

SOUTH KWAI CHUNG SERVICE CENTRE

南葵涌服務中心

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31st March, 2013

	Note	2013 HK\$	2012 HK\$
REVENUE			
Subvented programme activities income	7	112,424	139,243
"Community Investment & Inclusion Fund" ("CIIF")	8	526,474	558,655
Government rent and rates subsidies	9	79,920	66,420
Donation from the Hong Kong Jockey Club Charities Trust	10	145,414	145,415
Proceeds from flag day	11	378,218	-
Subsidy for energy conservation project from "Environmental Protection Department"		88,965	-
Sundry income		226,807	218,366
Donation income		70,640	26,400
Bank interest income		5	1
		<u>1,628,867</u>	<u>1,154,500</u>
EXPENDITURE			
Subvented programme activities expenses	7	98,245	145,394
CIIF project expenses	8	597,734	578,451
Rental expenses	9	104,670	96,120
Depreciation	10	145,414	145,415
Expenditure on flag day	11	34,271	-
Activities expenses		205,670	198,499
Computer expenses		13,550	23,510
Expenditure on energy conservation project		92,850	-
		<u>1,292,404</u>	<u>1,187,389</u>
SURPLUS/(DEFICIT) ON ACTIVITIES		336,463	(32,889)
ADMINISTRATIVE EXPENSES			
Auditor's remuneration		4,000	4,000
Bank charges		1,800	750
Printing and stationery		8,684	10,341
Insurance		9,000	8,000
Electricity and water		2,589	7,840
Telephone and fax		1,482	3,077
		<u>27,555</u>	<u>34,008</u>
Surplus/(deficit) before allocation		308,908	(66,897)
Allocation to Community Health Project Fund (Flag day)		<u>(343,947)</u>	<u>-</u>
Deficit and total comprehensive loss for the year	12	<u><u>(35,039)</u></u>	<u><u>(66,897)</u></u>

The annexed notes form an integral part of these financial statements.

SOUTH KWAI CHUNG SERVICE CENTRE

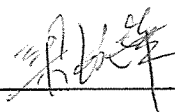
南葵涌服務中心

BALANCE SHEET

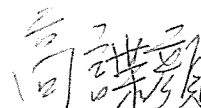
31st March, 2013

	Note	2013 HK\$	2012 HK\$
NON-CURRENT ASSETS			
Plant and equipment	15	-	145,414
CURRENT ASSETS			
Grant receivables from CIIF	16	263,352	381,892
Grant receivable from Social Welfare Department	17	-	66,420
Receivable from Environmental Protection Department		88,965	-
Prepayment		12,150	-
Rental and utility deposits paid		18,800	18,800
Cash and bank balances		487,244	208,696
		<u>870,511</u>	<u>675,808</u>
CURRENT LIABILITIES			
Amount due to a project co-ordinator	18	452,623	520,800
Deferred income	19	-	145,414
Accounts payable and accrual		4,000	4,000
		<u>456,623</u>	<u>670,214</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>413,888</u>	<u>5,594</u>
NET ASSETS		<u>413,888</u>	<u>151,008</u>
Represented by:			
ACCUMULATED FUNDS		<u>413,888</u>	<u>151,008</u>

Director



Director



The annexed notes form an integral part of these financial statements.

SOUTH KWAI CHUNG SERVICE CENTRE

南葵涌服務中心

STATEMENT OF CHANGES IN ACCUMULATED FUND

Year ended 31st March, 2013

	General Fund HK\$	Community Health Project Fund HK\$	Total HK\$
At 31st March, 2011	217,905	-	217,905
Deficit for the year	<u>(66,897)</u>	<u>-</u>	<u>(66,897)</u>
At 31st March, 2012 and at 1st April, 2012	151,008	-	151,008
Surplus before allocation	308,908	-	308,908
Allocation (to)/from general fund	<u>(343,947)</u> (35,039)	<u>343,947</u> 343,947	<u>-</u> 308,908
Expenditure during the year (Note 11)	<u>-</u>	<u>(46,028)</u>	<u>(46,028)</u>
At 31st March, 2013	<u><u>115,969</u></u>	<u><u>297,919</u></u>	<u><u>413,888</u></u>

SOUTH KWAI CHUNG SERVICE CENTRE

南葵涌服務中心

STATEMENT OF CASH FLOWS

Year ended 31st March, 2013

	2013 HK\$	2012 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(deficit) before allocation	308,908	(66,897)
Adjustments for:		
Expenditure under Community Health Project	(46,028)	-
Bank interest income	(5)	(1)
Depreciation	145,414	145,415
Operating profit before working capital changes	<u>408,289</u>	<u>78,517</u>
Decrease/(increase) in grant receivable from CIIF	118,540	(114,401)
Decrease/(increase) in grant receivable from the Hong Kong Jockey Club Charities Trust		19,357
Decrease in grant receivable from Social Welfare Department	66,420	(66,420)
Increase in receivable from Environmental Protection Department	(88,965)	-
(Increase)/decrease in prepayment	(12,150)	503
Decrease/increase in amount due to a project co-ordinator	(68,177)	180,000
Decrease in deferred income	(145,414)	(145,415)
Decrease/(increase) in accounts payable and accrual	<u>-</u>	<u>500</u>
Cash from operations	278,543	(47,359)
Bank interest income	5	1
Net cash inflow from operating activities	<u>278,548</u>	<u>(47,358)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	278,548	(47,358)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>208,696</u>	<u>256,054</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>487,244</u></u>	<u><u>208,696</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u><u>487,244</u></u>	<u><u>208,696</u></u>

SOUTH KWAI CHUNG SERVICE CENTRE
南葵涌服務中心

NOTES TO FINANCIAL STATEMENTS

31st March, 2013

1. GENERAL

The Centre is a non-profit making body incorporated under the Hong Kong Companies Ordinance in the name of "South Kwai Chung Service Centre" as a company limited by guarantee and not having a share capital. Under the provision of the Memorandum of Association of the Centre, every member, shall in the event of the Centre being wound up, contribute to the assets of the Centre an amount of not exceeding HK\$100.

The Centre has been registered as a charitable organisation and is exempted from taxes under section 88 of the Inland Revenue Ordinance.

The principal activities of the Centre are to provide various social services to the public, including:

- (a) holding courses for recreation, health improvement, adult education and computer training; and
- (b) executing agreements with HKSAR Government - "Community Investment & Inclusion Fund" in respect of projects known as "Home Sweet Home" (在家千日好) (the "Project") for a term of three years lasting from 13th June, 2011 to 12th June, 2014. The objective of the Project is to provide social support to the senior citizens and chronic sickness patients.

The registered office of the Centre is No.4 G/F., On King House, Lai King Estate, Kwai Chung, New Territories, Hong Kong.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Centre has adopted the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institution of Certified Public Accountants ("HKICPA") for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 – First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 Amendments	Amendments to HKFRS 7 – Financial Instruments: Disclosures – Transfers of Financial Assets
HKAS 12 Amendments	Amendments to HKAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets

The adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements.

SOUTH KWAI CHUNG SERVICE CENTRE

南葵涌服務中心

NOTES TO FINANCIAL STATEMENTS

31st March, 2013

3. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Centre has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans ²
HKFRS 7 Amendments	Amendments to HKFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities ²
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – Transition Guidance ²
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – Entities ³
HKFRS 13	Fair Value Measurement ²
HKAS 1 Amendments	Amendments to HKAS 1 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income ¹
HKAS 19 (2011)	Employee Benefits ²
HKAS 27 (2011)	Separate Financial Statements ²
HKAS 28 (2011)	Investments in Associates and Joint Ventures ²
HKAS 32 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities ³
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine ²
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012 ²

1 Effective for annual periods beginning on or after 1 July 2012

2 Effective for annual periods beginning on or after 1 January 2013

3 Effective for annual periods beginning on or after 1 January 2014

4 Effective for annual periods beginning on or after 1 January 2015

The directors of the Centre anticipate that the application of these new and revised standards, amendments or interpretations will have no material impact on the financial statements.

SOUTH KWAI CHUNG SERVICE CENTRE
南葵涌服務中心

NOTES TO FINANCIAL STATEMENTS

31st March, 2013

4. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with HKFRSs (which also include HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

Financial assets

Financial assets are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment. A provision for impairment of financial assets is established when there is objective evidence that the Centre will not be able to collect the amounts due according to the original terms of loan and receivable.

Financial liabilities

Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Centre and when the revenue can be measured reliably, on the following bases:

- i) Donations are accounted for in the relevant year as designated by the donors;
- ii) Subventions are recognised upon receipt of payment advice approved by the relevant authorities and institutes;
- iii) Programme income are recognised on accrual basis; and
- iv) Sponsorship and other income are recognised on accrual basis.

Cash equivalents

Cash equivalents represent short term highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from the date of the advance.

Government grants

Government grants are recognised as income over the periods necessary to match up with the related costs. Grants related to depreciable assets are presented as deferred income and are released to income over the useful lives of the assets. Grants related to expense items are recognised in the same period as those expenses are charged in the income and expenditure account.

SOUTH KWAI CHUNG SERVICE CENTRE
南葵涌服務中心

NOTES TO FINANCIAL STATEMENTS

31st March, 2013

5. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Centre's activities mainly expose it to credit risk and liquidity risk. The Centre's overall risks management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Centre's financial performance.

Risk management is carried out by the Board of Directors who provides guidance for overall risk management.

i. Liquidity risk

In respect of liquidity risk, the Centre ensures that it maintains and obtains sufficient cash and funding to meet its liquidity requirement. As at the balance sheet date, all financial liabilities of the Centre were due within one year.

ii. Credit risk

Credit risk relates to the extent to which failure by counterparties to discharge their obligations could reduce the amount of future cash flows to the Centre from financial assets on hand as at the balance sheet date.

The Centre is exposed to credit risk on its cash placed in a financial institution. The Centre has a concentration of credit risk, as all of the bank balance is with one financial institution located in Hong Kong.

The Centre maximum exposure to credit risk equals to the carrying amount of these financial assets.

Fair value estimation

The carrying value of all financial assets and liabilities are reasonable approximation of their fair values.

6. CAPITAL MANAGEMENT

The Centre has no share capital. The operation of the Centre is mainly financed by funding from government subvention and general donations.

The Centre manages capital by regularly monitoring its current and expected liquidity requirements. The Centre's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue its operation.

The Centre is not subject to any externally imposed capital requirement.

SOUTH KWAI CHUNG SERVICE CENTRE

南葵涌服務中心

NOTES TO FINANCIAL STATEMENTS

31st March, 2013

7. SUBVENTED PROGRAMME ACTIVITIES

	Income & government subsidy HK\$	Expenditures HK\$	(Deficit)/surplus HK\$
<u>31/3/2013</u>			
i) Dance course	5,738	(3,500)	2,238
ii) Tai Chi course	5,858	(3,700)	2,158
iii) Adult Education Subvention Scheme	79,228	(62,229)	16,999
iv) District Cyber Centres Alliance	21,600	(28,816)	(7,216)
	<u>112,424</u>	<u>(98,245)</u>	<u>14,179</u>
<u>31/3/2012</u>			
i) Dance course	7,230	(5,061)	2,169
ii) Tai Chi course	9,520	(8,936)	584
iii) Adult Education Subvention Scheme	80,883	(86,383)	(5,500)
iv) District Cyber Centres Alliance	41,610	(45,014)	(3,404)
	<u>139,243</u>	<u>(145,394)</u>	<u>(6,151)</u>

8. COMMUNITY INVESTMENT & INCLUSION FUND PROJECT ("CIIF")

	Income & government subsidy HK\$	Expenditures (Note a) HK\$	Deficit HK\$
<u>31/3/2013</u>			
Programme activities	<u>526,474</u>	<u>(597,734)</u>	<u>(71,260)</u>
<u>31/3/2012</u>			
Programme activities	<u>558,655</u>	<u>(578,451)</u>	<u>(19,796)</u>

Note :

Included in the expenditures were rental expenses of HK\$42,120 (both years) for the premises located at No. 5 G/F., Lok King House, Lai King Estate, Kwai Chung, New Territories, Hong Kong. The premises were used to provide the services known as "Home Sweet Home" (在家千日好). These rental expenses were recoverable from the "CIIF". The tenancy agreement in respect of these premises was made between the Centre and the Hong Kong Housing Authority.

SOUTH KWAI CHUNG SERVICE CENTRE
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NOTES TO FINANCIAL STATEMENTS

31st March, 2013

9. GOVERNMENT RENT AND RATES SUBSIDIES AND RENTAL EXPENSES

During the year, the Centre had rented the premises as follows:

- (i) No. 4 G/F., On King House and No. 6 and 6A at G/F., Yeung King House, Lai King Estate, Kwai Chung, New Territories, Hong Kong for the provision of social activities to the public. The rental expenses of HK\$79,920 (2012: HK\$66,420) for the year ended 31st March, 2012 were subsidized and recoverable from the Social Welfare Department.
- (ii) No. 2A G/F., Fung King House, Lai King Estate, Kwai Chung, New Territories, Hong Kong for the provision of Community Health activities to the elderly and the public. The rental expenses amounting to HK\$29,700 covering the year ended 31st March, 2013 (2012: HK\$29,700 were paid and absorbed by the Centre.
- (iii) No. 5 G/F., Lok King House, Lai King Estate, Kwai Chung, New Territories, Hong Kong for the provision of services known as "Lai King Intranet For Elderly" (荔景長者互聯網) and "Home Sweet Home" (在家千日好). The rental expenses amounting to HK\$42,120 were included in the expenditures of CHIF under note 8 to the financial statements.

10. DONATION FROM HONG KONG JOCKEY CLUB CHARITIES TRUST

In prior year, the Centre had received a donation of HK\$436,244 from Hong Kong Jockey Club Charities Trust for the acquisition of plant and equipment. The donation was recognised as income in accordance with the accounting policy as government grant, which is to recognise those parts as income as follows:

	HK\$
Year ended 31st March, 2011	145,415
Year ended 31st March, 2012	145,415
Year ended 31st March, 2013	<u>145,414</u>
	<u>436,244</u>

The part relating to the year ended 2013 was regarded as deferred income in note 19.

SOUTH KWAI CHUNG SERVICE CENTRE
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NOTES TO FINANCIAL STATEMENTS

31st March, 2013

11. PROCEEDS AND EXPENDITURE FROM FLAG DAY

		2013 HK\$	2012 HK\$
<u>Held on 22nd December, 2012</u>	<u>PSP No.</u>	<u>FD/R079</u>	
Donation received		378,218	-
Total expenditure		<u>(34,271)</u>	<u>-</u>
		343,947	-
Expenditure:			
- Project activity		(23,919)	-
- Administration		(19,309)	-
- Minor decoration		<u>(2,800)</u>	<u>-</u>
		<u>297,919</u>	<u>-</u>

During the year, a fund raising activity of "Flag Day" was held and the surplus arising from this activity was allocated to Community Health Project's Fund, which is administrated and controlled by the Centre.

The surplus of HK\$343,947 of the Community Health Project' Fund had been used for subsidizing expenditure for the community health project and community service. Total qualified expenditure of project during the year was HK\$46,028.

12. DEFICIT FOR THE YEAR

	2013 HK\$	2012 HK\$
Deficit for the year has been arrived at after charging:		
Auditor's remuneration	4,000	4,000
Staff costs, excluding director's remuneration (Note)	506,365	441,230
MPF contribution	11,133	10,768
	<u>=====</u>	<u>=====</u>

Note:

Included in staff costs above was an amount of HK\$447,418 (2012: HK\$356,202) under CIIF projects covering the year ended 31st March, 2013.

13. INCOME TAX

No provision for Hong Kong profits tax has been made in the financial statements as the Centre is exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance.

14. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 161 of the Hong Kong Companies Ordinance for the year is Nil.

SOUTH KWAI CHUNG SERVICE CENTRE
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NOTES TO FINANCIAL STATEMENTS

31st March, 2013

15. PLANT AND EQUIPMENT

	Decoration* HK\$	Furniture, fixtures and office equipment* HK\$	Total HK\$
Cost:			
Balance at 1st April, 2012 and at 31st March, 2013	<u>328,040</u>	<u>108,204</u>	<u>436,244</u>
Accumulated depreciation:			
Balance at 1 April, 2012	218,694	72,136	290,830
Charge for the year	<u>109,346</u>	<u>36,068</u>	<u>145,414</u>
Balance at 31st March, 2013	<u>328,040</u>	<u>108,204</u>	<u>436,244</u>
Net book value:			
At 31st March, 2013	-	-	-
	=====	=====	=====
At 31st March, 2012	109,346	36,068	145,414
	=====	=====	=====

* Donated by the Hong Kong Jockey Club Charitable Trust.

16. GRANT RECEIVABLES FROM CIIF

This represented the expended amounts of the Projects that going to be refunded from CIIF as follows:

A. Lai King Intranet For Elderly (荔景長者互聯網)

	2013 HK\$	2012 HK\$
2010 Quarter 4	-	-
2011 Quarter 1	-	-
2011 Quarter 2	<u>-</u>	<u>152,168</u>
	<u>-</u>	<u>152,168</u>

B. "Home Sweet Home (在家千日好)

2013/2012 Quarter 1	136,258	120,018
2013/2012 Quarter 2	<u>127,094</u>	<u>109,706</u>
	<u>263,352</u>	<u>229,724</u>
	263,352	381,892
	=====	=====

SOUTH KWAI CHUNG SERVICE CENTRE
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NOTES TO FINANCIAL STATEMENTS

31st March, 2013

17. GRANT RECEIVABLE FROM SOCIAL WELFARE DEPARTMENT

This represented the rent paid for the No. 4 G/F., On King House and No. 6 G/F., Yeung King House, Lai King Estate, Kwai Chung, New Territories, Hong Kong in prior year.

18. AMOUNT DUE TO A PROJECT CO-ORDINATOR

Mr. Chow Yick Hay was the project co-ordinator. The amount was un-secured, interest free and had no fixed terms of repayment.

19. DEFERRED INCOME

The related to deferred income un-recognised for the amount of HK\$436,244 received from Hong Kong Jockey Club Charities Trust for the acquisition of plant and equipment in year 2011:

The amount going to be recognised in next year is stated as follows:

	2013 HK\$	2012 HK\$
Year ended 31st March, 2013	-	145,414
Year ended 31st March, 2012	-	-
	<u>-</u>	<u>145,414</u>

20. OPERATING LEASE COMMITMENT

At the balance sheet date, the Centre had commitments for future minimum lease payments under non-cancellable operating lease which fall due as follows:

	2013 HK\$	2012 HK\$
Minimum lease payments fall due:		
Within 1 year	181,098	138,240
Within 2 to 5 years	362,196	-
	<u>543,294</u>	<u>138,240</u>

SOUTH KWAI CHUNG SERVICE CENTRE
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NOTES TO FINANCIAL STATEMENTS

31st March, 2013

21. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Board of Directors on

28 OCT 2013