

**SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED**  
**西貢區社區中心有限公司**  
**(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)**

**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED**  
**西貢區社區中心有限公司**  
**YEAR ENDED 31 MARCH 2020**

**REPORT OF THE DIRECTORS**

The directors submit herewith their annual report together with the audited financial statements for the year ended 31 March 2020.

**Business review**

Sai Kung District Community Centre was established in the year of 1970. The company is continuously promoting livelihood support and establishing a support network in rural area. With the service mission of "connecting and mobilizing community resources to love and care our folks and nature across Sai Kung", we establish a unique rural service model to reduce the uneven distribution of resources between urban and rural areas, so that rural life can be preserved and a win-win society can be created.

Our vision

We are eager to build a happy and livable community for Sai Kung residents.

Our mission

We connect and mobilise community resources to love and care our folks and nature across Sai Kung.

Our belief

We believe in welfare equality regardless of who you are and where you live.

Service performance

On 31 March 2020, total income has recorded an increase of HK\$336,726 from HK\$28,418,221 on 31 March 2019 to HK\$28,754,947 on 31 March 2020.

During the reporting period, the company made no significant change in the scope of its principal services:

Our Services

Children and youth services

Child care and family support services

Elderly and primary care services

Rural support services

Community network and capital construction projects

Ecological conservation projects

**SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED**  
**西貢區社區中心有限公司**  
**YEAR ENDED 31 MARCH 2020**

**Business review (continued)**

Principal risks and uncertainties

At the beginning of 2020, facing the impact of the outbreak of COVID-19 and the complicated uncertainties, the company persists in providing high-quality community services, actively identifies changes and proactively seeks for changes.

It would be a risk to the company if COVID-19 pandemic continues for a much longer period of time or getting worse during the upcoming winter that may cause us to reduce our regular services and hold up our drop in services.

The company is not aware of any other particulars or important events that have occurred which would have a significant impact on the company in near future.

**Principal activities**

The principal activities of the company are organising and promoting non-profitable activities in order to enhance the health and well-being of the general public.

**Financial statements**

The results of the company for the year ended 31 March 2020 and the state of the company's affairs as at that date are set out in the financial statements on pages 7 to 20.

**Directors**

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

Chan Kuen Kwan	
Cheung Ting Kiu	
Cheung To Shing	
Cheung Yat Leung Jacky	
Lau Kam Lun	
Lau Wai Kuen Kenneth	
Li Fuk Hong	
So Kwok Hing	
Wan Keung	
Yuen To Shing	
Lau Wan Ming	(appointed on 1 July 2019)
Lok Shui Sang	(appointed on 1 July 2019)
Mo Ka Hung Joseph	(appointed on 1 July 2019)
Lau Yuk Tong	(resigned on 1 July 2019)
Leung Wai Hung Grany	(resigned on 1 July 2019)
Siu Chun Kit	(resigned on 1 July 2019)

As there is no provision in the company's Articles of Association concerning the rotation of directors, all the present directors would continue in office for the ensuing year.

**Indemnity of directors**

During the financial year and at the time of approval of this report, there was or is no permitted indemnity provision in force for the benefit of any of the directors of the company.

**Directors' interests in shares or debentures**

At no time during the year was the company to any arrangements to enable the directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

**Directors' interests in transactions, arrangements or contracts**

No transactions, arrangements or contracts of significance to which the company was a party in which a director of the company had a material interest, subsisted at the end of the year or at any time during the year.

**Auditor**

The financial statements of the company for the year ended 31 March 2019 have been audited by H. C. Cheung & CPA Limited, Certified Public Accountants. The financial statements of the company for the year ended 31 March 2020 have been audited by K.W. Tam & Co. who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of K.W. Tam & Co. as auditor of the company is to be proposed at the forthcoming annual general meeting.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED  
西貢區社區中心有限公司**  
*(incorporated in Hong Kong and limited by guarantee)*

譚根榮會計師行  
香港九龍觀塘道370號  
創紀之城3期20樓2002室

**K.W. Tam & Co.**  
Certified Public Accountants (Practising)  
Unit 2002, 20/F, Millennium City 3,  
370 Kwun Tong Road, Kowloon,  
Hong Kong

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Fax : (852) 2393 2988  
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## Opinion

We have audited the financial statements of Sai Kung District Community Centre Limited (“the company”) set out on pages 7 to 20, which comprise the statement of financial position as at 31 March 2020, and the statement of comprehensive income, the statement of changes in reserves and 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 company as at 31 March 2020 and of its financial performance and its cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standard for Private Entities (“HKFRS for Private Entities”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

## Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) 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 company 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.

## Other Matters

The financial statements of the company for the year ended 31 March 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 28 October 2019.

## Information Other Than the Financial Statements and Auditor’s Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the report of the directors, 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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
SAIKUNG DISTRICT COMMUNITY CENTRE LIMITED  
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**Responsibilities of Directors and Those Charged with Governance for the Financial Statements**

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities 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 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 company'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 intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company'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 section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards 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.
- 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED**  
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**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- 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 company'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 company to cease to continue as a going concern.

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.



K.W. Tam & Co.  
Certified Public Accountants (Practising)  
Unit 2002, 20th Floor,  
Millennium City 3,  
370 Kwun Tong Road,  
Kowloon, Hong Kong

30 October 2020

**SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED**  
**西貢區社區中心有限公司**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 HK\$	2019 HK\$
<b>Revenue</b>			
Social Welfare Department subvention	3	8,722,887	8,528,070
Membership fee income		8,210	17,275
Service fee income		411,366	286,132
Programme income		<u>6,001,015</u>	<u>8,926,863</u>
		15,143,478	17,758,340
		-----	-----
<b>Other income</b>	4	<u>13,611,469</u>	<u>10,659,881</u>
		-----	-----
<b>Expenditure</b>			
Personal emoluments		( 17,011,882 )	( 16,248,954 )
Utilities		( 224,410 )	( 205,779 )
Administrative expenses	5	( 541,517 )	( 446,270 )
Stores and equipment		( 493,386 )	( 1,532,194 )
Travelling and transportation		( 107,965 )	( 124,727 )
Programme expenses		( 9,363,272 )	( 10,496,546 )
Repairs and maintenance		( 6,500 )	( 3,670 )
Rent and rates		( 333,297 )	( 304,797 )
Miscellaneous expenses	6	<u>( 772,811 )</u>	<u>( 876,615 )</u>
		( 28,855,040 )	( 30,239,552 )
		-----	-----
Deficit from operation		( 100,093 )	( 1,821,331 )
Usage of LSG reserve		( 66,000 )	--
Claw back of LSG reserve		<u>( 263,883 )</u>	<u>--</u>
Deficit before tax	7	( 429,976 )	( 1,821,331 )
Income tax	9	<u>--</u>	<u>--</u>
Deficit for the year		( 429,976 )	( 1,821,331 )
Other comprehensive surplus for the year		<u>--</u>	<u>--</u>
Total comprehensive deficit for the year		<u>( 429,976 )</u>	<u>( 1,821,331 )</u>

The accompanying notes including accounting policies form an integral part of, and should be read in conjunction with, these financial statements.



**SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED**  
**西貢區社區中心有限公司**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2020**

	Note	2020 HK\$	2020 HK\$	2019 HK\$
<b>Non-current assets</b>				
Property, plant and equipment	10		592,546	844,344
				-----
<b>Current assets</b>				
Accounts receivables		3,141,245		1,427,386
Prepayments		13,225		105,839
Electricity and water deposits paid		33,000		33,000
Cash at bank and in hand	11	<u>10,367,067</u>		<u>4,602,503</u>
		13,554,537		6,168,728
		-----		-----
<b>Current liabilities</b>				
Accruals		( 487,547 )		( 144,576 )
Receipts in advance		( 8,539,844 )		( 1,366,578 )
Temporary receipt		( 47,750 )		--
		<u>( 9,075,141 )</u>		<u>( 1,511,154 )</u>
		-----		-----
<b>Net current assets</b>			4,479,396	4,657,574
			-----	-----
<b>Net assets</b>			<u>5,071,942</u>	<u>5,501,918</u>
<b>Reserves</b>				
SWD fund			2,613,918	2,861,746
Accumulated fund			<u>2,458,024</u>	<u>2,640,172</u>
			<u>5,071,942</u>	<u>5,501,918</u>

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**SAIKUNG DISTRICT COMMUNITY CENTRE LIMITED**  
**西貢區社區中心有限公司**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**STATEMENT OF CHANGES IN FUND**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	SWD Fund		Accumulated Fund				Total HK\$
	Social welfare subvention surpluses account HK\$	Lump sum grant P.F. surplus reserve HK\$	Operational fund HK\$	Emergency assistance fund HK\$	Development fund HK\$	Flag days HK\$	
At 1 April 2018	2,074,108	243,566	1,333,145	1,883,286	1,184,722	604,422	7,323,249
Surplus/(deficit) for the year	445,588	98,484	21,595	(597,854)	(1,184,722)	(604,422)	(1,821,331)
At 31 March 2019	<u>2,519,696</u>	<u>342,050</u>	<u>1,354,740</u>	<u>1,285,432</u>	<u>--</u>	<u>--</u>	<u>5,501,918</u>
At 1 April 2019	2,519,696	342,050	1,354,740	1,285,432	--	--	5,501,918
(Deficit)/surplus for the year	(308,168)	56,830	--	(178,638)	--	--	(429,976)
Transferred between social welfare subvention surpluses account and emergency assistance fund	3,510	--	--	(3,510)	--	--	--
At 31 March 2020	<u>2,215,038</u>	<u>398,880</u>	<u>1,354,740</u>	<u>1,103,284</u>	<u>--</u>	<u>--</u>	<u>5,071,942</u>

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**SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED**  
**西貢區社區中心有限公司**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 HK\$	2019 HK\$
<b>Operating activities</b>			
Deficit before tax		( 429,976 )	( 1,821,331 )
Adjustments for:			
Bank interest income		( 1,520 )	( 986 )
Depreciation		251,798	225,712
		<u>                    </u>	<u>                    </u>
<b>Operating deficit before changes in working capital</b>		( 179,698 )	( 1,596,605 )
(Increase)/decrease in accounts receivables		( 1,713,859 )	383,112
Decrease/(increase) in prepayments		92,614	( 19,667 )
Increase/(decrease) in accruals		342,971	( 237,882 )
Increase/(decrease) in receipts in advance		7,173,266	( 489,751 )
Increase in temporary receipt		47,750	--
		<u>                    </u>	<u>                    </u>
<b>Net cash generated from/(used in) operating activities</b>		5,763,044	( 1,960,793 )
		<u>                    </u>	<u>                    </u>
<b>Investing activities</b>			
Bank interest received		1,520	986
Payment for purchases of property, plant and equipment		--	( 620,000 )
		<u>                    </u>	<u>                    </u>
<b>Net cash generated from/(used in) investing activities</b>		1,520	( 619,014 )
		<u>                    </u>	<u>                    </u>
<b>Net cash used in financing activities</b>		--	--
		<u>                    </u>	<u>                    </u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		5,764,564	( 2,579,807 )
<b>Cash and cash equivalents at the beginning of the year</b>		4,602,503	7,182,310
		<u>                    </u>	<u>                    </u>
<b>Cash and cash equivalents at the end of the year</b>	11	<u>10,367,067</u>	<u>4,602,503</u>

The accompanying notes including accounting policies form an integral part of, and should be read in conjunction with, these financial statements.

**SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED**  
**西貢區社區中心有限公司**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Reporting entity**

Sai Kung District Community Centre Limited (“the company”) is an approved charitable institution incorporated and domiciled in Hong Kong and has its registered office and principal place of operation at No.8 Mei Yuen Street, Sai Kung, New Territories, Hong Kong. The principal activities of the company are organising and promoting non-profitable leisure activities for the general public in order to enhance the health and well-being of Hong Kong citizens.

**2. Significant accounting policies**

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards for Private Entities (“HKFRS for Private Entities”) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

(b) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within bank borrowings in current liabilities on the statement of financial position.

(c) Accounts receivables and prepayments

Accounts receivables and prepayments are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

(d) Accounts payables and accruals

Accounts payables and accruals are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(e) Taxation

The company is an approved charitable institution and not subject to profits tax under section 88 of the Inland Revenue Ordinance, and no provision for Hong Kong profits tax has been made in the financial statements.

**SAIKUNG DISTRICT COMMUNITY CENTRE LIMITED**  
**西貢區社區中心有限公司**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**2. Significant accounting policies (continued)**

(f) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Where the company acquires leasehold land for own use under a finance lease, the prepaid cost included in property, plant and equipment on initial recognition represents the fair value of the leasehold land, or if lower, the present value of the minimum lease payments, determined at the inception of the lease and any initial direct costs of the lessee (incremental costs that are directly attributable to negotiating and arranging a lease).

The other cost of such items of property, plant and equipment comprises the following:

- the purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for them to be capable of operating in the manner intended by management;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. Assets held under finance leases, for which there is no reasonable certainty that the company will obtain ownership at the end of the lease term, are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the terms of the relevant lease. The following annual rates are used for the depreciation of property, plant and equipment:

Buildings	Shorter of remaining terms of leases or 50 years
Motor vehicles	20%
Furniture and fixtures	25%

All other repairs and maintenance are expensed in the income statement during the financial year in which they are incurred.

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(g) Employee benefit obligations

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

**2. Significant accounting policies (continued)**

(h) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

(i) Revenue recognition

Revenue is recognised in profit or loss provided it is probable that the economic benefits will flow to the company and the revenue and costs, if applicable, can be measured reliably, as follows:

(i) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with.

Government grants related to income are recognised as income over the periods necessary to match them with the related costs.

Where a refund is required under the terms of the agreement and a refund is probable, a liability is recognised for the expected amount of the refund.

(ii) Donations are recognised upon the amount are properly received.

(iii) Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

(j) Impairment of non-financial assets

At each reporting date, property, plant and equipment, intangible assets, and investments in subsidiaries and associates are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**2. Significant accounting policies (continued)**

(k) Related parties

- (I) A person or a close member of that person's family is related to the company if that person:
- (i) has control or joint control over the company;
  - (ii) has significant influence over the company; or
  - (iii) is a member of the key management personnel of the company or the company's parent.
- (II) An entity is related to the company if any of the following conditions applies:
- (i) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company.
  - (vi) The entity is controlled or jointly controlled by a person identified in (I).
  - (vii) A person identified in (I)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

**SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED**  
**西貢區社區中心有限公司**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**3. Social Welfare Department subvention**

This represents net amount of subventions from the Social Welfare Department and recognised during the year:

	2020 HK\$	2019 HK\$
Salaries	7,790,301	7,416,504
Contributions to defined contribution plan	490,554	479,245
Rent and rates	22,900	22,407
Repairs and maintenance	149,818	116,344
Social Welfare Development fund - Co-workers training grant	25,708	195,213
Social Welfare Development fund - System computerisation grant	61,160	122,700
After-school tutoring	132,300	129,600
School-based after-school learning and support programmes	50,146	46,057
	<u>8,722,887</u>	<u>8,528,070</u>

**4. Other income**

	2020 HK\$	2019 HK\$
Bank interest income	1,520	986
Capital project fund income	--	620,000
Community fund	12,186,131	8,153,828
Donation received	116,717	233,508
Income from fund raising	218,029	628,477
Sponsor from The Community Chest	1,035,700	1,008,500
Sundry income	53,372	14,582
	<u>13,611,469</u>	<u>10,659,881</u>

**5. Administrative expenses**

	2020 HK\$	2019 HK\$
Auditor's remuneration	76,600	30,800
Bank automatic transfer fees	7,194	6,244
Insurance	334,844	286,174
Postages	10,845	16,988
Recruiting fees	9,196	4,648
Telephone and internet expenses	102,838	101,416
	<u>541,517</u>	<u>446,270</u>



**SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED**  
**西貢區社區中心有限公司**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**6. Miscellaneous expenses**

	2020 HK\$	2019 HK\$
Depreciation	251,798	225,712
Fund expenses	237,730	444,469
Sundry expenses	<u>283,283</u>	<u>206,434</u>
	<u>772,811</u>	<u>876,615</u>

**7. Deficit before tax**

Deficit for the year is arrived at after charging:

	2020 HK\$	2019 HK\$
(a) Staff costs:		
Contributions to defined contribution plan	884,880	799,477
Salaries and other staff costs, including director's remuneration	<u>16,127,002</u>	<u>15,449,477</u>
	<u>17,011,882</u>	<u>16,248,954</u>
(b) Other items:		
Auditor's remuneration		
- for the year	51,000	4,000
- underprovision for previous year	25,600	26,800
Depreciation	<u>251,798</u>	<u>225,712</u>

**8. Director's remuneration**

Director's remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2020 HK\$	2019 HK\$
Fees	--	--
Contributions to defined contribution plan	--	--
Other emoluments	<u>--</u>	<u>--</u>
	<u>--</u>	<u>--</u>

**SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED**  
**西貢區社區中心有限公司**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**9. Income tax expense**

(a) No provision for Hong Kong Profits Tax has been made as the company is exempted from tax under section 88 of the Inland Revenue Ordinance for the year (2019: Nil).

(b) Reconciliation between tax expense and accounting surplus at applicable tax rates:

	2020 HK\$	2019 HK\$
Deficit before tax	( <u>429,976</u> )	( <u>1,821,331</u> )
Notional tax credit on deficit before tax, calculated at the rates applicable to profits in Hong Kong i.e.16.5%	( 70,946 )	( 300,520 )
Tax effect of non-taxable revenue	( 4,744,566 )	( 4,689,006 )
Tax effect of non-deductible expenses	<u>4,815,512</u>	<u>4,989,526</u>
Actual tax expense	<u>          --</u>	<u>          --</u>

**10. Property, plant and equipment**

	Buildings HK\$	Motor vehicles HK\$	Furniture and fixtures HK\$	Total HK\$
Cost:				
At 1 April 2019 and at 31 March 2020	144,920	1,080,333	66,300	1,291,553
	-----	-----	-----	-----
Accumulated depreciation:				
At 1 April 2019	--	414,059	33,150	447,209
Charge for the year	26,086	209,137	16,575	251,798
	-----	-----	-----	-----
At 31 March 2020	26,086	623,196	49,725	699,007
	-----	-----	-----	-----
Net book value:				
At 31 March 2020	<u>118,834</u>	<u>457,137</u>	<u>16,575</u>	<u>592,546</u>
At 31 March 2019	<u>144,920</u>	<u>666,274</u>	<u>33,150</u>	<u>844,344</u>

**SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED**  
**西貢區社區中心有限公司**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**11. Cash and cash equivalents**

	2020 HK\$	2019 HK\$
Cash at banks and in hand in the statement of financial position and cash and cash equivalents in the statement of cash flows	<u>10,367,067</u>	<u>4,602,503</u>

**12. Social Welfare Department Lotteries Fund – Block Grant**

	2020 HK\$	2019 HK\$
<b>Balance of Block Grant Reserve brought forward</b>	32,900	34,245
<b>Block Grant received during the year</b>	119,000	115,000
Interest income received	--	--
	<u>119,000</u>	<u>115,000</u>
<b>Expenditure during the year</b>		
Computer equipment	--	--
Furniture and equipment	( 104,764 )	( 107,445 )
Leasehold improvements	--	--
Other electrical appliance	--	--
Other office equipment	--	--
Minor works projects	( 45,054 )	( 8,900 )
	<u>( 149,818 )</u>	<u>( 116,345 )</u>
Balance of Block Grant Reserve carried forward	<u>2,082</u>	<u>32,900</u>

**SAIKUNG DISTRICT COMMUNITY CENTRE LIMITED**  
**西貢區社區中心有限公司**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**13. Social Welfare Development Fund (“SWDF”) Phase 2**

	2020 HK\$	2019 HK\$
<b>Balance of SWDF Phase 2 brought forward</b>	124,924	71,372
Expenditure during the year		
Expenditure for projects under scope A (i)	--	--
Expenditure for projects under scope A (Non-IT) (ii)	--	--
Expenditure for projects under scope B (IT) overstated in prior years (ii)	--	51,552
Expenditure for projects under scope C overstated in prior years (iii)	--	2,000
Expenditure for administrative support	--	--
	--	53,552
<b>Balance of SWDF Phase 2 carried forward</b>	<u>124,924</u>	<u>124,924</u>
(i) Scope A – Training and professional development programmes		
(ii) Scope B – Business system upgrading projects		
(iii) Scope C – Studies		

**14. Social Welfare Development Fund (“SWDF”) Phase 3**

	2020 HK\$	2019 HK\$
<b>Balance of SWDF Phase 3 brought forward</b>	448,340	498,565
<b>Allocation from SWDF during the year</b>	135,050	267,640
Interest received	2	48
	135,052	267,688
Expenditure during the year		
Expenditure for projects under scope A (i)	( 25,708 )	( 120,213 )
Expenditure for projects under scope A (Non-IT) (ii)	--	( 75,000 )
Expenditure for projects under scope B (IT) (ii)	( 61,160 )	( 122,700 )
Expenditure for projects under scope C (iii)	--	--
Expenditure for administrative support	( -- )	--
	( 86,868 )	( 317,913 )
<b>Balance of SWDF Phase 3 carried forward</b>	<u>496,524</u>	<u>448,340</u>
(i) Scope A – Training and professional development programmes		
(ii) Scope B – Business system upgrading projects		
(iii) Scope C – Studies		

**SAIKUNG DISTRICT COMMUNITY CENTRE LIMITED**  
**西貢區社區中心有限公司**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**15. Other related party transactions**

Remuneration of key management personnel, including amounts paid to the company's directors as disclosed in note 8 to the financial statements, is as follows:

	2020 HK\$	2019 HK\$
Short-term employee benefits	886,680	833,630
Post-employment benefits	<u>88,668</u>	<u>83,363</u>
	<u>975,348</u>	<u>916,993</u>

Total remuneration is included in "staff costs" [see note 7(a)].

**16. Members' liability**

The liability of each member to contribute to the assets of the company in the event of its being wound up while he is a member or within one year after he ceases to be a member, is limited to HK\$10.

**17. Key sources of estimation uncertainty**

In the opinion of the committee members, there is no material estimation uncertainty in preparing these financial statements that needed to be disclosed.

**18. Comparative figures**

Certain comparative figures have been reclassified to conform with the current year's presentation.

**19. Approval of financial statements**

These financial statements were authorised for issue by the company's board of directors on 30 October 2020.