

**THE UN LONG SUNG CHING SAN TSUEN PIG RAISING
CO-OPERATIVE SOCIETY LIMITED**

**ARCHITECTURAL DESIGN GUIDELINES FOR MULTILAYER
LIVESTOCK FARMS AND FEASIBILITY STUDY ON THE SETTING
UP OF A MULTILAYER LIVESTOCK FARM AT A TRIAL SITE
(PROJECT REF: SADF 0047)**

**FOR THE PERIOD FROM 1 OCTOBER 2022
(DATE OF COMMENCEMENT) TO 31 MAY 2024
(DATE OF COMPLETION)**

REPORT(S) AND ACCOUNTS



HONG KONG

**THE UN LONG SUNG CHING SAN TSUEN PIG RAISING CO-OPERATIVE SOCIETY
LIMITED
SUSTAINABLE AGRICULTURAL DEVELOPMENT FUND
ARCHITECTURAL DESIGN GUIDELINES FOR MULTILAYER LIVESTOCK
FARMS AND FEASIBILITY STUDY ON THE SETTING UP OF A MULTILAYER
LIVESTOCK FARM AT A TRIAL SITE (PROJECT REF.: SADF 0047)
REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 OCTOBER 2022 (DATE OF COMMENCEMENT)
TO 31 MAY 2024 (DATE OF COMPLETION)**

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**INDEPENDENT ASSURANCE REPORT
TO THE MEMBERS OF THE UN LONG SUNG CHING SAN TSUEN PIG RAISING CO-
OPERATIVE SOCIETY LIMITED
ARCHITECTURAL DESIGN GUIDELINES FOR MULTILAYER LIVESTOCK FARMS
AND FEASIBILITY STUDY ON THE SETTING UP OF A MULTILAYER LIVESTOCK
FARM AT A TRIAL SITE (PROJECT REF.: SADF 0047)
FOR THE PERIOD FROM 1 OCTOBER 2022 (DATE OF COMMENCEMENT)
TO 31 MAY 2024 (DATE OF COMPLETION)**

Pursuant to the Agreement made between the Government of the Hong Kong Special Administrative Region ("HKSAR") and The Un Long Sung Ching San Tsuen Pig Raising Co-operative Society Limited (the "Society") and the Sustainable Agricultural Development Fund ("SADF") – Application Guidelines in respect of the SADF project under the SADF dated 30 September 2022, first supplemental agreement dated 28 April 2023 and second supplemental agreement dated 4 March 2024, we have undertaken a reasonable assurance engagement on the final accounts of Architectural Design Guidelines For Multilayer Livestock Farms And Feasibility Study On The Setting Up Of a Multilayer Livestock Farm At A Trial Site (the "Project") as set out on page 3 to 8 which comprise the income and expenditure statement, balance sheet, cash flow statement for the period from 1 October 2022 (date of commencement) to 31 May 2024 (date of completion) on and notes to the accounts ("Project Accounts").

Committee members' Responsibilities

Pursuant to the Agreement, the committee members are 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 in respect of the Project and the appendices thereto (which include the Project proposal);
- (b) The relevant "SADF – Application Guidelines" referred to in the Agreement; and
- (c) all instructions and correspondences issued by the Director of Agriculture, Fisheries and Conversation ("DAFC") to the Society in respect of the Project.

Our Independence and Quality Management

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 ("HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Management 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly design, implement and operate a system of quality management including 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 Standards 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 Committee members' Responsibilities section have been complied with, in all material respects.

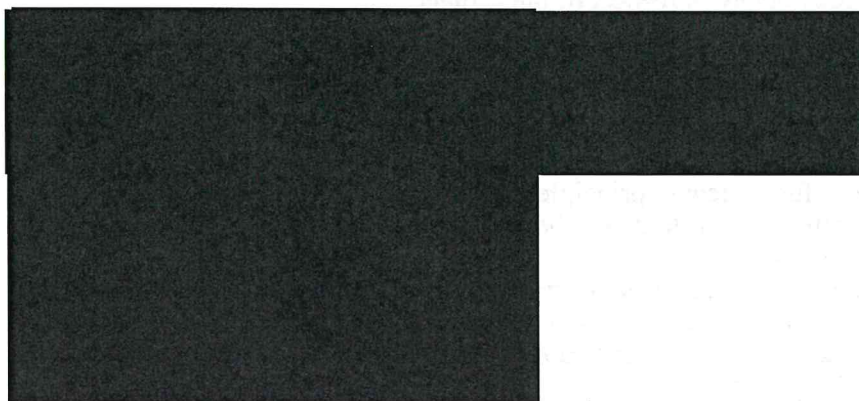
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Based on the foregoing, in our opinion, the Society has complied with, in all material respects, the requirements set by the 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 Committee members' Responsibilities section.

Intended Users and Purpose

This report is intended for filing with the Government of the HKSAR pursuant to the Agreement 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 toward or accept liabilities to any other person for the contents of our report.



THE UN LONG SUNG CHING SAN TSUEN PIG RAISING CO-OPERATIVE SOCIETY LIMITED
ARCHITECTURAL DESIGN GUIDELINES FOR MULTILAYER LIVESTOCK FARMS AND FEASIBILITY STUDY ON THE SETTING UP OF A MULTILAYER LIVESTOCK FARM AT A TRIAL SITE (PROJECT REF.: SADF 0047)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 OCTOBER 2022 (DATE OF COMMENCEMENT) TO 31 MAY 2024 (PROJECT COMPLETION DATE)
(Expressed in Hong Kong dollars)

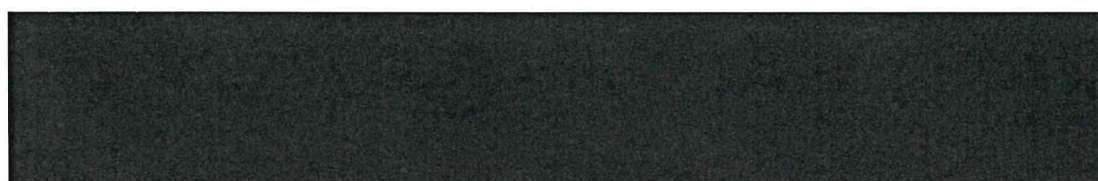
	<u>Note</u>	<u>Approved budget HK\$</u>	<u>Actual HK\$</u>
INCOME			
Grant from SADF	4	1,990,126.00	1,890,617.00
Bank interest income		-	6,072.87
Total income		<u>1,990,126.00</u>	<u>1,896,689.87</u>
EXPENDITURE			
年度審計和財務報告		9,000.00	9,000.00
員工開支			
- 高級建築師(一) (兼職)		177,173.00	177,173.00
- 建築師(一) (兼職)		184,841.00	184,841.00
- 助理建築師(一) (兼職)		160,384.00	148,850.00
- 助理建築師(二) (全職)		320,760.00	315,768.00
- 高級建築師(二) (兼職)		132,276.00	132,276.00
- 建築師(二) (兼職)		126,840.00	126,839.00
- 助理建築師(三) (兼職)		120,287.00	120,287.00
- 工程師(土力, 結構) (兼職)		126,840.00	126,839.00
- 助理工程師(土力, 結構) (兼職)		120,287.00	120,287.00
- 工程師(屋宇設備) (兼職)		126,840.00	126,839.00
- 助理工程師(屋宇設備) (兼職)		120,287.00	120,287.00
- 工程師(交通) (兼職)		63,420.00	63,420.00
- 測量師(兼職)		63,420.00	63,420.00
業務相關者的參與工作坊		8,803.20	8,803.20
設計指引出版		122,667.80	122,000.00
項目完成發佈		6,000.00	4,401.60
Total expenditure		<u>1,990,126.00</u>	<u>1,971,330.80</u>
(Deficit) for the period		<u>-</u>	<u>(74,640.93)</u>

The notes on pages 6 to 8 form part of these financial statements.

**THE UN LONG SUNG CHING SAN TSUEN PIG RAISING CO-OPERATIVE SOCIETY
LIMITED**
**ARCHITECTURAL DESIGN GUIDELINES FOR MULTILAYER LIVESTOCK FARMS
AND FEASIBILITY STUDY ON THE SETTING UP OF A MULTILAYER LIVESTOCK
FARM AT A TRIAL SITE (PROJECT REF.: SADP 0047)**
STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2024
(Expressed in Hong Kong dollars)

	<u>Note</u>	HK\$
ASSETS		
Current assets		
Amount due from the Society	5	0.06
Cash at bank		375,889.01
		<u>375,889.07</u>
Current liabilities		
Accruals		450,530.00
NET LIABILITIES		<u>(74,640.93)</u>
		=====
Represented by :-		
Accumulated deficit to be received from SADP		(74,640.93)
		=====

Approved and authorised for issue by the Executive Committee on 23 MAY 2024



Chairman

Honorary Treasurer

The notes on pages 6 to 8 form part of these financial statements.

THE UN LONG SUNG CHING SAN TSUEN PIG RAISING CO-OPERATIVE SOCIETY LIMITED

ARCHITECTURAL DESIGN GUIDELINES FOR MULTILAYER LIVESTOCK FARMS AND FEASIBILITY STUDY ON THE SETTING UP OF A MULTILAYER LIVESTOCK FARM AT A TRIAL SITE (PROJECT REF.: SADF 0047)

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1 OCTOBER 2022 (DATE OF COMMENCEMENT) TO 31 MAY 2024 (DATE OF COMPLETION)

(Expressed in Hong Kong dollars)

	HK\$
Cash flows from operating activities	
(Deficit) for the period	(74,640.93)
(increase) in amount due from the Society	(0.06)
Increase in accruals	450,530.00
Net cash generated from operating activities	<u>375,889.01</u>
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	<u><u>375,889.01</u></u>
Cash at bank	<u><u>375,889.01</u></u>

The notes on pages 6 to 8 form part of these financial statements.

THE UN LONG SUNG CHING SAN TSUEN PIG RAISING CO-OPERATIVE SOCIETY LIMITED

ARCHITECTURAL DESIGN GUIDELINES FOR MULTILAYER LIVESTOCK FARMS AND FEASIBILITY STUDY ON THE SETTING UP OF A MULTILAYER LIVESTOCK FARM AT A TRIAL SITE (PROJECT REF.: SADF 0047)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 OCTOBER 2022 (DATE OF COMMENCEMENT) TO 31 MAY 2024 (DATE OF COMPLETION)

(Expressed in Hong Kong dollars)

1. GENERAL

The Un Long Sung Ching San Tsuen Pig Raising Co-operative Society Limited (the “Society”) is a body corporate established pursuant to the Co-operative Societies Ordinance (Cap. 33). Its principal place of business is located at 179B, Shung Ching San Tsuen, Yuen Long, N.T., Hong Kong.

The Society’s project, Architectural Design Guidelines For Multilayer Livestock Farms And Feasibility Study On The Setting Up Of a Multilayer Livestock Farm At A Trial Site (the “Project”) is carried out by the Society. The principal activity of the Project is to provide a general layout plan, and a design brief proposal, a draft plan and a set of architectural design guidelines for the planning of multilayer livestock farms for use as a reference for the preparation of architectural proposals that comply with the statutory requirements and planning restrictions; and conduct a feasibility study on the setting up of a multilayer livestock farm at a trial site, which covers the design, approval and construction stages.

The Project was approved and granted by the Sustainable Agricultural Development Fund of a grant capped at HK\$1,990,126 for its operation from 1 October 2022 (date of commencement) to 31 October 2023 and further extended to 31 May 2024 (date of completion).

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong, and with the requirements of the guidelines and conditions of grant issued by the SADF.

The measurement basis used in the preparation of the financial statements is the historical cost basis of accounting and accrual basis.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Project and when the revenue can be measured reliably, on the following bases :-

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Revenue recognition (continued)

- (i) Grant received and receivable in the form of transfer of resources in return for past or future compliance with certain conditions relating to the operating activities of the Project is recognised when there is reasonable assurance that the conditions have been complied with.; and
- (ii) Interest income is recognised on a time apportionment basis on the principal outstanding and at the rate applicable.

(b) Provisions

A provision is recognised when there is a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed regularly and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquire.

(e) Accruals and other payables

Accruals and other payables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

(f) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Society. It can also be a present obligation arising from past event that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Related parties

- (a) A person, or a close member of that person's family, is related to the Society if that person :-
 - (i) has control or joint control over the Society ;
 - (ii) has significant influence over the Society ; or
 - (iii) is a member of the key management personnel of the Society or the parent of the Society.
- (b) An entity is related to the Society if any of the following conditions applies :-
 - (i) The entity and the Society 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 Society or an entity related to the Society.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(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 Society or to the Society'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 and include (i) that person's spouse and children; (ii) children of that person's spouse; and (iii) dependents of that person or that person's spouse.

4. GRANT FROM SADP

The grant from SADP represents the grant received from Sustainable Agricultural Development Fund during the period in respect of operation of the Project.

5. AMOUNT DUE FROM THE SOCIETY

This amount was unsecured, non-interest bearing and without fixed repayment terms.