

Report of the Directors

Audited Financial Statements

SOUTH KWAI CHUNG SOCIAL SERVICE

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

南葵涌社會服務處

31st March, 2018



Robert Chui CPA Limited

Certified Public Accountants
Hong Kong

SOUTH KWAI CHUNG SOCIAL SERVICE
南葵涌社會服務處

31st March, 2018

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SOUTH KWAI CHUNG SOCIAL SERVICE

南葵涌社會服務處

REPORT OF THE DIRECTORS

31st March, 2018

The directors submit their report together with the audited financial statements of South Kwai Chung Social Service (“Association”) for the year ended 31st March, 2018.

Principal activities

The principal activities of the Association 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 “At Home With Love” (樓住有心人) (the “Project”) for a term of three years covering the period from 1st November, 2015 to 31st October, 2018. The objective of this project is to assist local elders, people with chronic illnesses and women in forging mutual support networks.
- (iii) establishing a project known as “Elderly Health Project” as sponsored by The Community Chest. 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 building the Kwai Tsing District into an age-friendly community.
- (v) establishing a project known as “Healthy and Joyful Ageing Project in Shek Lei Estate” as sponsored by the Hong Kong Jockey Club Charities Trust for a term of 3 years from 1st January, 2018 to 31st December, 2020. The objective of this project is designed to help building the Shek Lei Estate District into an age-friendly community.

Results

The results of the Association for the year ended 31st March, 2018 and the financial position of the Association at that date are set out in the attached financial statements.

Share capital

The Association is a company limited by guarantee without a share capital.

SOUTH KWAI CHUNG SOCIAL SERVICE

南葵涌社會服務處

REPORT OF THE DIRECTORS (“Continued”)

31st March, 2018

Directors

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

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

In accordance with Article 32 of the Association’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.

Director’s material interests in transactions, arrangements and contracts that are significant in relation to the Association’s operation

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

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

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of any business of the Association were entered into or existed during the year.

Permitted indemnity provisions

No permitted indemnity provision was in force during the year, or is in force at the date of this report, for the benefit of a then director or a director of the Association (whether made by the Association or otherwise).

Business review

The Association is eligible for the reporting exemption from preparing a business review for the financial year.

Auditor

The auditor, Messrs Robert Chui CPA Limited, who retire and offer themselves for re-appointment.

On behalf of the Board



Hong Kong

28 DEC 2018



志仁會計師行有限公司
Robert Chui CPA Limited
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOUTH KWAI CHUNG SOCIAL SERVICE

南葵涌社會服務處

(incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

Opinion

We have audited the financial statements of South Kwai Chung Social Service (the "Association") set out on pages 6 to 18, which comprise the statement of financial position as at 31st March, 2018 and statement of income and expenditure and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31st March, 2018 and of its financial performance, statement of changes in funds and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other Than The Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises all information included in the director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



志仁會計師行有限公司
Robert Chui CPA Limited
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ("Continued")

TO THE MEMBERS OF
SOUTH KWAI CHUNG SOCIAL SERVICE
南葵涌社會服務處

(incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the Hong Kong Companies Ordinance, for no other purpose. We do not assume any responsibility or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



志仁會計師行有限公司
Robert Chui CPA Limited
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ("Continued")


TO THE MEMBERS OF
SOUTH KWAI CHUNG SOCIAL SERVICE
南葵涌社會服務處

(incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

Auditor's Responsibilities for the Audit of the Financial Statements ("Continued")

- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Robert Chui CPA Limited
Certified Public Accountants
Chui Chi Yun Robert
Practising Certificate Number: P01833

Hong Kong

AFS-SKCSS17a

28 DEC 2018

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SOUTH KWAI CHUNG SOCIAL SERVICE

南葵涌社會服務處

STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME

Year ended 31st March, 2018

	Note	2018 HK\$	2017 HK\$
REVENUE			
Subvented programme activities income	7	55,874	41,687
"Community Investment & Inclusion Fund" ("CIIF")	8	718,723	730,334
Grant from the Hong Kong Jockey Club Charities Trust	9	1,784,512	473,657
Proceeds from flag day	10	261,350	373,589
The Community Chest allocation	11	789,422	752,240
Grant from Community Chest for renovation/minor purchase	11	446,150	19,880
Government rent and rates subsidies		160,300	159,820
Speech Therapy		-	67,223
Grant from The Link Speech Therapy Community Programme		189,063	164,051
Grant from The Jockey Club Community eHealth Care Project		604,457	143,021
Activities income		677,788	379,472
		<u>5,687,639</u>	<u>3,304,974</u>
EXPENDITURE			
Subvented programme activities expenses	7	42,347	58,376
CIIF project expenses	8	806,045	730,334
Hong Kong Jockey Club Charities Trust expenses	9	1,773,465	465,509
Expenditure on flag day	10	3,972	26,629
The Community Chest expenses	11	780,651	735,417
Community Chest for renovation/minor purchases	11	312,445	19,880
Rental expenses		160,300	159,820
Speech Therapy		-	63,000
Expenditure for The Link Speech Therapy Community Programme		242,874	164,051
Expenditure for The Jockey Club Community eHealth Care Project		562,796	143,021
Activities expenses		351,395	308,518
		<u>5,036,290</u>	<u>2,874,555</u>
SURPLUS/(DEFICIT) ON ACTIVITIES		651,349	430,419
ADMINISTRATIVE EXPENSES			
Auditor's remuneration		8,000	8,000
Advertising and promotion		14,648	12,225
Bank charges		934	2,055
Cleaning		3,525	17,100
Electricity and water		26,835	-
Insurance		2,842	6,027
Internet		3,492	-
MPF contributions		7,517	-
Minor decoration and equipment		8,680	-
Printing and stationery		1,974	10,431
Repairs and maintenance		2,900	-
Salary and wages		86,850	-
Sundries		82,538	5,412
Telephone and fax		804	-
Travelling		2,655	326
		<u>254,194</u>	<u>61,576</u>
SURPLUS/(DEFICIT) BEFORE TRANSFER		397,155	368,843
Net proceeds of Flag day transfer to Community Health Project Fund 2017		(257,378)	(346,960)
Utilisation of Community Health Project Fund 2017/2018		-	66,329
Utilisation of Community Health Project Fund 2015		-	64,420
		<u>-</u>	<u>64,420</u>
SURPLUS/(DEFICIT) AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>139,777</u>	<u>152,632</u>

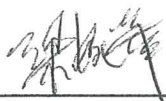
The annexed notes form an integral part of these financial statements.


SOUTH KWAI CHUNG SOCIAL SERVICE
南葵涌社會服務處

STATEMENT OF FINANCIAL POSITION

31st March, 2018

	Note	2018 HK\$	2017 HK\$
NON-CURRENT ASSETS			
Plant and equipment	14	-	-
CURRENT ASSETS			
Grant receivables from CIIF		253,169	125,821
Grant receivables from Hong Kong Jockey Club Charities Trust		432,281	19,880
Grant receivables from Community Chest		446,150	-
Other receivables		69,420	143,021
Rental and utility deposits paid		25,500	25,500
Cash and bank balances		1,236,335	1,094,906
		<u>2,462,855</u>	<u>1,409,128</u>
CURRENT LIABILITIES			
Amount due to the chief executive	15	1,359,767	720,057
Other payables		326,497	-
Receipt in advance		-	43,099
Accrual		8,000	9,557
		<u>1,694,264</u>	<u>772,713</u>
NET CURRENT ASSETS		<u>768,591</u>	<u>636,415</u>
NET ASSETS		<u>768,591</u>	<u>636,415</u>
Represented by:			
Accumulated funds		495,561	355,784
Community Health Project Fund 2017-18		<u>273,030</u>	<u>280,631</u>
TOTAL FUNDS		<u>768,591</u>	<u>636,415</u>


 Leung Yuen Wa
 Director


 Ko Tip Ngan
 Director

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

SOUTH KWAI CHUNG SOCIAL SERVICE

南葵涌社會服務處

STATEMENT OF CHANGES IN FUNDS

Year ended 31st March, 2018

	General Fund	Community Health Project Fund 2015	Community Health Project Fund 2017-18	Total
At 31st March, 2016 and at 1st April, 2016	203,152	64,420	-	267,572
Surplus and total comprehensive income for the year	368,843	-	-	368,843
Net proceed of Flag day transfer to Community Health Project Fund 2017	(346,960)	-	346,960	-
Utilisation of Community Health Project Fund 2015	64,420	(64,420)		
Utilisation of Community Health Project Fund 2017	66,329	-	(66,329)	-
	<u>152,632</u>	<u>(64,420)</u>	<u>280,631</u>	<u>368,843</u>
At 31st March, 2017 and at 1st April, 2017	355,784	-	280,631	636,415
Surplus and total comprehensive income for the year	397,155	-	-	397,155
Net proceed of Flag day transfer to Community Health Project Fund 2018	(257,378)	-	257,378	-
Utilisation of Community Health Project Fund 2017-18	-	-	(264,979)	(264,979)
	<u>139,777</u>	<u>-</u>	<u>(7,601)</u>	<u>132,176</u>
At 31st March, 2018	<u>495,561</u>	<u>-</u>	<u>273,030</u>	<u>768,591</u>

SOUTH KWAI CHUNG SOCIAL SERVICE
南葵涌社會服務處

STATEMENT OF CASH FLOWS

Year ended 31st March, 2018

	2018 HK\$	2017 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(deficit) and other comprehensive income for the year	139,777	152,632
Adjustments for:		
Net proceed of Flag day transfer to Community Health Project	257,378	346,960
Utilisation of Community Health Project Fund 2015	-	(64,420)
Utilisation of Community Health Project Fund 2017/2018	(264,979)	(66,329)
Operating (deficit)/surplus before working capital changes	<u>132,176</u>	<u>368,843</u>
Decrease/(increase) in grant receivables from CIIF	(127,348)	(125,821)
Decrease/(Increase) in grant receivables from Hong Kong Jockey Club Charities Trust	(412,401)	(19,880)
Increase) in grant receivables from Community Chest	(446,150)	-
Increase in other receivables	73,601	(4,622)
Increase in other payables	326,497	-
Increase in receipt in advance	(43,099)	15,754
(Decrease)/increase in amount due to the chief executive	639,710	219,338
Decrease in accrual	<u>(1,557)</u>	<u>(46,977)</u>
Net cash inflow from operating activities	<u>141,429</u>	<u>406,635</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	141,429	406,635
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,094,906</u>	<u>688,271</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>1,236,335</u></u>	<u><u>1,094,906</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u><u>1,236,335</u></u>	<u><u>1,094,906</u></u>

SOUTH KWAI CHUNG SOCIAL SERVICE

南葵涌社會服務處

NOTES TO FINANCIAL STATEMENTS

31st March, 2018

1. GENERAL

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

The Association 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 Association is No.4 G/F., On King House, Lai King Estate, Kwai Chung, New Territories, Hong Kong.

The principal activities of the Association 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 “At Home With Love” (樓住有心人) (the “Project”) for a term of three years covering the period from 1st November, 2015 to 31st October, 2018. The objective of this project is to assist local elders, people with chronic illnesses and women in forging mutual support networks.
- (c) establishing a project known as “Elderly Health Project” as sponsored by The Community Chest. 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 building the Kwai Tsing District into an age-friendly community.
- (e) establishing a project known as “Healthy and Joyful Ageing Project in Shek Lei Estate” as sponsored by the Hong Kong Jockey Club Charities Trust for a term of 3 years from 1st January, 2018 to 31st December, 2020. The objective of this project is designed to help building the Shek Lei Estate District into an age-friendly community.

SOUTH KWAI CHUNG SOCIAL SERVICE
南葵涌社會服務處

NOTES TO FINANCIAL STATEMENTS

31st March, 2018

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued a number of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Accounting Standards (“HKASs”), herein collectively referred to as the new and revised HKFRSs.

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

Annual Improvements Project HKFRS 10, HKFRS 12 and Amendment	Annual Improvements 2012-2014 Cycle Investment Entities: Applying the Consolidation Exception
HKAS 19 (2011) Amendment Annual Improvements Project HKAS 1 Amendment	Defined Benefit Plans: Employee Contributions Annual Improvements 2010-2012 Disclosure Initiative
HKAS 16 and HKAS 38 Amendment	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 Amendment	Agriculture: Bearer Plants
HKAS 27 Amendment	Equity Method in Separate Financial Statements

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

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

HKFRS 10 and HKAS 28 Amend	Sale or contribution of Assets between an Investor and its As- Joint Venture ⁴
HKAS 7 Amendment	Disclosure Initiative ¹
HKAS 12 Amendment	Recognition of Deferred Tax Assets for Unrealised Losses ¹
HKFRS 2 Amendment	Classification and Measurement of Share-based Payment Transac
HKFRS 9	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 15 Amendment	Clarifications to HKFRS 15 ²
HKFRS 16	Leases ³

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

² Effective for accounting periods beginning on or after 1 January, 2018

³ Effective for accounting periods beginning on or after 1 January, 2019

⁴ To be determined

SOUTH KWAI CHUNG SOCIAL SERVICE

南葵涌社會服務處

NOTES TO FINANCIAL STATEMENTS

31st March, 2018

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

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

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 Association 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 Association and when the revenue can be measured reliably, on the following bases:

- i) Donations are accounted for in the relevant year on a receipt basis or 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.

SOUTH KWAI CHUNG SOCIAL SERVICE
南葵涌社會服務處

NOTES TO FINANCIAL STATEMENTS

31st March, 2018

4. PRINCIPAL ACCOUNTING POLICIES (“Continued”)

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 Association’s activities mainly expose it to credit risk and liquidity risk. The Association’s overall risks management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Association’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 Association ensures that it maintains and obtains sufficient cash and funding to meet its liquidity requirement. As at the reporting date, all financial liabilities of the Association 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 Association from financial assets on hand as at the reporting date.

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

Fair value estimation

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

SOUTH KWAI CHUNG SOCIAL SERVICE

南葵涌社會服務處

NOTES TO FINANCIAL STATEMENTS

31st March, 2018

6. CAPITAL MANAGEMENT

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

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

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

7. SUBVENTED PROGRAMME ACTIVITIES

	Income & government subsidy HK\$	Expenditures HK\$	Surplus/ (deficit) HK\$
<u>31/3/2018</u>			
i) Adult Education Subvention Scheme	55,874	42,347	13,527
	=====	=====	=====
<u>31/3/2017</u>			
i) Adult Education Subvention Scheme	41,687	58,376	(16,689)
	=====	=====	=====

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

	Income & Government subsidy HK\$	Expenditures HK\$	Deficit HK\$
<u>31/3/2018</u>			
Programme activities	718,723	(806,045)	(87,322)
	=====	=====	=====
<u>31/3/2017</u>			
Programme activities	730,334	(730,334)	-
	=====	=====	=====

SOUTH KWAI CHUNG SOCIAL SERVICE
南葵涌社會服務處

NOTES TO FINANCIAL STATEMENTS

31st March, 2018

9. GRANT FROM HONG KONG JOCKEY CLUB CHARITIES TRUST

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

	2018 HK\$	2017 HK\$
- Grant relating to assets (leasehold improvement)	1,068,441	-
- Grant relating to operating expenses of the Project	<u>716,071</u>	<u>473,657</u>
	<u>1,784,512</u>	<u>473,657</u>

The grant related expenditure for the year was HK\$1,773,465 (2017: HK\$465,509).

10. PROCEEDS AND EXPENDITURE FROM FLAG DAY

	2018 HK\$ <u>FD/R046/2017</u>	2017 HK\$ <u>FD/R039/2016</u>
<u>Flag Day</u>		
Donation received	261,350	373,589
Total expenditure	<u>(3,972)</u>	<u>(26,629)</u>
Net surplus	<u>257,378</u>	<u>346,960</u>

SOUTH KWAI CHUNG SOCIAL SERVICE

南葵涌社會服務處

NOTES TO FINANCIAL STATEMENTS

31st March, 2018

10. PROCEEDS AND EXPENDITURE FROM FLAG DAY

The Association held a charitable flag day on 18th March, 2017 and the net proceed from the flag day 2017 was utilized as follows:-

	HK\$
i. Program expenses 活動開支	
Allocation	86,740
Less: program expenses during the year ended 31st March, 2017	<u>(9,952)</u>
Balance c/f	<u>76,788</u>
=====	
i. Center's administrative expenses 中心營運開支	
Allocation	225,524
Less: center's administrative expenses during the year ended 31st March, 2017	<u>(54,479)</u>
Balance c/f	<u>171,045</u>
=====	
ii. Minor decoration and equipment expenses 裝修及購置設備開支	
Allocation	34,696
Less: minor decoration and equipment expenses during the year ended 31st March, 2017	<u>(1,898)</u>
Balance c/f	<u>32,798</u>
=====	

The Association held a charitable flag day on 10th February, 2018 and the net proceed from the flag day 2018 was utilized as follows:-

	HK\$
i. Program expenses 活動開支	
Allocation	64,345
Less: program expenses during the year ended 31st March, 2018	<u>(76,120)</u>
Balance c/f	<u>(11,775)</u>
=====	
iii. Center's administrative expenses 中心營運開支	
Allocation	167,296
Less: center's administrative expenses during the year ended 31st March, 2018	<u>(184,554)</u>
Balance c/f	<u>(17,258)</u>
=====	
iv. Minor decoration and equipment expenses 裝修及購置設備開支	
Allocation	25,737
Less: minor decoration and equipment expenses during the year ended 31st March, 2018	<u>(4,305)</u>
Balance c/f	<u>21,432</u>
=====	

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NOTES TO FINANCIAL STATEMENTS

31st March, 2018

11. THE COMMUNITY CHEST ALLOCATION

In the current year, the Association commenced a project known as “Elderly Health Project” sponsored by The Community Chest. The total amount of the approved allocation is HK\$1,275,572 (2017: HK\$772,120)

	2018 HK\$	2017 HK\$
Funds received from The Community Chest		
- Operation	789,422	752,240
- Renovation/minor purchases	<u>446,150</u>	<u>19,880</u>
	<u>1,235,572</u>	<u>772,120</u>
- Rental	36,300	36,300
- Administration	138,695	120,390
- Salary	605,656	578,727
- Renovation/minor purchase	<u>312,445</u>	<u>19,880</u>
	<u>1,093,096</u>	<u>755,297</u>
Surplus of the project	<u>142,476</u>	<u>16,823</u>

The objective of this project is to promote 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.

12. INCOME TAX

No provision for Hong Kong profits tax has been made in the financial statements as the Association 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.

SOUTH KWAI CHUNG SOCIAL SERVICE
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NOTES TO FINANCIAL STATEMENTS

31st March, 2018

14. PLANT AND EQUIPMENT

	Decoration HK\$	Furniture, fixtures and office equipment HK\$	Total HK\$
Cost:			
At 1st April, 2017 and at 31st March, 2018	<u>1,931,380</u>	<u>108,204</u>	<u>2,039,584</u>
Accumulated depreciation:			
At 1st April, 2017			
At 31st March, 2018	<u>1,931,380</u>	<u>108,204</u>	<u>2,029,584</u>
Net book value:			
At 31st March, 2018	-	-	-
	=====	=====	=====
At 31st March, 2017	-	-	-
	=====	=====	=====

15. AMOUNT DUE TO THE CHIEF EXECUTIVE

Mr Chow Yick Hay is the chief executive. The amount was un-secured, interest free and had no fixed terms of repayment.

16. OPERATING LEASE COMMITMENTS

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

	2018 HK\$	2017 HK\$
Minimum lease payments fall due:		
Within 1 year	150,480	150,480
Within 2 to 5 years	-	150,480
	<u>150,480</u>	<u>300,960</u>

17. APPROVAL OF FINANCIAL STATEMENTS

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

28 DEC 2018