
Marine Ferry Terminals

REVIEW OF THE YEAR 2023-24

ACTIVITIES

- Existing terminals : Central
TsimShaTsui
- Net registered tonnage of vessels berthed increased by 644.0%
- Number of departing passengers increased by 581.6%

FINANCIAL PERFORMANCE

- Revenue increased by 157.2%
- Expenditure increased by 13.3%
- Deficit increased from \$201.2M to \$202.0M
- Return on Average Net Fixed Assets decreased from -43.4% to -44.2%

Marine Ferry Terminals

OPERATING ACCOUNT FOR THE YEAR ENDED 31 MARCH

	Note	2024 \$M	2023 \$M
Revenue	2	46.3	18.0
Expenditure	2	<u>248.3</u>	<u>219.2</u>
Deficit	1(g)	<u>(202.0)</u>	<u>(201.2)</u>

FINANCIAL PERFORMANCE MEASURES

Average net fixed assets (ANFA)	1(e) and 3	457.2	463.1
Actual return		(202.0)	(201.2)
Target return		22.4	22.7
Actual return as % of ANFA	1(f)	-44.2%	-43.4%
Target return as % of ANFA		4.9%	4.9%

The annexed notes form part of these accounts.

Marine Ferry Terminals

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	Note	2024 \$M	2023 \$M
Net assets employed			
Fixed assets	1(b) & (c) and 3	450.8	463.5
Current assets	4	4.1	2.9
Current liabilities	5	(658.6)	(488.2)
Net current liabilities		(654.5)	(485.3)
		<u>(203.7)</u>	<u>(21.8)</u>
Financed by			
Public capital account	6	<u>(203.7)</u>	<u>(21.8)</u>

The annexed notes form part of these accounts.

Marine Ferry Terminals

NOTES TO THE ACCOUNTS

1. Accounting Policies

a) Basis of Accounting	The accounts have been prepared on the historical cost basis of accounting modified to include the valuation of certain assets and notional receipts and payments.								
b) Fixed Assets	<p>(i) The seabed areas of the permanent ferry terminals are taken as areas covered by terminal structures and the costs included are assessed on the best alternative use assuming commercial retail purposes. The valuation was carried out in 1985 and 1987 for Central Terminal and Tsimshatsui Terminal respectively.</p> <p>(ii) For capital projects of the permanent ferry terminals, the costs include the actual direct expenditure, staff costs for design, planning and supervision during the construction period.</p> <p>(iii) All other fixed assets are stated at cost less accumulated depreciation except assets under construction which are stated at cost.</p>								
c) Depreciation	<p>(i) Depreciation is provided on a straight-line basis to amortise the cost of fixed assets less residual value over their estimated useful lives. The annual rates of depreciation used are -</p> <table> <tr> <td>Buildings</td><td>2% - 15%</td></tr> <tr> <td>Plant and equipment</td><td>5% - 20%</td></tr> <tr> <td>Fixtures and fittings</td><td>15%</td></tr> <tr> <td>Pontoons</td><td>11%</td></tr> </table> <p>(ii) Seabeds are regarded as non-depreciating assets.</p> <p>(iii) No depreciation is provided on assets under construction.</p>	Buildings	2% - 15%	Plant and equipment	5% - 20%	Fixtures and fittings	15%	Pontoons	11%
Buildings	2% - 15%								
Plant and equipment	5% - 20%								
Fixtures and fittings	15%								
Pontoons	11%								
d) Employee Benefits	Employee benefits including salaries, gratuities, pensions, housing benefits and annual leave are accrued and recognised as an expense in the year in which the associated services are rendered by employees.								
e) Average Net Fixed Assets	The average net fixed assets (ANFA) represents the simple average of the opening and closing value of total fixed assets less accumulated depreciation.								
f) Actual Return on ANFA	This is calculated as a percentage of surplus/deficit to ANFA.								
g) Surplus and Dividend/Deficit	Since the Marine Ferry Terminals do not have a separate legal identity, their financial resources form part of the General Revenue. All surpluses are deemed to be distributed to the Government as dividend. All deficits are deemed to be financed by the General Revenue and adjusted to the Public Capital Account of the utility.								

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NOTES TO THE ACCOUNTS

2. Revenue and Expenditure

	Terminals		2024	2023
	Central	Tsimshatsui	Total	Total
	\$M	\$M	\$M	\$M
Revenue				
Berthing fee	14.3	4.3	18.6	2.5
Rental income [#]	18.8	8.6	27.4	15.4
Miscellaneous receipts	0.3	-	0.3	0.1
	33.4	12.9	46.3	18.0
Expenditure				
Staff costs	20.6	15.4	36.0	35.6
Operating and administration expenses	99.6	79.9	179.5	152.7
Depreciation	18.0	14.8	32.8	30.9
	138.2	110.1	248.3	219.2
Deficit	(104.8)	(97.2)	(202.0)	(201.2)

[#] The marine ferry terminals offered rental concessions of \$2.4M (Central: \$1.5M; Tsimshatsui: \$0.9M) for 2023-24 and \$7.6M (Central: \$5.5M; Tsimshatsui: \$2.1M) for 2022-23.

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NOTES TO THE ACCOUNTS

3. Fixed Assets

	Seabeds	Terminal Buildings	Plant & Equipment	Fixtures & Fittings	Pontoons	Asset under Construction	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
At Cost or Valuation							
At 1 April 2023	135.0	503.0	433.2	2.9	4.4	30.1	1,108.6
Additions	-	2.5	-	-	-	17.6	20.1
Transfers	-	-	5.9	-	-	(5.9)	-
Disposals	-	-	-	-	-	-	-
At 31 March 2024	135.0	505.5	439.1	2.9	4.4	41.8	1,128.7
Accumulated Depreciation							
At 1 April 2023	-	363.7	274.1	2.9	4.4	-	645.1
Charge for the year	-	10.2	22.6	-	-	-	32.8
Written back on disposals	-	-	-	-	-	-	-
At 31 March 2024	-	373.9	296.7	2.9	4.4	-	677.9
Net Book Value							
At 31 March 2024	135.0	131.6	142.4	-	-	41.8	450.8
At 31 March 2023	135.0	139.3	159.1	-	-	30.1	463.5

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NOTES TO THE ACCOUNTS

4. Current Assets		2024 \$M	2023 \$M
	Debtors and prepayments	4.1	2.9
		<u>4.1</u>	<u>2.9</u>
5. Current Liabilities		2024 \$M	2023 \$M
	Creditors	2.7	2.7
	Deposits received	5.2	4.2
	Current account with Treasury	<u>650.7</u>	<u>481.3</u>
		<u>658.6</u>	<u>488.2</u>
6. Public Capital Account	The Public Capital Account represents the Government's investment in the Marine Ferry Terminals.		
		2024 \$M	2023 \$M
	Balance as at 1 April	(21.8)	147.7
	Less: Deficit for the year	(202.0)	(201.2)
	Additional cash investment by the Government	<u>20.1</u>	<u>31.7</u>
	Balance as at 31 March	<u>(203.7)</u>	<u>(21.8)</u>
7. Commitments	Outstanding commitments as at 31 March 2024 and 31 March 2023 not provided for in the operating account were as follows -		
		2024 \$M	2023 \$M
	Capital works projects, property, plant and equipment and capital subvention	28.5	25.2
		<u>28.5</u>	<u>25.2</u>