



City University of Hong Kong

**Improving Poultry Health and
Production in Hong Kong**

Accounts for the period from 1 March 2019 to 31 July 2021



IMPROVING POULTRY HEALTH AND PRODUCTION IN HONG KONG

FOR THE PERIOD FROM 1 MARCH 2019 (COMMENCEMENT DATE) TO 31 JULY 2021 (COMPLETION DATE)


INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE PRESIDENT OF CITY UNIVERSITY OF HONG KONG

Pursuant to the agreement made between City University of Hong Kong (“the University”) and the Government of the Hong Kong Special Administrative Region (“the Hong Kong SAR Government”) and the Sustainable Agricultural Development Fund (“SADF”) - Application Guidelines in respect of the SADF project under the SADF dated 13 December 2018 (“the Agreement”), we have undertaken a reasonable assurance engagement on the final accounts of Improving Poultry Health and Production in Hong Kong (“the Project”) (Project number: SADF – 0010) as set out in pages 4 to 8 (“Project Accounts”) which comprise the income and expenditure statement, statement of financial position and statement of cash flows for the period from 1 March 2019 (commencement date) to 31 July 2021 (completion date), and notes to the accounts.

Respective responsibilities of the University

Pursuant to the Agreement, the University is to comply with the requirements (including the requirements to keep proper books and records and to prepare proper Project Accounts), and all the terms and conditions of SADF, as specified in the following documents:

- (a) the agreement dated 13 December 2018 and supplemental agreement dated 28 October 2020 and 24 May 2021 made between the University and the Hong Kong SAR Government in respect of the Project and the appendices thereto (which includes the Project proposal) (the “Agreements”);
- (b) the relevant “SADF – Application Guidelines” referred to in the Agreements; and
- (c) all instructions and correspondences issued by the Director of Agriculture, Fisheries and Conservation (“DAFC”) to the University in respect of the Project.



IMPROVING POULTRY HEALTH AND PRODUCTION IN HONG KONG

FOR THE PERIOD FROM 1 MARCH 2019 (COMMENCEMENT DATE) TO 31 JULY 2021 (COMPLETION DATE)

INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE PRESIDENT OF CITY UNIVERSITY OF HONG KONG (CONTINUED)

Quality control and independence

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express an opinion on the Project Accounts, based on our work performed and to report our opinion.

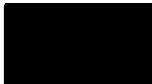
We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the HKICPA and with reference to the Notes for Auditors of Recipient Organisations issued in November 2016 by the SADF Secretariat (the "Notes"). We have planned and performed our work to obtain reasonable assurance for giving our opinion below.

Our engagement includes performing the procedures set out in the Notes and examination, on a test basis, of evidence supporting the requirements (including the requirements to keep proper books and records and to prepare proper Project Accounts), and all the terms and conditions of SADF, as specified in the documents mentioned in the respective responsibilities of the University section have been complied with, in all material respects.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Based on the foregoing, in our opinion, the University has complied with, in all material respects, the requirements set by DAFC (including the requirements to keep proper books and records and to prepare proper Project Accounts), and all the terms and conditions of SADF, as specified in the documents mentioned in the respective responsibilities of the University section.



IMPROVING POULTRY HEALTH AND PRODUCTION IN HONG KONG

FOR THE PERIOD FROM 1 MARCH 2019 (COMMENCEMENT DATE) TO 31 JULY 2021 (COMPLETION DATE)

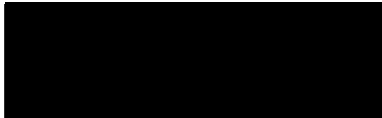
INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE PRESIDENT OF CITY UNIVERSITY OF HONG KONG (CONTINUED)

Intended Users and Purpose

This report is intended for filing with the Hong Kong SAR Government pursuant to the Agreements and is not intended to be, and should not be, distributed to or used by, anyone for any other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of our report.



Certified Public Accountants



31 OCT 2022

CITY UNIVERSITY OF HONG KONG

SADF Ref No. : SADF-0010

Project Title : Improving Poultry Health and Production in Hong Kong

Project Investigator :

City U Project No. :

Project Commencement : 1 March 2019

Project Completion : 31 July 2021

INCOME AND EXPENDITURE STATEMENT
FOR THE PERIOD FROM 1 MARCH 2019 TO 31 JULY 2021

	Note	Budget HK\$	Revision HK\$	Revised Budget HK\$	Accumulated Actual (01.03.19 to 31.07.21) HK\$	Actual (01.03.21 to 31.07.21) HK\$
INCOME						
Sustainable Agricultural Development Fund		14,961,146.35	-	14,961,146.35	14,200,000.00	2,050,000.00
Interest		-	-	-	202,010.13	4,874.23
TOTAL INCOME		<u>14,961,146.35</u>	<u>-</u>	<u>14,961,146.35</u>	<u>14,402,010.13</u>	<u>2,054,874.23</u>
PROJECT EXPENDITURE						
OPERATING / PROGRAMME / RESEARCH COSTS						
(i) Stakeholder Communication						
Stakeholder consultation - venue		10,000.00	(1,785.90)	8,214.10	1,962.30	111.20
Forum workshop - venue		20,000.00	(12,786.00)	7,214.00	5,214.00	-
Pamphlets/information materials		4,750.00	37,250.00	42,000.00	23,232.82	22,737.82
Web communications/hardcopy report design and printing		3,750.00	14,961.25	18,711.25	3,755.78	54.22
(ii) Vehicle						
Vehicle hire (4WD)		252,000.00	31,720.00	283,720.00	270,960.00	58,500.00
Vehicle cleaning and detailing		8,000.00	28,627.00	36,627.00	9,809.00	6,679.00
Petrol		115,460.00	(33,960.00)	81,500.00	81,116.71	31,998.48
	3	<u>413,960.00</u>	<u>64,026.35</u>	<u>477,986.35</u>	<u>396,050.61</u>	<u>120,080.72</u>
STAFF COST						
Veterinarian		5,760,000.00	(1,270,000.00)	4,490,000.00	4,486,176.67	856,316.67
Veterinary assistant		1,150,000.00	395,000.00	1,545,000.00	1,541,087.33	408,963.33
Consultant fees		300,000.00	-	300,000.00	42,535.92	42,535.92
Consultant travel cost		50,000.00	(50,000.00)	-	-	-
Consultant subsistence allowance (domestic travel, food, incidentals)		90,000.00	(90,000.00)	-	-	-
Compulsory employment insurance (veterinary assistant)		9,352.96	(9,352.96)	-	-	-
	4	<u>7,359,352.96</u>	<u>(1,024,352.96)</u>	<u>6,335,000.00</u>	<u>6,069,799.92</u>	<u>1,307,815.92</u>
EQUIPMENT COST AND CONSUMABLES						
(i) Computing Equipment						
Desktop computers		16,400.00	(302.00)	16,098.00	16,098.00	-
Laptops		18,600.00	1,986.00	20,586.00	20,006.00	-
Research Analysis and data storage		158,000.00	(158,000.00)	-	-	-
General Software (e.g. licensing of antivirus/Microsoft Office/Windows Server)		7,000.00	8,330.00	15,330.00	4,859.00	1,536.00
Specialised Software (Veterinary and Farm Management, Leximancer)		50,000.00	(16,050.00)	33,950.00	3,950.00	-
GIS map (high resolution)		96,878.00	(96,878.00)	-	-	-
Office printer		9,358.00	19,072.00	28,430.00	26,527.50	532.50
(ii) Clinical/Laboratory equipment and consumable						
Clinical Practice equipment (e.g. stethoscope, velcro,		256,031.39	(3,201.39)	252,830.00	236,862.39	25,552.60
Personal protective equipment - standby		85,625.32	5,654.68	91,280.00	87,386.91	8,115.00
Autoclave		224,000.00	(224,000.00)	-	-	-
Disposable consumables		36,075.60	8,208.40	44,284.00	42,130.03	3,847.60
(iii) Specimen collection and diagnostic tests						
Post mortem chickens and additional tests (inclusive of disposal cost)		4,894,400.00	(2,208,800.00)	2,685,600.00	2,546,126.81	970,341.00
Respiratory (excluding post mortem)		420,000.00	1,516,000.00	1,936,000.00	1,126,454.00	440,454.00
Gastrointestinal (excluding post mortem)		372,680.00	1,104,320.00	1,477,000.00	1,003,474.00	537,226.00
Neurological (excluding post mortem)		326,200.00	24,800.00	351,000.00	345,228.00	267,628.00
Integumentary and systemic (excluding post mortem)		117,600.00	128,010.00	245,610.00	240,933.00	204,023.00
	5	<u>7,088,848.31</u>	<u>109,149.69</u>	<u>7,197,998.00</u>	<u>5,700,035.64</u>	<u>2,459,255.70</u>
(iv) Administrative cost						
External audit		40,000.00	20,000.00	60,000.00	60,000.00	20,000.00
Public Liability Insurance		46,846.08	(19,796.08)	27,050.00	27,005.95	7,005.95
Insurance Levy (10.8%)		12,139.00	(12,127.00)	12.00	12.00	-
		<u>98,985.08</u>	<u>(11,923.08)</u>	<u>87,062.00</u>	<u>87,017.95</u>	<u>27,005.95</u>
Central Pharmacy						
Central Pharmacy		-	863,100.00	863,100.00	65,622.64	65,622.64
		<u>-</u>	<u>863,100.00</u>	<u>863,100.00</u>	<u>65,622.64</u>	<u>65,622.64</u>
TOTAL EXPENDITURE		<u>14,961,146.35</u>	<u>-</u>	<u>14,961,146.35</u>	<u>12,318,526.76</u>	<u>3,979,780.93</u>
SURPLUS ON COMPLETION / (DEFICIT) FOR CURRENT PERIOD	6	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,083,483.37</u>	<u>(1,924,906.70)</u>

THE NOTES ON PAGES 7 AND 8 FORM PART OF THESE ACCOUNTS.

CITY UNIVERSITY OF HONG KONG

SADF Ref No. : SADF-0010

Project Title : Improving Poultry Health and Production in Hong Kong

Project Investigator : [REDACTED]

Project No. : [REDACTED]

Project Commencement : 1 March 2019

Project Completion : 31 July 2021

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2021

	Note	HK\$
ASSETS		
Amount due from City University of Hong Kong		2,103,483.37
LIABILITIES		
Accrued audit fee		20,000.00
SURPLUS ON COMPLETION	6	<u>2,083,483.37</u>

Approved and authorised for issue on behalf of City University of Hong Kong on

31 OCT 2022

[REDACTED]

Associate Director of Finance

[REDACTED]

Head of the Project

THE NOTES ON PAGES 7 AND 8 FORM PART OF THESE ACCOUNTS.

CITY UNIVERSITY OF HONG KONG

SADF Ref No. : SADF-0010
Project Title : Improving Poultry Health and Production in Hong Kong
Project Investigator : XXXXXXXXXX
Project No. : XXXXXXXXXX
Project Commencement : 1 March 2019
Project Completion : 31 July 2021

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 MARCH 2019 TO 31 JULY 2021

	Current Period (01.03.21 to 31.07.21) HK\$	Previous Period (01.03.19 to 28.02.21) HK\$
Cash flow from operating activities		
Operating (deficit) / surplus from the project account	(1,924,906.70)	4,008,390.07
Increase in accrued audit fee	-	20,000.00
Decrease / (increase) in amount due from City University of Hong Kong	1,924,906.70	(4,028,390.07)
Net cash flow from operating activities	-	-
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at end of period	-	-

THE NOTES ON PAGES 7 AND 8 FORM PART OF THESE ACCOUNTS.

NOTES TO THE ACCOUNTS

1. Basis of Preparation of the Accounts

These accounts represent the final accounts of the Improving Poultry Health and Production in Hong Kong (“the Project”) for the period from 1 March 2019 (commencement date) to 31 July 2021 (completion date), and have been prepared in accordance with the following documents:

- (a) the agreement dated 13 December 2018 and supplemental agreements dated 28 October 2020 and 24 May 2021 made between City University of Hong Kong (“the University”) and the Government of the Hong Kong Special Administrative Region in respect of the Project and the appendices thereto (which includes the Project proposal) (the “Agreements”);
- (b) the relevant “Sustainable Agricultural Development Fund (“SADF”) – Application Guidelines” referred to in the Agreements; and
- (c) all instructions and correspondences issued by the Director of Agriculture, Fisheries and Conservation (DAFC) to the University in respect of the Project.

2. Significant Accounting Policies

(a) *Income and expenditure*

Income and expenditure are recognised on an accrual basis.

(b) *Interest income*

Interest income from bank deposits, kept in the bank accounts of the University, is accrued on a time-proportioned basis on the principal outstanding relating to this Project, in accordance with the Guide to the SADF.

(c) *Equipment*

Expenditure on equipment is recognised on an accrual basis and is charged in full to the income and expenditure statement in the period in which it is acquired.

NOTES TO THE ACCOUNTS (CONTINUED)

3. Operating Cost

The amount represents the costs incurred during researches, which mainly represents cost of stakeholder communication and use of vehicle.

4. Staff cost

Manpower costs include the salary (including employer's contribution to the Mandatory Provident Fund, but excluding allowances) incurred in the employment of the team members relating to this Project.

5. Equipment

The University adheres to its established standard procedures and general procedures in the Application Guidelines referred to the Agreement for procurement of equipment.

6. Surplus on Completion/ Deficit for Current Period

On completion of the Project, any deficit is to be absorbed by the University and any surplus is to be refunded to the SADF in accordance with the Agreements.

2011

10

11