

Report of the Directors

Audited Financial Statements

SOUTH KWAI CHUNG SERVICE CENTRE

(a company limited by guarantee and not having a share capital)

南葵涌服務中心

31st March, 2015



Robert Chui & Co.

Certified Public Accountants
Hong Kong

SOUTH KWAI CHUNG SERVICE CENTRE
南葵涌服務中心

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SOUTH KWAI CHUNG SERVICE CENTRE
南葵涌服務中心

REPORT OF THE DIRECTORS

31st March, 2015

The directors submit their report together with the audited financial statements of South Kwai Chung Service Centre (“Centre”) for the year ended 31st March, 2015.

Principal activities

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

- (i) holding courses for recreation, health improvement, adult education and computer training.
- (ii) executing agreements with HKSAR Government - “Community Investment & Inclusion Fund” in respect of a project known as “Home Sweet Home” (在家千日好) (the “Project”) for a term of three years covering the period from 13th June, 2011 to 12th June, 2014. The objective of this project is to provide social support to the senior citizens and chronic sickness patients.
- (iii) establishing a project known as “Elderly Health Project” as sponsored by The Community Chest for a term of 2 years from 1st April, 2013 to 31st March, 2015. The objective of this project is to promote the health and well being of elderly; encourage public awareness and participation to support the elderly people; enhance the knowledge, skills and abilities of caregivers to provide caring and support to elderly in the community.
- (iv) establishing a project known as “Jockey Club Happy Golden Year Project” as sponsored by the Hong Kong Jockey Club Charities Trust for a term of 3 years from 1st December, 2014 to 30th November, 2017. The objective of this project is designed to help build the Kwai Tsing District into an age-friendly community.

Results

The results of the Centre for the year ended 31st March, 2015 and the financial position of the Centre at that date are set out in the attached financial statements.

Directors

The directors during the year and up to the date of this report are:

Lee Wai Lan
Ko Tip Ngan
Lam Pui Lin
Ng Mei Hing
Leung Yuen Wa

In accordance with Article 32 of the Centre’s Articles of Association, the term of office of all directors shall be two years. In respect of the current year, all directors shall retire and being eligible, offer themselves for re-election.

Directors’ interests

There were no contracts of significance to which the Centre was a party and in which a director of the Centre had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SOUTH KWAI CHUNG SERVICE CENTRE
南葵涌服務中心

REPORT OF THE DIRECTORS (“Continued”)

31st March, 2015

Directors' interests

At no time during the year was the Centre a party to any arrangements to enable the directors of the Centre to acquire benefits from the Centre or any other body corporate.

Auditor

The financial statements have been audited by Messrs Robert Chui & Co., who retire and offer themselves for re-appointment.

On behalf of the Board



Chairman
Hong Kong

27 OCT 2015



Robert Chui & Co. Certified Public Accountants

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香港灣仔告士打道 109-111 號
東惠商業大廈 10 樓 1003 室

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOUTH KWAI CHUNG SERVICE CENTRE 南葵涌服務中心

(a company limited by guarantee and not having a share capital)

We have audited the financial statements of South Kwai Chung Service Centre (the "Centre") set out on pages 4 to 16, which comprise the statement of financial position as at 31st March, 2015, and the statement of profit or loss and other comprehensive income, the statement of changes in accumulated fund and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors 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, 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

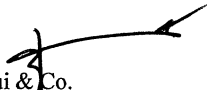
Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person 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 opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Centre's affairs as at 31st March, 2015 and of its deficit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.


Robert Chui & Co.
Certified Public Accountants (Practising)
Hong Kong
27 OCT 2015
AFS-SKCSC15a

SOUTH KWAI CHUNG SERVICE CENTRE
南葵涌服務中心

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31st March, 2015

| | Note | 2015 HK\$ | 2014 HK\$ |
|--|------|------------------|------------------|
| REVENUE | | | |
| Subvented programme activities income | 7 | 68,326 | 151,260 |
| "Community Investment & Inclusion Fund" ("CIIF") | 8 | 99,309 | 595,896 |
| Grant from the Hong Kong Jockey Club Charities Trust | 9 | 1,713,088 | - |
| Proceeds from flag day | 10 | 359,385 | 403,383 |
| The Community Chest allocation | 11 | 698,000 | 757,600 |
| Government rent and rates subsidies | | 131,382 | 90,624 |
| Grant from Community Chest for assets purchases | | 39,500 | - |
| Speech Therapy | | 100,200 | - |
| Activities income | | 552,619 | 397,607 |
| Donation income | | 12,020 | 15,216 |
| | | <u>3,773,829</u> | <u>2,411,586</u> |
| EXPENDITURE | | | |
| Subvented programme activities expenses | 7 | 51,922 | 213,783 |
| CIIF project expenses | 8 | 99,309 | 649,528 |
| Hong Kong Jockey Club Charities Trust expenses | 9 | 1,713,088 | - |
| Expenditure on flag day | 10 | 18,599 | 39,615 |
| The Community Chest expenses | 11 | 698,994 | 696,368 |
| Rental expenses | | 128,101 | 94,924 |
| Community Chest assets purchases | | 39,500 | - |
| Speech Therapy | | 65,940 | - |
| Activities expenses | | 572,791 | 645,540 |
| | | <u>3,388,244</u> | <u>2,339,758</u> |
| SURPLUS ON ACTIVITIES | | 385,585 | 71,828 |
| ADMINISTRATIVE EXPENSES | | | |
| Auditor's remuneration | | - | 4,600 |
| Bank charges | | 1,032 | 1,067 |
| Cleaning | | 10,190 | - |
| Electricity and water | | 3,182 | 2,388 |
| Insurance | | 5,600 | 14,160 |
| Internet | | 1,245 | - |
| MPF contributions | | 4,912 | - |
| Printing and stationery | | 13,655 | 14,879 |
| Repairs and maintenance | | 15,310 | - |
| Salary and wages | | 105,800 | - |
| Sundries | | 13,094 | - |
| Telephone and fax | | 2,026 | 742 |
| Travelling | | 1,209 | - |
| | | <u>177,255</u> | <u>37,836</u> |
| SURPLUS BEFORE TRANSFER | | 208,330 | 33,992 |
| Allocation to Community Health Project Fund (Flag day) | | (340,786) | - |
| (DEFICIT) / SURPLUS AND TOTAL COMPREHENSIVE (EXPENSES)/ INCOME FOR THE YEAR | | <u>(132,456)</u> | <u>33,992</u> |

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 FINANCIAL POSITION

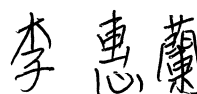
31st March, 2015

| | Note | 2015 HK\$ | 2014 HK\$ |
|--|------|------------------|----------------|
| NON-CURRENT ASSETS | | | |
| Plant and equipment | 14 | - | - |
| CURRENT ASSETS | | | |
| Grant receivables from CIIF | 15 | 237,845 | 304,690 |
| Receivable from Hong Kong Jockey Club Charities Trust | 9 | 109,748 | - |
| Other receivable | | 11,700 | - |
| Rental and utility deposits paid | | 25,500 | 18,800 |
| Cash and bank balances | | 1,080,749 | 646,719 |
| | | <u>1,465,542</u> | <u>970,209</u> |
| CURRENT LIABILITIES | | | |
| Amount due to a project co-ordinator | 16 | 490,741 | 518,329 |
| Accrual and other payables | | 412,832 | 4,000 |
| | | <u>903,573</u> | <u>522,329</u> |
| NET CURRENT ASSETS | | <u>561,969</u> | <u>447,880</u> |
| NET ASSETS | | <u>561,969</u> | <u>447,880</u> |
| Represented by: | | | |
| Accumulated funds | | 321,841 | 447,880 |
| Community Health Project Fund | | 240,128 | - |
| TOTAL EQUITY | | <u>561,969</u> | <u>447,880</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 FUNDS

Year ended 31st March, 2015

| | General Fund | Community Health Project Fund | Total |
|---|-----------------------|-------------------------------------|-----------------------|
| At 31st March, 2013 | 413,888 | - | 413,888 |
| Surplus and total comprehensive income for the year | <u>33,992</u> | <u>-</u> | <u>33,992</u> |
| At 31st March, 2014 and at 1st April, 2014 | 447,880 | - | 447,880 |
| Surplus and total comprehensive income for the year | 208,330 | - | 208,330 |
| Allocation to Community Health Project | (340,786) | 340,786 | - |
| Adjustment | 6,417 | - | 6,417 |
| Utilised during the year | <u>-</u> | <u>(100,658)</u> | <u>(100,658)</u> |
| | <u>(126,039)</u> | <u>240,128</u> | <u>114,089</u> |
| At 31st March, 2015 | <u><u>321,841</u></u> | <u><u>240,128</u></u> | <u><u>561,969</u></u> |

SOUTH KWAI CHUNG SERVICE CENTRE
南葵涌服務中心

STATEMENT OF CASH FLOWS

Year ended 31st March, 2015

| | 2015 HK\$ | 2014 HK\$ |
|---|-------------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Deficit)/surplus and other comprehensive income for the year | (126,039) | 33,992 |
| Adjustments for: | | |
| Allocation to Community Health Project Fund (Flag day) | 334,369 | - |
| Bank interest income | - | (5) |
| Utilised of Community of Health Project | (94,241) | - |
| Operating surplus before working capital changes | <u>114,089</u> | <u>33,987</u> |
| Decrease/(increase) in grant receivable from CIIF | 66,845 | (41,338) |
| Increase in Receivable from Hong Kong Jockey Club Charities Trust | (109,748) | - |
| Increase in other receivable | (11,700) | - |
| Decrease in receivable from Environmental Protection Department | - | 88,965 |
| (Increase)/decrease in rental and utility deposits paid | (6,700) | 12,150 |
| (Decrease)/increase in amount due to a project co-ordinator | (27,588) | 65,706 |
| Increase in accruals | <u>408,832</u> | <u>-</u> |
| Cash from operations | 434,030 | 159,470 |
| Bank interest income | - | 5 |
| Net cash inflow from operating activities | <u>434,030</u> | <u>159,475</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Acquisition of plant and equipment | 1,603,340 | - |
| Grant from Hong Kong Jockey Club Charities Trust for assets purchases | (1,603,340) | - |
| Net cash outflow from investing activities | <u>-</u> | <u>-</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 434,030 | 159,475 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>646,719</u> | <u>487,244</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u><u>1,080,749</u></u> | <u><u>646,719</u></u> |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | <u><u>1,080,749</u></u> | <u><u>646,719</u></u> |

SOUTH KWAI CHUNG SERVICE CENTRE

南葵涌服務中心

NOTES TO FINANCIAL STATEMENTS

31st March, 2015

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

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.
- (b) executing agreements with HKSAR Government - “Community Investment & Inclusion Fund” in respect of a project known as “Home Sweet Home” (在家千日好) for a term of three years covering the period from 13th June, 2011 to 12th June, 2014. The objective of this project is to provide social support to the senior citizens and chronic sickness patients.
- (c) establishing a project known as “Elderly Health Project” as sponsored by The Community Chest for a term of 2 years from 1st April, 2013 to 31st March, 2015. The objective of this project is to promote the health and well being of elderly; encourage public awareness and participation to support the elderly people; enhance the knowledge, skills and abilities of caregivers to provide caring and support to elderly in the community.
- (d) establishing a project known as “Jockey Club Happy Golden Year Project” as sponsored by the Hong Kong Jockey Club Charities Trust for a term of 3 years from 1st December, 2014 to 30th November, 2017. The objective of this project is designed to help build the Kwai Tsing District into an age-friendly community.

2. NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

HKICPA has issued a number of new and revised HKFRSs and HKASs, herein collectively referred to as the new HKFRSs.

In preparing these financial statements in conformity with HKFRSs, the Centre has adopted the following relevant new and revised HKFRSs.

| | |
|-----------------------------|---|
| HKAS 19 (2011) Amendment | Defined Benefit Plans: Employee Contributions |
| Annual Improvements Project | Annual Improvements 2010-2012 Cycle |
| Annual Improvements Project | Annual Improvements 2011-2013 Cycle |

SOUTH KWAI CHUNG SERVICE CENTRE
南葵涌服務中心

NOTES TO FINANCIAL STATEMENTS

31st March, 2015

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

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

| | |
|---|---|
| Annual Improvements Project | Annual Improvements 2012-2014 Cycle ¹ |
| HKFRS 14 | Regulatory Deferral Accounts ¹ |
| HKFRS 10 and HKAS 28 Amendment | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹ |
| HKFRS 10, HKFRS 12 and HKAS 28 Amendment | Investment Entities: Applying the Consolidation Exception ¹ |
| HKFRS 11 Amendment | Accounting for Acquisitions of Interests in Joint Operations ¹ |
| HKAS 1 Amendment | Disclosure Initiative ¹ |
| HKAS 16 and HKAS 38 Amendment | Clarification of Acceptable Methods of Depreciation and Amortisation ¹ |
| HKAS 16 and HKAS 41 Amendment | Agriculture: Bearer Plants ¹ |
| HKAS 27 Amendment | Equity Method in Separate Financial Statements ¹ |
| HKFRS 15 | Revenue from Contracts with Customers ² |
| HKFRS 9 | Financial Instruments ³ |

1 Effective for accounting periods beginning on or after 1 January, 2016

2 Effective for accounting periods beginning on or after 1 January, 2017

3 Effective for accounting periods beginning on or after 1 January, 2018

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 of the Centre.

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 (Cap. 622). 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.

SOUTH KWAI CHUNG SERVICE CENTRE
南葵涌服務中心

NOTES TO FINANCIAL STATEMENTS

31st March, 2015

4. PRINCIPAL ACCOUNTING POLICIES (“Continued”)

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 profit or loss.

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.

SOUTH KWAI CHUNG SERVICE CENTRE
南葵涌服務中心

NOTES TO FINANCIAL STATEMENTS

31st March, 2015

5. FINANCIAL RISK MANAGEMENT (“Continued”)

ii. Credit risk

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.

7. SUBVENTED PROGRAMME ACTIVITIES

| | Income & government subsidy HK\$ | Expenditures HK\$ | (Deficit)/ surplus HK\$ |
|---------------------------------------|--|----------------------|-------------------------------|
| <u>31/3/2015</u> | | | |
| i) Adult Education Subvention Scheme | 68,326 | 51,922 | 16,404 |
| | ===== | ===== | ===== |
| <u>31/3/2014</u> | | | |
| i) Tai Chi course | 8,492 | (5,364) | 3,128 |
| ii) Adult Education Subvention Scheme | 74,413 | (70,707) | 3,706 |
| iii) District Cyber Centres Alliance | <u>68,355</u> | <u>(137,712)</u> | <u>(69,357)</u> |
| | 151,260 | (213,783) | (62,523) |
| | ===== | ===== | ===== |

SOUTH KWAI CHUNG SERVICE CENTRE
南葵涌服務中心

NOTES TO FINANCIAL STATEMENTS

31st March, 2015

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

| | Income & Government subsidy HK\$ | Expenditures HK\$ | Deficit HK\$ |
|----------------------|--|----------------------|-----------------|
| <u>31/3/2015</u> | | | |
| Programme activities | 99,309 | (99,309) | - |
| | ===== | ===== | ===== |
| <u>31/3/2014</u> | | | |
| Programme activities | 595,896 | (649,528) | (53,632) |
| | ===== | ===== | ===== |

9. DONATION FROM HONG KONG JOCKEY CLUB CHARITIES TRUST

Grant receivable from Hong Kong Jockey Club Charities Trust ("JCC Trust") represents:-

| | |
|---|-------------|
| | HK\$ |
| - Grant relating to assets (leasehold improvement) | 1,603,340 |
| - Grant relating to operating expenses of the Project | 109,748 |
| | ----- |
| | 1,713,088 |
| Amount received up to the balance sheet date | (1,603,340) |
| Grant receivable from JCC Trust | 109,748 |
| | ===== |

10. PROCEEDS AND EXPENDITURE FROM FLAG DAY

| <u>Flag Day</u> | <u>PSP No.</u> | 2015 HK\$ | 2014 HK\$ |
|-------------------|----------------|---------------------|---------------------|
| | | <u>FD/R080/2014</u> | <u>FD/R077/2013</u> |
| Donation received | | 359,385 | 403,383 |
| Total expenditure | | (18,599) | (39,615) |
| Net surplus | | 340,786 | 363,768 |
| | | ===== | ===== |

In respect of the prior year, a fund-raising activity of "Flag Day" was held on 23rd November, 2013 and the surplus arising from this activity of HK\$363,768 was fully utilised for activities expenses and operating expenses of the Centre (including water, electricity, rent etc.).

SOUTH KWAI CHUNG SERVICE CENTRE
南葵涌服務中心

NOTES TO FINANCIAL STATEMENTS

31st March, 2015

10. PROCEEDS AND EXPENDITURE FROM FLAG DAY (“continuous”)

In respect of current year, a fund-raising activity of “Flag Day” was held on 14th February, 2015 and the surplus arising from this activity of HK\$340,786 was allocated to Community Health Project’s Fund, which is administrated and controlled by the Centre.

Since 14th February, 2015, the usage of Community Health Project’s Fund was as follows:

| | HK\$ |
|---|-----------------|
| i. Program expenses 活動開支 (27.27%) | 92,932 |
| Less: program expenses during the year ended 31st March, 2015 | <u>(9,746)</u> |
| Balance c/f | <u>83,186</u> |
| ii. center’s administrative expenses 中心營運開支 (66.02%) | 224,987 |
| Less: center’s administrative expenses during the year ended 31st March, 2015 | <u>(90,912)</u> |
| Balance c/f | <u>134,075</u> |
| iii. minor decoration and equipment expenses 裝修及購置設備開支 (6.71%) | 22,867 |
| Less: minor decoration and equipment expenses during the year ended 31st March, 2015 | <u>-</u> |
| Balance c/f | <u>22,867</u> |

11. THE COMMUNITY CHEST ALLOCATION

In the current year, the Centre commenced a project known as “Elderly Health Project” sponsored by The Community Chest. The total amount of the approved allocation is HK\$698,000.

| | 2015 HK\$ |
|--|----------------|
| Allocation received from The Community Chest | 698,000 |
| Expenditure: | |
| - Rental | 52,667 |
| - Administration | 127,545 |
| - Salary | <u>518,782</u> |
| | <u>698,994</u> |
| Deficit of the project | <u>(994)</u> |

The objective of this project is to promote the health and well being of elderly; encourage public awareness and participation to support the elderly people; enhance the knowledge, skills and abilities of caregivers to provide caring and support to elderly in the community.

SOUTH KWAI CHUNG SERVICE CENTRE
南葵涌服務中心

NOTES TO FINANCIAL STATEMENTS

31st March, 2015

12. 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.

13. DIRECTORS' EMOLUMENTS

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

14. PLANT AND EQUIPMENT

| | Decoration HK\$ | Furniture, fixtures and office equipment HK\$ | Total HK\$ |
|---------------------------|--------------------|---|------------------|
| Cost: | | | |
| At 1st April, 2014 | 328,040 | 108,204 | 426,244 |
| Additions during the year | <u>1,603,340</u> | <u>-</u> | <u>1,603,340</u> |
| At 31st March, 2015 | <u>1,931,380</u> | <u>108,204</u> | <u>2,039,584</u> |
| Accumulated depreciation: | | | |
| At 1st April, 2014 | 328,040 | 108,204 | 426,244 |
| Charge for the year | <u>1,603,340</u> | <u>-</u> | <u>1,603,340</u> |
| At 31st March, 2015 | <u>1,931,380</u> | <u>108,204</u> | <u>2,029,584</u> |
| Net book value: | | | |
| At 31st March, 2015 | - | - | - |
| At 31st March, 2014 | - | - | - |

15. GRANT RECEIVABLES FROM CIIF

This represented the expended amounts of the project that are refundable from CIIF as follows:

Home Sweet Home (在家千日好)

| | 2015 HK\$ | 2014 HK\$ |
|---------------------|----------------|----------------|
| 2013/2012 Quarter 4 | - | 164,188 |
| 2014/2013 Quarter 1 | 140,502 | 140,502 |
| 2014 Quarter 2 | <u>97,343</u> | <u>-</u> |
| | <u>237,845</u> | <u>304,690</u> |

SOUTH KWAI CHUNG SERVICE CENTRE
南葵涌服務中心

NOTES TO FINANCIAL STATEMENTS

31st March, 2015

16. 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.

17. OPERATING LEASE COMMITMENTS

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

| | 2015 HK\$ | 2014 HK\$ |
|----------------------------------|----------------|----------------|
| Minimum lease payments fall due: | | |
| Within 1 year | 181,098 | 181,098 |
| Within 2 to 5 years | <u>-</u> | <u>181,098</u> |
| | <u>181,098</u> | <u>362,196</u> |

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation of the current year.

19. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Board of Directors on **27 OCT 2015**