

Audited Financial Statements

Signature Project Scheme (Kwai Tsing District)

- Enhancement of Community Healthcare

社區重點項目計劃(葵青區)

-加強社區健康服務

Operated by

Kwai Tsing Safe Community and Healthy City Association

31st March, 2020



Robert Chui CPA Limited

Certified Public Accountants
Hong Kong

Signature Project Scheme (Kwai Tsing District) - Enhancement of Community Healthcare
社區重點項目計劃(葵青區)-加強社區健康服務

Year ended 31st March, 2020

CONTENTS

	Page
Independent auditor's report	1 - 2
Statement of income and expenditure and other comprehensive income	3
Statement of financial position	4
Statement of changes in accumulated funds	5
Statement of cash flows	6
Notes to financial statements	7 - 11



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

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF
KWAI TSING SAFE COMMUNITY AND HEALTHY CITY ASSOCIATION
(incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

Pursuant to the agreement made between the HKSAR Government as represented by the Director of Home Affairs and Kwai Tsing Safe Community And Healthy City Association ('the Association'), we have performed a reasonable assurance engagement to report on whether the Association has complied with, in all material respects, the requirements set by the HKSAR Government including the approved grants have been fully and properly applied to Signature Project Scheme (Kwai Tsing District) - Enhancement of Community Healthcare ('the Project') for which they were paid, received and expended in accordance with the approved Project budget and for the agreed purpose; and the Grantee (the Association) has complied with the terms and conditions of the agreement for the year ended 31st March, 2020 on pages 3 to 11 ('the Project Accounts'), as specified in the following documents:

- a) the agreement made between the HKSAR Government and the Association in respect of the Project together with the appendices thereto; and
- b) all instructions and correspondences issued by HKSAR Government to the Association in respect of the Project.

Respective responsibilities of the Association and auditors

The HKSAR Government requires the Association to comply with the requirements including whether (i) the approved grants have been fully and properly applied to the Project for which they were paid, received and expended in accordance with the approved Project budget and for the agreed purpose; and (ii) the Grantee (the Association) has complied with the terms and conditions of the agreement, as specified in the documents mentioned in the above paragraph.

It is our responsibility to form an independent conclusion, based on our reasonable assurance engagement, and to report our conclusion to you.

Basis of conclusion

We conducted our reasonable assurance engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Auditor Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants.

Our reasonable assurance engagement includes examination, on a test basis, of evidence relevant to the Association's compliance with the requirements set by the HKSAR Government (including whether (i) the approved grant have been fully and properly applied to the Project for which they were paid, received and expended in accordance with the approved Project budget and for the agreed purpose; and (ii) the Grantee (the Association) has complied with the terms and conditions of the agreement), as specified in the documents mentioned in the above first paragraph. It also includes an assessment of the significant estimates and judgments made by the Association in the preparation of the Project Accounts, and of whether the accounting policies have followed the requirements of the HKSAR Government, consistently applied and adequately disclosed.



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

INDEPENDENT AUDITOR'S REPORT ("Continued")

TO THE DIRECTORS OF
KWAI TSING SAFE COMMUNITY AND HEALTHY CITY ASSOCIATION
(incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

Basis of conclusion("Continued")

We planned and performed our reasonable assurance engagement so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give our conclusion as to whether the Association has complied with, in all material respects, the requirements set by the HKSAR Government including whether (i) the approved grants have been fully and properly applied to the Project for which they were paid, received and expended in accordance with the approved Project budget and for the agreed purpose; and (ii) the Grantee (the Association) has complied with the terms and conditions of the agreement, as specified in the documents mentioned in the above first paragraph. In forming our conclusion, we also evaluated the overall adequacy of the presentation of information in the Project Accounts. We believe that our reasonable assurance engagement provides a reasonable basis for our conclusion.

Conclusion

Based on the foregoing, in our opinion, the Association has complied with, in all material respects, the requirements set by the HKSAR Government including whether (i) the approved grants have been fully and properly applied to the Project for which they were paid, received and expended in accordance with the approved Project budget and for the agreed purpose; and (ii) the Grantee (the Association) has complied with the terms and conditions of the agreement, as specified in the documents mentioned in the above first paragraph.

Use of this report

This report is intended for filing by the Association with the HKSAR Government, and is not intended to be, and should not be, used by anyone except the above two parties for any other purpose.

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

Hong Kong

27 NOV 2020

Signature Project Scheme (Kwai Tsing District) - Enhancement of Community Healthcare
社區重點項目計劃(葵青區)-加強社區健康服務

STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME

Year ended 31st March, 2020

	Note	2020 HK\$	2019 HK\$
REVENUE			
Service income		<u>260,320</u>	<u>285,910</u>
Less:			
Service / Program expenses			
- Ocular health care		206,250	344,750
- Spectacle fittings services		249,150	430,050
- Medical consultation for eye problems		26,600	51,100
- Cataract operation subsidy		100,000	210,000
- Influenza vaccination service		313,315	329,219
- Outreach service		-	97,610
- Health education		-	2,280
- Community health services		<u>1,024,268</u>	<u>1,103,785</u>
		<u>1,919,583</u>	<u>2,568,794</u>
Other income			
Bank interest income		289	103
Sundry income		<u>3,147</u>	<u>6,787</u>
		<u>3,436</u>	<u>6,890</u>
General and Administrative Expenses			
- Staff costs		3,410,967	3,631,746
- Rent		55,719	46,968
- Water and electricity		14,508	13,312
- Telephone and internet		24,380	23,756
- Maintenance		1,750	4,984
- Insurance		91,838	71,206
- Cleaning		35,490	22,475
- Miscellaneous		38,704	46,841
- Central administration		4,942	16,631
- Publicity and promotion		-	20,270
- Audit fee		-	16,500
		<u>3,678,298</u>	<u>3,914,689</u>
OPERATING DEFICIT		(5,334,125)	(6,190,683)
Grant from Home Affairs Department ("HAD")	6	<u>5,334,125</u>	<u>6,190,683</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>-</u>	<u>-</u>

The annexed notes form part of these financial statements.

Signature Project Scheme (Kwai Tsing District) - Enhancement of Community Healthcare
社區重點項目計劃(葵青區)-加強社區健康服務

STATEMENT OF FINANCIAL POSITION


As at 31st March, 2020

	Note	2020 HK\$	2019 HK\$
NON-CURRENT ASSETS			
Plant and equipment	5	-	-
CURRENT ASSETS			
Grants receivable	6	1,395,135	1,592,387
Bank balances		1,234,105	665,257
		<u>2,629,240</u>	<u>2,257,644</u>
CURRENT LIABILITIES			
Amount due to Kwai Tsing Safe Community and Healthy City Association	7	713,936	542,340
		<u>713,936</u>	<u>542,340</u>
NET CURRENT ASSETS		<u>1,915,304</u>	<u>1,715,304</u>
NON-CURRENT LIABILITIES			
Other loans	8	(1,900,000)	(1,700,000)
NET ASSETS		<u>15,304</u>	<u>15,304</u>
Represented by:			
Accumulated surplus		<u>15,304</u>	<u>15,304</u>

These financial statements were approved and authorised for issue by the Board of Directors of Kwai Tsing Safe Community and Healthy City Association on 27 NOV 2020 and are signed on its behalf by:



 Chow Yick Hay
 Director



 Tsang Kee Kung
 Director

The annexed notes form part of these financial statements.

Signature Project Scheme (Kwai Tsing District) - Enhancement of Community Healthcare
社區重點項目計劃(葵青區)-加強社區健康服務

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

Year ended 31st March, 2019

	HK\$
At 1st April, 2018	15,304
Surplus/(deficit) for the year	<u>-</u>
At 31st March, 2019 and at 1st April, 2019	15,304
Surplus/(deficit) for the year	<u>-</u>
At 31st March, 2020	<u><u>15,304</u></u>

The annexed notes form part of these financial statements.

Signature Project Scheme (Kwai Tsing District) - Enhancement of Community Healthcare
社區重點項目計劃(葵青區)-加強社區健康服務

STATEMENT OF CASH FLOWS

Year ended 31st March, 2019

	2020 HK\$	2019 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(deficit) for the year and		
Operating result before working capital changes	-	-
Decrease in grants receivable	197,252	1,256,681
Decrease in other receivable	-	9,794
Decrease in accounts payable	-	(583,367)
Increase in amount due to Kwai Tsing Safe Community and Healthy City Association	171,596	500,114
	<u>368,848</u>	<u>1,183,222</u>
Cash generated from operations and net cash inflow from operating activities	368,848	1,183,222
Financing activities		
Increase/(decrease) in other loans	200,000	(700,000)
Cash generated from/(used in) operations and net cash inflow/(outflow)	<u>200,000</u>	<u>(700,000)</u>
Net change of cash and cash equivalents during the year	568,848	483,222
Cash and cash equivalents at beginning of year	<u>665,257</u>	<u>182,035</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>1,234,105</u></u>	<u><u>665,257</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	<u><u>1,234,105</u></u>	<u><u>665,257</u></u>

The annexed notes form part of these financial statements.

Signature Project Scheme (Kwai Tsing District) - Enhancement of Community Healthcare
社區重點項目計劃(葵青區)-加強社區健康服務

NOTES TO FINANCIAL STATEMENTS

31st March, 2020

1. GENERAL

Signature Project Scheme (Kwai Tsing District)- Enhancement of Community Healthcare (the "Project") is operated by Kwai Tsing Safe Community and Healthy City Association (the "Association"). The Project is funded by "Signature Project Scheme" 社區重點項目計劃 under Home Affairs Department of the Government of the Hong Kong Special Administrative Region ("HAD"). On 28th September, 2014, the Association signed an agreement with HAD ("the Agreement") for a period of three years from 1st October, 2014 to 31st January, 2018, as extended to 30th June, 2020, which aims to provide comprehensive community healthcare service such as disease prevention, dental care service, ophthalmic care service, household visits, health education and assessment to local residents; and installation of fitness equipment and information kiosks at suitable locations in the district.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with the Agreement and all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collectively includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. A summary of the significant accounting policies adopted by the Project are set out below.

Basis of preparation

The measurement basis used in the preparation of the financial statements is the historical cost basis. The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Signature Project Scheme (Kwai Tsing District) - Enhancement of Community Healthcare
社區重點項目計劃(葵青區)-加強社區健康服務

NOTES TO FINANCIAL STATEMENTS

Year ended 31st March, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ("continued")

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment losses. For plant and equipment that are funded by designated grant from Government, the relevant grant are deducted in arriving at the carrying amount of the assets, and the balance of the cost of these assets are depreciation over their estimated useful lives. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the plant and equipment, the expenditure is capitalised as an additional cost of that asset.

Financial assets and liabilities

Financial assets and liabilities are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

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.

Staff retirement plan

Contribution to staff retirement plan is reflected in profit or loss as expense incurred.

Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to expense items are recognised in the same period as those expenses are charged to the profit or loss.

Government grants relating to purchase of assets (i.e. plant and equipment) are deducted in arriving at the carrying amount of the assets, and the balance of the cost of these assets are depreciation over their estimated useful lives.

Signature Project Scheme (Kwai Tsing District) - Enhancement of Community Healthcare
社區重點項目計劃(葵青區)-加強社區健康服務

NOTES TO FINANCIAL STATEMENTS

31st March, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ("continued")

Recognition of income

Revenue is recognised when it is probable that the economic benefits will flow to the Project and when the revenue can be measured reliably. Service income and programme income are recognised when services are rendered.

3. FINANCIAL RISKS MANAGEMENT

Exposure to credit and liquidity risks arises in the normal course of the Project's operation. These risks are limited by the Project's risk management policies and practices described below.

Credit risk

The Project's credit risk is primarily attributable to bank balances held with a bank and the grants receivable from HAD. Given the reputation and standing of the Government and the bank, management does not expect them to fail to meet their obligations. At 31st March 2020, all of the Project's financial assets were exposed to credit risk. The carrying amounts of financial assets best represent the maximum credit risk exposure at the year end date. There were no significant concentrations of credit risk to counterparties except to the Government and the bank.

4. INCOME TAX

No provision for Hong Kong tax has been made in the financial statements as the Association by reason of a charitable institutions and trusts of a public character, are exempt from tax under section 88 of the Inland Revenue Ordinance.

Signature Project Scheme (Kwai Tsing District) - Enhancement of Community Healthcare
社區重點項目計劃(葵青區)-加強社區健康服務

NOTES TO FINANCIAL STATEMENTS

31st March, 2020

5. PLANT AND EQUIPMENT

	Leasehold improvements HK\$	Furniture and equipment HK\$	Medical equipment HK\$	Total HK\$
At cost:				
At 1st April, 2018	-	-	-	-
Additions	-	72,225	-	72,225
Less: Government grant for assets purchases under Signature Project Scheme	-	(72,225)	-	(72,225)
At 31st March, 2019	-	-	-	-
Additions	-	25,034	-	25,034
Less: Government grant for assets purchases under Signature Project Scheme	-	(25,034)	-	(25,034)
At 31st March, 2020	-	-	-	-
Accumulated depreciation:				
At 1st April, 2018				
Charge for the year	-	-	-	-
At 31st March, 2019	-	-	-	-
Charge for the year	-	-	-	-
At 31st March, 2020	-	-	-	-
Net book value:				
At 31st March, 2020	-	-	-	-
At 31st March, 2019	-	-	-	-

**Signature Project Scheme (Kwai Tsing District) - Enhancement of Community
社區重點項目計劃(葵青區)-加強社區健康服務**

NOTES TO FINANCIAL STATEMENTS

31st March, 2020

6. GRANTS RECEIVABLE

Grants receivable from Home Affairs Department ("HAD") represent	2020 HK\$	2019 HK\$
Balance brought forward	1,592,387	2,929,669
- Grant relating to operating expenses of the Project	5,334,125	6,190,683
- Grant relating to assets	<u>25,034</u>	<u>72,225</u>
	6,951,546	9,192,577
Amount received	<u>5,556,411</u>	<u>7,600,190</u>
Grants receivable from HAD	<u>1,395,135</u>	<u>1,592,387</u>

The grants receivable will be paid to the Project on a reimbursement basis upon fulfillment of the requirements as set out in the Agreement signed between HAD and the Association.

7. AMOUNT DUE FROM/TO KWAI TSING SAFE COMMUNITY AND HEALTHY CITY ASSOCIATION

These amounts are un-secured, interest free and have no repayment terms.

8. OTHER LOANS

These amounts are un-secured, interest free and are repayable within three years.

9. ADOPTION OF 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 Project has adopted all relevant new and revised HKFRSs which are effective for the current year. The adoption of the new and revised HKFRSs has had no impact on the Project's accounting policies, results of operations and financial position.

New standards, interpretations and amendments which have been issued but are not yet effective for the current year are not early adopted. The directors of the Association anticipate that the adoption of these new standards, interpretations and amendments will have no significant impact on the Project's results of operations and financial position.