

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, 2021



**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, 2021

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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, 2021 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.

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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

17 SEP 2021

**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, 2021

	Note	2021 HK\$	2020 HK\$
<b>REVENUE</b>			
Service income		183,595	260,320
<b>Less:</b>			
<b>Service / Program expenses</b>			
- Ocular health care		226,000	206,250
- Spectacle fittings services		246,600	249,150
- Medical consultation for eye problems		19,250	26,600
- Cataract operation subsidy		145,000	100,000
- Influenza vaccination service		497,548	313,315
- Hearing Health		202,900	-
- Community health services		413,675	1,024,268
		1,750,973	1,919,583
<b>Other income</b>			
Bank interest income		484	289
Sundry income		3,037	3,147
		3,521	3,436
<b>General and Administrative Expenses</b>			
- Staff costs		1,975,598	3,410,967
- Rent		55,224	55,719
- Water and electricity		6,228	14,508
- Telephone and internet		26,288	24,380
- Maintenance		-	1,750
- Insurance		48,617	91,838
- Cleaning		37,898	35,490
- Miscellaneous		74,830	38,704
- Central administration		-	4,942
- Audit fee		50,000	-
		2,274,683	3,678,298
<b>OPERATING DEFICIT</b>		(3,838,540)	(5,334,125)
Grant from Home Affairs Department ("HAD")	6	3,838,540	5,334,125
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		-	-

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, 2021

	Note	2021 HK\$	2020 HK\$
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	5	<u>-</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Grants receivable	6	1,768,876	1,395,135
Bank balances		<u>1,164,541</u>	<u>1,234,105</u>
		<u>2,933,417</u>	<u>2,629,240</u>
<b>CURRENT LIABILITIES</b>			
Amount due to Kwai Tsing Safe Community and Healthy City Association	7	<u>2,918,113</u>	<u>713,936</u>
		<u>2,918,113</u>	<u>713,936</u>
<b>NET CURRENT ASSETS</b>		<u>15,304</u>	<u>1,915,304</u>
<b>NON-CURRENT LIABILITIES</b>			
Other loans	8	<u>-</u>	<u>(1,900,000)</u>
<b>NET ASSETS</b>		<u>15,304</u>	<u>15,304</u>
<b>Represented by:</b>			
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 **17 SEP 2021** 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, 2021

	HK\$
At 1st April, 2019	15,304
Surplus/(deficit) for the year	<u>-</u>
At 31st March, 2020 and at 1st April, 2020	15,304
Surplus/(deficit) for the year	<u>-</u>
At 31st March, 2021	<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, 2021

	2021 HK\$	2020 HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus/(deficit) for the year and		
Operating result before working capital changes	-	-
(Increase)/decrease in grants receivable	(373,741)	197,252
Increase in amount due to Kwai Tsing Safe Community and Healthy City Association	2,204,177	171,596
	<u>1,830,436</u>	<u>368,848</u>
Cash generated from operations and net cash inflow from operating activities		
Financing activities		
(Decrease)/increase in other loans	(1,900,000)	200,000
Cash (used in)/generated from operations and net cash (outflow)/inflow	<u>(1,900,000)</u>	<u>200,000</u>
Net change of cash and cash equivalents during the year	(69,564)	568,848
Cash and cash equivalents at beginning of year	<u>1,234,105</u>	<u>665,257</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>1,164,541</u></u>	<u><u>1,234,105</u></u>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances	<u><u>1,164,541</u></u>	<u><u>1,234,105</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, 2021

**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 31st October, 2022, 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, 2021

**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, 2021

**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 2021, 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, 2021

5. PLANT AND EQUIPMENT

	Leasehold improvements HK\$	Furniture and equipment HK\$	Medical equipment HK\$	Total HK\$
At cost:				
At 1st April, 2019	-	-	-	-
Additions	-	25,034	-	25,034
Less: Government grant for assets purchases under Signature Project Scheme	-	(25,034)	-	(25,034)
At 31st March, 2020	-	-	-	-
Additions	-	14,324	-	14,324
Less: Government grant for assets purchases under Signature Project Scheme	-	(14,324)	-	(14,324)
At 31st March, 2021	-	-	-	-
Accumulated depreciation:				
At 1st April, 2019				
Charge for the year	-	-	-	-
At 31st March, 2020	-	-	-	-
Charge for the year	-	-	-	-
At 31st March, 2021	-	-	-	-
Net book value:				
At 31st March, 2021	-	-	-	-
At 31st March, 2020	-	-	-	-

**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, 2021

**6. GRANTS RECEIVABLE**

Grants receivable from Home Affairs Department ("HAD") represen	2021 HK\$	2020 HK\$
Balance brought forward	1,395,135	1,592,387
- Grant relating to operating expenses of the Project	3,838,540	5,334,125
- Grant relating to assets	14,324	25,034
	<u>5,247,999</u>	<u>6,951,546</u>
Amount received	<u>3,479,123</u>	<u>5,556,411</u>
Grants receivable from HAD	<u>1,768,876</u>	<u>1,395,135</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 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. The loans were fully settled.

**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.