 30 April 2013)*	-	5
Mr Philip Kan Siu-lun	65	65
The Honourable Dennis Kwok	65	65
Mr Nelson Lam Chi-yuen *(from 1 May 2013)*	65	60
Mr Daniel Lam Chun, BBS, JP	65	65
Mr Philip Liao Yi-kang	65	65
Dr Gregg Li G. Ka-lok *(from 1 Dec 2014)*	22	-
Mr Laurence Li Lu-jen, JP *(from 1 May 2013)*	65	60
Mr Timothy Ma Kam-wah, JP *(from 1 May 2013)*	65	60
The Honourable Alice Mak Mei-kuen *(from 1 Dec 2014)*	22	-
Dr Billy Mak Sui-choi	65	65
Dr Isaac Ng Ka-chui *(up to 30 April 2013)*	-	5
Mr Ng Shui-lai, BBS, MBE, JP *(up to 30 April 2013)*	-	5
Dr Lawrence Poon Wing-cheung, JP *(from 1 Dec 2014)*	22	-
Mr David Tang Chi-fai *(from 1 May 2013)*	65	60
The Honourable James To Kun-sun *(up to 30 Nov 2014)*	43	65
Mr Peter To *(up to 30 April 2013)*	-	5
The Honourable Wong Kwok-kin, SBS *(up to 30 Nov 2014)*	43	65
Dr John Wong Yee-him *(up to 30 Nov 2014)*	43	65
Mr Stanley Wong Yuen-fai, SBS, JP *(from 1 May 2013)*	65	60
The Honourable Wu Chi-wai, MH *(from 1 Dec 2014)*	22	-
Mr Douglas Young Chi-chiu *(up to 30 April 2013)*	-	5
	1,335	1,358

(expressed in Hong Kong Dollars)

6. Operating surplus/(deficit) before income tax (Continued)

(d) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 March 2015 include the Managing Director, Executive Director and three Directors.

The total emoluments earned by the five highest paid individuals during the year are as follows:

	2015 $'000	2014 $'000
Fixed - Salaries	15,509	15,052
- Provident fund scheme contributions	428	397
Sub-total	15,937	15,449
Variable pay	4,075	4,081
Total **	20,012	19,530

Their remuneration fell within the following bands:

	No. of individuals	No. of individuals
$3,500,001 to $4,000,000	4	4
$4,500,001 to $5,000,000	1	1
Total	5	5

** For the year ended 31 March 2015, no compensation in lieu of leave and other benefit (2013/14: $59,000) were excluded from the aggregate sum.

7. Income tax expenses

(a) In accordance with Section 19 of the Urban Renewal Authority Ordinance, the Authority is exempted from taxation under the Inland Revenue Ordinance (Chapter 112).

No provision for Hong Kong profits tax has been made for the Group's subsidiaries as there are no estimated assessable income for the year (2013/14: Nil).

(b) As at 31 March 2015, the subsidiaries of the Group have unrecognised deductible temporary differences arising from capital allowance and tax losses of $8,785,000 and $9,167,000 respectively (31 March 2014: $9,590,000 and $6,677,000 respectively) to carry forward against future taxable income. These tax losses have no expiry date.

(expressed in Hong Kong Dollars)

8. Property, plant and equipment

	Preservation properties	Other properties, plant and equipment: Land and buildings	Leasehold improvements	Plant and machinery	Furniture and equipments and motor vehicle	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 April 2013						
Cost	180,284	622,204	65,189	46,049	23,446	937,172
Accumulated depreciation	(66,479)	(274,441)	(25,720)	(34,846)	(16,545)	(418,031)
Accumulated impairment	(21,734)	-	-	-	-	(21,734)
Net book amount	92,071	347,763	39,469	11,203	6,901	497,407
Year ended 31 March 2014						
Opening net book amount	92,071	347,763	39,469	11,203	6,901	497,407
Additions	201,675	-	9,184	9,004	4,678	224,541
Transfer from properties under development	182,737	-	-	-	-	182,737
Disposals	-	-	-	-	(21)	(21)
Depreciation	(8,782)	(9,284)	(7,597)	(3,349)	(3,360)	(32,372)
Impairment	(259)	-	-	-	-	(259)
Closing net book amount	467,442	338,479	41,056	16,858	8,198	872,033
At 31 March 2014						
Cost	646,696	622,204	68,895	52,753	26,662	1,417,210
Accumulated depreciation	(75,261)	(283,725)	(27,839)	(35,895)	(18,464)	(441,184)
Accumulated impairment	(103,993)	-	-	-	-	(103,993)
Net book amount	467,442	338,479	41,056	16,858	8,198	872,033
Year ended 31 March 2015						
Opening net book amount	467,442	338,479	41,056	16,858	8,198	872,033
Additions	10,301	-	1,409	605	2,644	14,959
Transfer from properties under development	240,706	-	-	-	-	240,706
Disposals	-	-	(31)	(13)	(128)	(172)
Depreciation	(16,264)	(9,284)	(10,222)	(4,647)	(3,650)	(44,067)
Write back of provision for impairment	73,955	41,597	-	-	-	115,552
Closing net book amount	776,140	370,792	32,212	12,803	7,064	1,199,011
At 31 March 2015						
Cost	996,688	661,588	68,083	52,165	26,913	1,805,437
Accumulated depreciation	(91,525)	(290,796)	(35,871)	(39,362)	(19,849)	(477,403)
Accumulated impairment	(129,023)	-	-	-	-	(129,023)
Net book amount	776,140	370,792	32,212	12,803	7,064	1,199,011

The Group's land and buildings comprise mainly rehousing blocks held for the purpose of rehousing affected tenants of development projects, preservation properties and commercial premises held for self-use.

(expressed in Hong Kong Dollars)

9. Properties acquired pending redevelopment

	2015 $'000	2014 $'000
At 1 April	7,933	7,733
Add: Additions during the year	158	200
Less: Sales during the year	(8,091)	-
At 31 March	-	7,933

10. Properties under development

	2015 $'000	2014 $'000
Cost of properties acquired, including Home Purchase Allowance ("HPA") (Note)	17,648,315	25,657,133
Development expenditure	3,335,473	2,011,591
Total cost (includes accumulated interest and other borrowing costs capitalised of $182,037,000 (31 March 2014: $187,224,000))	20,983,788	27,668,724
Provision for impairment	(4,694,880)	(6,238,262)
Balances as at 31 March	16,288,908	21,430,462

At 31 March 2015, the properties under development are analysed as follows:

	2015 $'000	2014 $'000
Redevelopment projects	9,842,385	16,314,861
Kai Tak development	2,027,898	1,668,125
Self-developed projects	1,473,321	1,389,338
Preservation projects	627,182	913,752
The Authority's retention properties	2,318,122	1,144,386
	16,288,908	21,430,462

Note:
In March 2001, the Finance Committee of the Legislative Council approved, inter alia, the revised basis for calculating the HPA payable to owners of domestic properties and ex-gratia allowances payable to owners and owner-occupiers affected by land resumption. The relevant policies governing the Authority's payment of HPA and ex-gratia allowances for properties acquired/resumed and the clearance of occupiers are based on the above framework which have resulted in a high cost base for the Authority's redevelopment projects.

10. Properties under development (Continued)

Note (Continued):
In respect of domestic properties, the assessment of HPA is based on a notional replacement flat of 7 years old which is assumed to be in a comparable quality building, situated in a similar locality in terms of characteristics and accessibility, being at the middle floor with average orientation not facing south or west, and without seaview. The HPA paid to the owner-occupiers represents the difference between the assessed value of the notional 7-year-old flat and estimated market value of the acquired property at the offer date. The owner will also receive the estimated market value of his flat in addition to the HPA.

As at 31 March 2015, the Authority's estimated cash outflow in respect of project under acquisition and resumption as well as construction cost for Kai Tak Site stood at $13.3 billion (31 March 2014: $13.4 billion), without accounting for any future inflow for the projects.

The Authority launched the Flat-for-Flat ("FFF") Scheme to provide domestic owner-occupiers affected by the Authority's redevelopment projects commenced after 24 February 2011 with an alternative option to cash compensation. The owner-occupier taking the option of FFF will have to top up if the price of the new flat is higher than the cash compensation for his old flat. The domestic owner-occupiers could have a choice of 'in-situ' flats on the lower floors of the new development or flats in an FFF Scheme being developed by the Authority on a site at Kai Tak, which will provide about 500 small to medium sized flats. The Authority has paid a land premium to obtain a land grant for the site at Kai Tak earmarked for the FFF Scheme in 2012/13.

11. Receivables from property developers

At 31 March 2015, the upfront payment receivables from property developers are analysed as follows:

	2015 $'000	2014 $'000
Non-current portion	1,716,000	-
Current portion	2,996,000	-
	4,712,000	-

The balances are interest-free, secured and with fixed terms of repayment. As of 31 March 2014 and 2015, no receivables from property developers were past due.

(expressed in Hong Kong Dollars)

12. Building rehabilitation loans

At 31 March 2015, the building rehabilitation loans are analysed as follows:

	2015	2014
	$'000	$'000
Non-current portion	24,005	34,344
Current portion	13,041	16,124
	37,046	50,468

The building rehabilitation loans are interest-free, except for default, in which case interest will be charged on the overdue amount at the Prime Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited. The Authority reserves the right to impose legal charges over the properties for loans of amounts between $25,001 and $100,000. All non-current portion of building rehabilitation loans are due within five years from the end of the reporting period.

As of 31 March 2015, instalments of building rehabilitation loans of $499,000 (31 March 2014: $93,000) were past due but not impaired. These relate to a number of borrowers for whom there are no recent history of bad debt. The aging analysis of these building rehabilitation loans is as follows:

	2015	2014
	$'000	$'000
Less than 3 months	43	24
3 to 6 months	101	8
6 to 12 months	17	13
Over 1 year	338	48
Balance at 31 March	499	93

The maximum exposure to credit risk is the carrying value of the building rehabilitation loans.

13. Trade and other receivables

(a) Other receivables

Other receivables under non-current assets represent Buyer's Stamp Duty and Ad Valorem Double Stamp Duty that the Authority will claim for refund from the Government upon the happening of the refund event in accordance with Stamp Duty Ordinance Chapter 117.

13. Trade and other receivables (Continued)

(b) Trade and other receivables

At 31 March 2015, the trade and other receivables are current in nature and analysed as follows:

	2015	2014
	$'000	$'000
Trade receivables and prepayments	24,160	17,800
Interest receivables	52,641	27,699
Other receivables and deposit	26,351	13,509
Balance at 31 March	103,152	59,008

As of 31 March 2015, trade receivables of $1,134,000 (31 March 2014: $2,101,000) were past due but not impaired. These relate to a number of tenants for whom there are no recent history of bad debt. The aging analysis of these trade receivables is as follows:

	2015	2014
	$'000	$'000
3 months or less	716	1,534
3 to 6 months	121	163
6 to 12 months	94	210
Over 1 year	203	194
Balance at 31 March	1,134	2,101

The maximum exposure to credit risk of the Group is the carrying amount of trade and other receivables.

14. Properties held for sale

	2015	2014
	$'000	$'000
At 1 April	15,270	15,420
Less: Sales during the year	-	(150)
At 31 March	15,270	15,270

(expressed in Hong Kong Dollars)

15. Jointly controlled development projects

	2015 $'000	2014 $'000
Amounts due from jointly controlled development projects	725,563	627,747
Amounts due to jointly controlled development projects	(192,916)	(191,629)
	532,647	436,118

All amounts due from/(to) jointly controlled development projects are expected to be recovered/settled within one year.

The Group have the following active jointly controlled development projects as at 31 March 2015.

Project Name / Location	Land use	Total gross floor area (m^2)	Actual completion date (calendar year)	Expected completion date (calendar year)
The Zenith / One Wanchai (Wan Chai)	Commercial / Residential	62,310	2006 (Site A & B) 2013 (Site C)	-
* Vision City / Citywalk (Tsuen Wan)	Commercial / Residential	137,885	2007	-
# The Masterpiece / K11 (Tsim Sha Tsui)	Commercial / Hotel / Service Apartment	103,844	2008	-
* The Dynasty / Citywalk 2 (Tsuen Wan)	Commercial / Residential	44,404	2008	-
* Vista (Sham Shui Po)	Commercial / Residential	12,703	2008	-
Beacon Lodge (Sham Shui Po)	Commercial / Residential	12,784	2008	-
Florient Rise (Tai Kok Tsui)	Commercial / Residential	43,231	2009	-
Lime Stardom (Tai Kok Tsui)	Commercial / Residential	19,735	2011	-
Baker Residence (Hung Hom)	Commercial / Residential	2,338	2011	-
* Park Summit (Tai Kok Tsui)	Commercial / Residential	21,402	2013	-
Macpherson Place (Mong Kok)	Commercial / Stadium and Youth Centre / Residential	24,767	2013	-
Park Metropolitan (Kwun Tong)	Residential	27,830	2014	-
Trinity Towers (Sham Shui Po)	Commercial / Residential	30,300	2014	-
Park Ivy (Tai Kok Tsui)	Commercial / Residential	4,843	2014	-

15. Jointly controlled development projects (Continued)

	Project Name / Location	Land use	Total gross floor area (m^2)	Actual completion date (calendar year)	Expected completion date (calendar year)
	The Nova (Sai Ying Pun)	Commercial / Residential	17,765	-	2015
	The Avenue (Wan Chai)	Commercial / Residential	83,900	-	2015
	Chi Kiang Street / Ha Heung Road (To Kwa Wan)	Commercial / Residential	8,378	-	2016
	My Place (Ma Tau Kok)	Commercial / Residential	6,944	-	2016
	Peel Street / Graham Street (Sheung Wan)	Commercial / Residential	18,240	-	2017
	Sai Yee Street (Mong Kok)	Commercial / Residential	22,301	-	2017
@	Shun Ning Road (Sham Shui Po)	Commercial / Residential	7,159	-	2018
@	San Shan Road / Pau Chung Street (Ma Tau Kok)	Commercial / Residential	10,356	-	2018
@	229A-G Hai Tan Street (Sham Shui Po)	Commercial / Residential	3,611	-	2018
@	Hai Tan Street/Kweilin Street/ Pei Ho Street (Sham Shui Po)	Commercial / Residential	58,900	-	2019
@	Kwun Tong Town Centre Areas 2 and 3 (Kwun Tong)	Commercial / Residential	178,600	-	2021

* Projects with commercial portions jointly held by the Developer and the Authority for letting and pending for sale
# Owner participation project
@ Newly awarded project during the year

The Authority is entitled to returns which are predetermined in accordance with the provisions of the jointly controlled development agreements.

In respect of the commercial portions of certain projects, the Authority has reached supplemental agreements with the respective developers to extend the sale of the commercial portions to a few years after the issuance of the occupation permits. The Authority shares certain percentage of any net proceeds derived from the operation of the commercial portions before the sale and includes it as surplus for the year and would also share the future sales proceeds at the same ratio. As at 31 March 2015, by reference to the valuation of the open market value of these commercial portions carried out by internal professional valuer, the gross fair value of the commercial portions (before the Group's share) was $6,497,152,000 (31 March 2014: $6,315,052,000) in aggregate and the Authority would account for its share of sales proceeds as surplus from the jointly controlled development projects when these commercial portions are sold in the future.

(expressed in Hong Kong Dollars)

16. Financial assets at fair value through profit or loss

	2015 $'000	2014 $'000
Debt securities, listed		
- Overseas	84,554	114,297
- Hong Kong	418,332	319,073
Debt securities, unlisted	2,492,000	1,259,884
	2,994,886	1,693,254
Structured deposits	-	99,179
Cash and bank deposits	35,568	70,280
	3,030,454	1,862,713

As at 31 March 2015, the Group's debt securities represent high quality corporate and government bonds.

The following table presents the Group's assets that are measured at fair value at 31 March 2015. The different fair value hierarchy of the Group's investments have been defined as follows:

- Quoted prices in active markets for identical assets or liabilities (level 1). No adjustments are made to the quoted price for these investments.
- Investments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotation or alternative pricing sources supported by observable inputs are classified as "level 2".
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) as they trade infrequently (level 3).

	Level 1		Level 2		Total	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Debt securities	502,886	433,370	2,492,000	1,259,884	2,994,886	1,693,254
Structured deposits	-	-	-	99,179	-	99,179
Total assets	502,886	433,370	2,492,000	1,359,063	2,994,886	1,792,433

(expressed in Hong Kong Dollars)

17. Cash and bank balances

	2015 $'000	2014 $'000
Time deposits with banks		
Maturities of 3 months or less	5,205,189	4,735,685
Maturities of more than 3 months	4,336,000	1,369,700
	9,541,189	6,105,385
Less: Amounts held in trust for jointly controlled development projects	(3,533)	(3,539)
	9,537,656	6,101,846
Cash at banks and in hand	57,480	43,173
Less: Amounts held in trust for jointly controlled development projects	(1)	(1)
	57,479	43,172
	9,595,135	6,145,018
Maximum exposure to credit risk	9,595,120	6,145,003

As at 31 March 2015, cash and bank balances of the Group are denominated in Hong Kong Dollars except for an amount of $414,665,000 (31 March 2014: $475,334,000) which is denominated in Renminbi.

The average effective interest rate of time deposits with banks was 1.57% per annum (2013/14: 1.40% per annum). These deposits have an average maturity of 119 days (2013/14: 75 days).

The credit quality of the cash and bank balances, deposited with financial institutions, which are Hong Kong Dollars and Renminbi, can be assessed by reference to external credit ratings and are analysed as follows:

Rating (Moody's)	2015 $'000	2014 $'000
Aa1 – Aa3	4,315,209	3,277,796
A1 – A3	5,242,331	2,845,246
Baa1 – Baa2	754	-
Others	36,826	21,961
	9,595,120	6,145,003

(expressed in Hong Kong Dollars)

18. Capital

On 21 June 2002, the Finance Committee of the Legislative Council approved a commitment of $10 billion for injection as equity into the Authority. The Government injected the equity into the Authority in phases over the five financial years from 2002/03 to 2006/07. At 31 March 2015, the Authority had received all five tranches of equity injection of $10 billion in total.

19. Trade and other payables

At 31 March 2015, the trade and other payables are analysed as follows:

	2015 $'000	2014 $'000
Trade payables	67,750	64,169
Proceeds received in advance from sale of properties of jointly development projects	2,826,500	-
Rental and other deposit received	410,387	455,712
Other payables	14,980	15,532
Accrued expenses	3,069,221	1,853,203
Balance at 31 March	6,388,838	2,388,616
Non-current portion	1,198,500	-
Current portion	5,190,338	2,388,616
	6,388,838	2,388,616

(expressed in Hong Kong Dollars)

20. Debt securities issued

As at 31 March 2015, the Authority has issued the following fixed rate notes under a Medium Term Note programme.

	2015 $'000	2014 $'000
Non-current portion		
HK dollar Fixed rate notes with coupon of 1.15% due 2015	-	1,300,000
HK dollar Fixed rate notes with coupon of 1.50% due 2017	500,000	500,000
HK dollar Fixed rate notes with coupon of 1.75% due 2019	500,000	500,000
HK dollar Fixed rate notes with coupon of 1.64% due 2020	300,000	300,000
HK dollar Fixed rate notes with coupon of 1.65% due 2020	500,000	500,000
HK dollar Fixed rate notes with coupon of 2.92% due 2021	400,000	400,000
HK dollar Fixed rate notes with coupon of 2.18% due 2023	300,000	300,000
HK dollar Fixed rate notes with coupon of 2.15% due 2023	300,000	300,000
HK dollar Fixed rate notes with coupon of 3.85% due 2026	500,000	500,000
Less: Unamortised finance charges	(18,212)	(22,768)
	3,281,788	4,577,232
Current portion		
HK dollar Fixed rate notes with a coupon of 1.45% due 2014	-	200,000
HK dollar Fixed rate notes with coupon of 1.15% due 2015	1,300,000	-
Less: Unamortised finance charges	(133)	(7)
	1,299,867	199,993

21. Provision for committed projects

	2015 $'000	2014 $'000
Balance at 1 April	405,000	447,000
Utilised during the year	(365,000)	(447,000)
Charged to the profit or loss	419,000	405,000
Balance at 31 March	459,000	405,000

The amount represents the provision for committed projects where acquisition was commenced before financial year end. The provision charge is recognised in the profit or loss. The balance at 31 March 2015 is current in nature.

(expressed in Hong Kong Dollars)

21. Provision for committed projects (Continued)

As at 31 March 2015, the total provision for impairment on projects are analysed as follows:

	2015 $'000	2014 $'000
Provision for impairment classified under properties under development as set out in Note 10	4,694,880	6,238,262
Provision for committed projects as set out above	459,000	405,000
Total provision for projects	5,153,880	6,643,262

22. Reserve for Facilitation Service

Contribution by the owners and the purchasers to the Urban Redevelopment Facilitating Services Company Limited, a wholly owned subsidiary of the Authority, is set aside in a reserve account for other facilitation projects.

23. Provident fund scheme

The Group provides retirement benefits to its eligible employees under defined contribution schemes. In accordance with the Mandatory Provident Fund Schemes Ordinance, the eligible employees enjoy retirement benefits under the Mandatory Provident Fund Exempted ORSO Scheme or the Mandatory Provident Fund Scheme (the "Schemes") under which employer's voluntary contributions have been made. The assets of the Schemes are held separately from those of the Group and managed by independent administrators. The Group normally makes voluntary contributions ranging from 5% to 10% of the employees' monthly salaries depending on the years of service of the employees.

The total amount contributed by the Group into the Schemes for the year ended 31 March 2015 was $24,486,000 (2013/14: $21,404,000), net of forfeitures of $1,514,000 (2013/14: $1,601,000), which has been charged to the Group's profit or loss for the year.

24. Commitments

(a) Capital commitments

Capital commitments in respect of property, plant and equipment at 31 March 2015 are as follows:

	2015	2014
	$'000	$'000
Contracted but not yet incurred	355	816

(b) Operating lease commitments

At 31 March 2015, the total future minimum lease payments under non-cancellable operating leases in respect of office premises, in which $60,848,000 (31 March 2014: $65,409,000) is related to costs to be incurred for accommodating certain Government offices in a project site pursuant to a reprovision arrangement with the Government, are payable as follows:

	2015	2014
	$'000	$'000
Within 1 year	45,001	36,310
After 1 year but within 5 years	51,706	65,022
After 5 years	-	1,154
	96,707	102,486

(c) Operating lease rental receivable

At 31 March 2015, the total future aggregate minimum lease rental receipts under non-cancellable operating leases in respect of properties, except for those commercial portions jointly held by the Developer and the Authority, are receivable as follows:

	2015	2014
	$'000	$'000
Within 1 year	20,417	11,238
After 1 year but within 5 years	20,334	19,993
	40,751	31,231

(expressed in Hong Kong Dollars)

25. Significant related party transactions

Transactions entered into by the Authority with members of the Board and directors, parties related to them, Government Departments, agencies or Government controlled entities, other than those transactions which are entered into by parties in general in the course of their normal dealings, are considered to be related party transactions pursuant to HKAS 24 "Related Party Disclosures".

During the year, the Authority reimbursed the Government an amount of $47,833,000 (2013/14: $44,310,000) for actual costs incurred by the Lands Department of the Government (the "Lands Department") in connection with statutory resumption and site clearance work conducted for the redevelopment projects of the Authority. As at 31 March 2015, there is an amount of $3,985,000 (31 March 2014: $3,615,000) due to the Lands Department yet to be settled. The amount is unsecured, interest free and repayable on demand and included in trade and other payables.

In 2011/12, the Authority has contributed $500,000,000 to Urban Renewal Trust Fund (the "Fund"). During the year, the Authority provided administrative and support services to the Fund valued at $1,011,000 (2013/14: $515,000). This is a memorandum record and the Authority will not charge the said Fund for the services provided. During the year, the Authority received $739,000 from the said Fund for rental of an office premise (2013/14: $737,000).

As at 31 March 2015, there is an amount of $468,242,000 (31 March 2014: $481,390,000) remained in the Fund. The URA has committed to make further contribution to the Fund in future in the event that its fund balance is fully utilised.

The key management of the Authority refers to directors and members of the Board and their compensations are set out in Note 6(b) and (c).

26. Commitments for revitalisation projects

In August 2009, the Authority announced its proposal to implement a major revitalisation plan to uphold and enhance the local characters of a number of themed streets in Mong Kok. The improvement work at Flower Market Road is complete. The improvement work at Tung Choi Street would commence upon completion of gazettal procedures by Highways Department.

In October 2009 CE policy address, the Authority was tasked by the Development Bureau to revitalise the Central Market into "Central Oasis" under "Conserving Central". Planning approval from Town Planning Board obtained in July 2013 and general building plans, based on the planning approval, was submitted to and approved by Building Department in August 2014.

As at 31 March 2015, the cost incurred for these revitalisation projects has been accounted for in the current year, with no significant financial impact to the Group.

(expressed in Hong Kong Dollars)

27. Statement of Financial Position of Urban Renewal Authority

In accordance with the disclosure requirements of the Hong Kong Companies Ordinance, the statement of financial position of the Authority as at 31 March 2015 is set out as follows:

	Note	2015	2014
		$'000	$'000
Non-current assets			
Property, plant and equipment		1,193,253	870,643
Properties acquired pending redevelopment		-	7,933
Properties under development		16,288,908	21,430,462
Subsidiaries	(a)	5,324	1,038
Receivables from property developers		1,716,000	-
Building rehabilitation loans		24,005	34,344
Prepayments		403,906	241,675
Other receivables		524,716	387,319
		20,156,112	22,973,414
Current assets			
Properties held for sale		15,270	15,270
Receivables from property developers		2,996,000	-
Jointly controlled development projects		725,563	627,747
Building rehabilitation loans		13,041	16,124
Trade and other receivables		103,098	58,352
Financial assets at fair value through profit or loss		3,030,454	1,862,713
Cash and bank balances		9,590,666	6,140,549
		16,474,092	8,720,755
Total assets		36,630,204	31,694,169
Capital and reserves			
Capital		10,000,000	10,000,000
Accumulated surplus		15,008,930	13,933,000
	(b)	25,008,930	23,933,000
Non-current liabilities			
Trade and other payables		1,198,500	-
Debt securities issued		3,281,788	4,577,232
		4,480,288	4,577,232
Current liabilities			
Jointly controlled development projects		192,916	191,629
Trade and other payables		5,189,203	2,387,315
Debt securities issued		1,299,867	199,993
Provision for committed projects		459,000	405,000
		7,140,986	3,183,937
Total capital, reserves and liabilities		36,630,204	31,694,169

(expressed in Hong Kong Dollars)

27. Statement of Financial Position of Urban Renewal Authority (Continued)

(a) Subsidiaries

	2015 $'000	2014 $'000
Unlisted shares, at cost	1	1
Amounts due from subsidiaries (Note)	43,316	35,822
Less: Provision	(37,993)	(34,785)
	5,324	1,038

Note:
The amounts due from subsidiaries are unsecured, interest free and have no fixed terms of repayment.

The names of the principal subsidiaries, all of which are wholly and directly owned by the Authority and are incorporated in Hong Kong, are as follows:

Name	Number of shares	Total share capital
Opalman Limited	2	$2
Sunfield Investments Limited	2	$2
Western Market Company Limited	2	$2
Urban Redevelopment Facilitating Services Company Limited	1	$10

Western Market Company Limited is engaged in the operation of the Western Market. Urban Redevelopment Facilitating Services Company Limited is engaged in the provision of facilitating services to interested owners in amalgamating their property interests for joint sale in the market or for disposal under the prevailing market mechanism and other relevant legislation. The other subsidiaries are acting as mere trustees for holding properties under certain jointly controlled development projects.

(expressed in Hong Kong Dollars)

27. Statement of Financial Position of Urban Renewal Authority (Continued)

(b) Statement of Changes in Equity for the year ended 31 March 2015

	Capital $'000	Accumulated Surplus $'000	Total $'000
Balance at 1 April 2013	10,000,000	16,206,956	26,206,956
Total comprehensive loss for the year	-	(2,273,956)	(2,273,956)
Balance at 31 March 2014	10,000,000	13,933,000	23,933,000
Balance at 1 April 2014	10,000,000	13,933,000	23,933,000
Total comprehensive income for the year	-	1,075,930	1,075,930
Balance at 31 March 2015	10,000,000	15,008,930	25,008,930

(c) The consolidated surplus for the year includes a surplus of $1,075,930,000 (2013/14: deficit of $2,273,956,000) which has been dealt with in the financial statement of the Authority.

(expressed in Hong Kong Dollars)

28. Approval of financial statements

The financial statements were approved by the Board on 16 June 2015.