

LEI KING WAN ESTATE OWNERS' FUND

STATEMENT OF ACCOUNTS  
FOR THE YEAR ENDED  
31ST DECEMBER 1994

*Price Waterhouse*



*Price Waterhouse*



**AUDITORS' REPORT TO THE OWNERS OF  
LEI KING WAN ESTATE**

We have audited the accounts on pages 2 to 5 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

**Respective responsibilities of Estate Manager and auditors**

The Deed of Mutual Covenant requires the Estate Manager to prepare accounts which give a true and fair view. In preparing accounts which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the Estate Manager in the preparation of the accounts, and of whether the accounting policies are appropriate to the fund's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

**Opinion**

In our opinion the accounts give a true and fair view, in all material respects, of the disposition of the fund as at 31st December 1994 and of the manager's transactions for the year then ended and have been properly prepared in accordance with the provisions of the Deed of Mutual Covenant.

*Price Waterhouse*

PRICE WATERHOUSE  
Certified Public Accountants

HONG KONG, 7th July 1995

LEI KING WAN ESTATE OWNERS' FUND  
 INCOME AND EXPENDITURE ACCOUNT  
 FOR THE YEAR ENDED 31ST DECEMBER 1994

	Note	1994 HK\$	1993 HK\$
INCOME		19,875,116	18,031,382
EXPENDITURE		19,528,813	17,373,845
SURPLUS FOR THE YEAR		<u>346,303</u>	<u>657,537</u>
ACCUMULATED SURPLUS BROUGHT FORWARD		928,401	610,864
		<u>1,274,704</u>	<u>1,268,401</u>
TRANSFER TO CAPITAL EQUIPMENT FUND	5	765,000	340,000
ACCUMULATED SURPLUS CARRIED FORWARD		<u><u>509,704</u></u>	<u><u>928,401</u></u>

LEI KING WAN ESTATE OWNERS' FUND

BALANCE SHEET  
AS AT 31ST DECEMBER 1994

	Note	1994 HK\$	1993 HK\$
FIXED ASSETS	2	722,843	884,678
NET CURRENT ASSETS	3	4,934,298	4,733,605
NET ASSETS		<u>5,657,141</u>	<u>5,618,283</u>
Financed by:			
MANAGEMENT FUND	4	3,069,882	3,069,882
CAPITAL EQUIPMENT FUND	5	2,077,555	1,620,000
INCOME AND EXPENDITURE ACCOUNT		509,704	928,401
Approved by the Estate Manager LEI KING WAN (MANAGEMENT) LIMITED			
OWNERS' FUNDS		<u>5,657,141</u>	<u>5,618,283</u>

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HONG KONG, 7th July 1995

LEI KING WAN ESTATE OWNERS' FUND

NOTES TO THE ACCOUNTS

1 PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

The accounts have been prepared in accordance with the Deed of Mutual Covenant. The fund is not a separate legal entity in its own right.

(b) Management of fund

The Lei King Wan Estate Owners' Fund is administered by Lei King Wan (Management) Limited under an agreement with the registered owners.

(c) Depreciation

Depreciation is provided on the straight line basis in order to write off the cost of fixed assets over their estimated useful lives at the following annual rates:

Plant and machinery	14-2/7%
Furniture and equipment	20-25%

2 FIXED ASSETS

	Plant and machinery HK\$	Furniture and equipment HK\$	Total HK\$
Cost			
At 1st January 1994 and at 31st December 1994	919,972	306,370	1,226,342
Accumulated depreciation			
At 1st January 1994	131,423	210,241	341,664
Charge for the year	131,423	30,412	161,835
At 31st December 1994	262,846	240,653	503,499
Net book value			
At 31st December 1994	657,126	65,717	722,843
At 31st December 1993	788,549	96,129	884,678



3 NET CURRENT ASSETS

	1994 HK\$	1993 HK\$
Current assets		
Debtors and prepayments	1,656,234	1,038,546
Fixed and call deposits	6,596,866	6,716,409
Cash and bank balances	67,148	226,997
	<u>8,320,248</u>	<u>7,981,952</u>
Current liabilities		
Creditors and accruals	3,228,623	3,138,836
Amount due to Estate Manager	157,327	109,511
	<u>3,385,950</u>	<u>3,248,347</u>
	<u>4,934,298</u>	<u>4,733,605</u>

4 MANAGEMENT FUND

The management fund comprises deposits received from owners.

5 CAPITAL EQUIPMENT FUND

	1994 HK\$	1993 HK\$
Balance brought forward	1,620,000	1,280,000
Transfer from Income and Expenditure Account	765,000	340,000
Utilised in the year	(307,445)	-
Balance carried forward	<u>2,077,555</u>	<u>1,620,000</u>

6 INSURANCE COVERAGE

The maximum insurance coverage of the Lei King Wan residential estate provided by the fund is as follows:

	1994 HK\$'000	1993 HK\$'000
Coverage against fire	<u>653,268</u>	<u>620,000</u>
Coverage against earthquakes	<u>745,990</u>	<u>708,000</u>

## LEI KING WAN ESTATE OWNERS' FUND

DETAILED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 1994

## (FOR MANAGEMENT INFORMATION PURPOSES ONLY)

	Site A HK\$	Site B HK\$	Site C HK\$	Site D HK\$	1994 Total HK\$	1993 Total HK\$
<b>INCOME</b>						
Service and management fee - domestic flats	4,629,510	4,620,780	4,562,940	5,266,056	19,079,286	17,306,028
Service and management fee - shops	174,528	182,700	164,028	261,432	782,688	712,212
Contribution from SPL to air conditioning in lobbies	3,123	3,212	2,832	3,975	13,142	13,142
<b>TOTAL INCOME</b>	<b>4,807,161</b>	<b>4,806,692</b>	<b>4,729,800</b>	<b>5,531,463</b>	<b>19,875,116</b>	<b>18,031,382</b>
<b>EXPENDITURE</b>						
<b>ESTATE AND SITE</b>						
Net estate overhead expenses (Schedule 2)	1,221,593	1,221,594	1,221,593	1,221,593	4,886,373	4,480,521
Electricity	439,771	455,144	497,993	547,664	1,940,572	1,784,201
Pump maintenance	127,212	124,490	127,190	148,001	526,893	409,997
Insurance	66,984	71,984	66,985	83,827	289,780	263,419
Flower and landscape improvement	66,593	71,994	64,764	55,029	258,380	229,151
Cleaning service	47,608	47,607	51,107	56,008	202,330	140,827
Other repairs and maintenance	32,695	34,843	34,310	33,192	135,040	124,431
Cost allocated to carpark	(14,953)	(27,425)	(29,854)	(27,258)	(99,490)	(90,554)
Water	24,770	23,550	1,867	43,753	93,940	169,253
Improve work for maintenance	13,000	13,000	13,000	13,000	52,000	35,559
	<b>2,025,273</b>	<b>2,036,781</b>	<b>2,048,955</b>	<b>2,174,809</b>	<b>8,285,818</b>	<b>7,546,805</b>
<b>SHOPS</b>						
Cleaning service	19,509	19,509	19,509	23,393	81,920	60,000
Patrol guard	20,046	20,046	20,046	20,046	80,184	72,288
Manager's fee	11,138	10,713	10,562	10,936	43,349	34,283
Administration cost	3,090	3,090	3,090	3,090	12,360	11,256
Other repairs and maintenance	31,610	28,773	27,767	26,383	114,533	85,006
	<b>85,393</b>	<b>82,131</b>	<b>80,974</b>	<b>83,848</b>	<b>332,346</b>	<b>262,833</b>

LEI KING WAN ESTATE OWNERS' FUND

DETAILED INCOME AND EXPENDITURE ACCOUNT (Cont'd)  
FOR THE YEAR ENDED 31ST DECEMBER 1994

(FOR MANAGEMENT INFORMATION PURPOSES ONLY)

	Site A HK\$	Site B HK\$	Site C HK\$	Site D HK\$	1994 Total HK\$	1993 Total HK\$
<b>FLATS</b>						
Tower guard	962,206	962,205	962,206	1,202,757	4,089,374	3,687,288
Manager's fee	620,075	621,336	619,050	710,220	2,570,681	2,272,410
Lift maintenance	347,256	347,256	338,976	447,480	1,480,968	1,301,932
Cleaning service	278,572	278,531	278,571	347,216	1,182,890	1,065,536
Other repairs and maintenance	259,767	267,522	253,035	286,935	1,067,259	775,982
Refuse bags	42,235	42,276	42,235	52,280	179,026	155,231
Air-conditioning	31,225	32,124	28,318	39,756	131,423	131,423
Doorphone maintenance	34,272	33,192	34,852	38,124	140,440	119,976
Improve work for maintenance	19,662	8,989	6,298	10,364	45,313	23,718
Telephone	2,940	2,940	3,126	4,047	13,053	18,244
Festival decoration	2,405	2,405	2,406	3,006	10,222	12,467
	<u>2,600,615</u>	<u>2,598,776</u>	<u>2,569,073</u>	<u>3,142,185</u>	<u>10,910,649</u>	<u>9,564,207</u>
<b>TOTAL EXPENDITURE</b>	<u>4,711,281</u>	<u>4,717,688</u>	<u>4,699,002</u>	<u>5,400,842</u>	<u>19,528,813</u>	<u>17,373,845</u>
<b>SURPLUS FOR THE YEAR</b>	95,880	89,004	30,798	130,621	346,303	657,537
<b>ACCUMULATED SURPLUS BROUGHT FORWARD</b>	245,877	229,153	263,845	189,526	928,401	610,864
	<u>341,757</u>	<u>318,157</u>	<u>294,643</u>	<u>320,147</u>	<u>1,274,704</u>	<u>1,268,401</u>
<b>TRANSFER TO CAPITAL EQUIPMENT FUND</b>	180,000	180,000	180,000	225,000	765,000	340,000
<b>ACCUMULATED SURPLUS CARRIED FORWARD</b>	<u>161,757</u>	<u>138,157</u>	<u>114,643</u>	<u>95,147</u>	<u>509,704</u>	<u>928,401</u>



## LEI KING WAN ESTATE OWNERS' FUND

NET ESTATE OVERHEAD EXPENSES  
FOR THE YEAR ENDED 31ST DECEMBER 1994

(FOR MANAGEMENT INFORMATION PURPOSES ONLY)

	1994 HK\$	1993 HK\$
ESTATE INCOME		
Interest	272,344	193,470
Miscellaneous income	239,744	117,329
	<u>512,088</u>	<u>310,799</u>
ESTATE OVERHEADS		
Administrative staff costs	2,753,219	2,382,701
Guard expenses	2,051,277	1,857,654
Accounting and data processing services	173,502	156,978
Electricity, water and telephone	75,830	58,280
Printing and stationery	41,830	36,716
Miscellaneous expenses	36,098	29,626
Community activities	34,988	26,345
Auditors' remuneration	33,640	26,800
Repairs and maintenance	32,285	28,785
Depreciation	30,412	58,898
Office rent and rates	29,631	22,527
Equipment expenses	24,020	19,759
Legal and professional fees	22,920	27,480
Printing of newsletter	22,800	27,000
Advertising	19,252	18,464
Insurance	8,837	6,107
Cleaning service	7,920	7,200
	<u>5,398,461</u>	<u>4,791,320</u>
NET ESTATE OVERHEAD EXPENSES (Schedule 1)	<u><u>4,886,373</u></u>	<u><u>4,480,521</u></u>