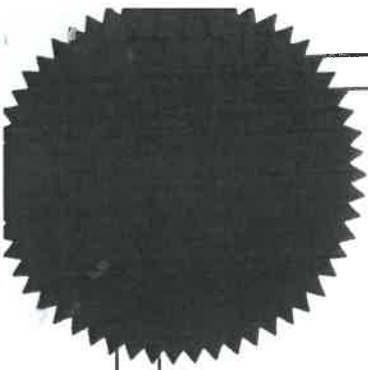




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ANNUAL FINANCIAL REPORT

OF

藍如溪盛成皿教育基金有限公司
ALICE LAN AND VERA SHEN EDUCATION FUND LIMITED

LUMP SUM GRANT

FOR THE YEAR ENDED 31ST MARCH 2021

(EXPRESSED IN HONG KONG DOLLARS)

葉梁會計師事務所
YIP, LEUNG & CO.
Certified Public Accountants



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**REVIEW REPORT TO THE MANAGEMENT BOARD OF
ALICE LAN & VERA SHEN EDUCATION FUND LIMITED**

We have audited the financial statements of Alice Lan & Vera Shen Education Fund Limited (the "Company") for the year ended 31st March 2021 and have issued an unqualified auditor's report thereon dated 13 OCT 2021.

We conducted our review of the attached Annual Financial Report on pages 2 to 11 of the Company for the year ended 31st March 2021 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organisations" issued by the Hong Kong Institute of Certified Public Accountants. The review includes considering the procedures and records relevant to the preparation of the Annual Financial Report and performing procedures to satisfy ourselves that the Annual Financial Report has been properly prepared from the books and records of the Company, on which the above audited financial statements of the Company are based.

Review conclusions

On the basis of the results of our review and having regard to the audit procedures performed by us in relation to the audit of the financial statements of the Company for the year ended 31st March 2021:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Company; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Company has not:
 - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund, Tide-over Grant and other social welfare subventions and expenditure in respect of Funding and Services Agreement activities and support services;
 - ii. kept separate Operating Income and Expenditure Account for each subvented service unit as required by the Lump Sum Grant Manual ("LSG Manual") published by the Social Welfare Department of the Government of the HKSAR;
 - iii. prepared the Annual Financial Report in accordance with the format and requirements set out in the LSG Manual; and
 - iv. employed the staff quoted in the Tide-over Grant and Provident Fund arrangements during the year ended 31st March 2021.

This report is intended for filing with the Social Welfare Department of the Government of the HKSAR and should not be used for any other purpose.



Yip, Leung & Co.
Certified Public Accountants

Unit D, 12/F., Tak Lee Commercial Building,
113-7 Wan Chai Road, Wanchai, Hong Kong.

Hong Kong,

13 OCT 2021



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ANNUAL FINANCIAL REPORT

NGO: 020 ALICE LAN & VERA SHEN EDUCATION FUND LIMITED

(1 April 2020 to 31 March 2021)

	Notes	2020-21 \$	2019-20 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	1,897,649.00	1,889,081.00
b. Provident Fund	1c	166,511.00	166,515.00
2. Fee Income	2	192.00	13,498.00
3. Central Items	3	18,036.00	18,036.00
4. Rent and Rates	4	-	-
5. Other Income	5	-	988.60
6. Interest Received		6.60	705.55
TOTAL INCOME		<u>2,082,394.60</u>	<u>2,088,824.15</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		1,168,778.05	1,139,743.50
b. Provident Fund	1c	102,718.47	97,911.40
c. Allowances		-	-
Sub-total	6	<u>1,271,496.52</u>	<u>1,237,654.90</u>
2. Other Charges	7	110,723.84	156,318.50
3. Central Items	3	-	-
4. Rent and Rates	4	-	-
TOTAL EXPENDITURE		<u>1,382,220.36</u>	<u>1,393,973.40</u>
C. SURPLUS/ (DEFICIT) FOR THE YEAR	8	<u>700,174.24</u>	<u>694,850.75</u>

The Annual Financial Report from pages 3 to 11 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

NOTES ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant (LSG)

a. Basis of preparation

The Annual Financial Report (AFR) is prepared in respect of all Funding and Service Agreement (FSA) activities (including support services to FSA activities) funded by the Social Welfare Department under the Lump Sum Grant Subvention System. AFR is prepared on cash basis, that is, income is recognised upon receipt of cash and expenditure is recognised when expenses are paid. Non-cash items such as depreciation, provisions and accruals have not been included in the AFR.

b. Lump Sum Grant (excluding Provident Fund)

This represents LSG (excluding Provident Fund) received for the year.

c. Provident Fund

This is Provident Fund received and contributed during the year. Snapshot Staff are defined as those staff occupying recognised or holding against subvented posts as at 1 April 2000. 6.8% and other posts represent those staff that are employed after 1 April 2000.

The Provident Fund received and contributed for staff under the Central Items have been shown under Note 3.

Details are analysed below :

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u> \$	<u>6.8% and Other Posts</u> \$	<u>Total</u> \$
Subvention Received	66,177.00	100,334.00	166,511.00
Provident Fund Contribution Paid during the Year	(75,879.91)	(26,838.56)	(102,718.47)
Surplus/ (Deficit) for the Year	(9,702.91)	73,495.44	63,792.53
<u>Add</u> : Surplus/ (Deficit) b/f	(5,247.00)	903,592.99	898,345.99
Additional subvention received for previous year(s)	2,652.00	-	2,652.00
<u>Less</u> : Refund to Government	(525.00)	-	(525.00)
Surplus/ (Deficit) c/f	(12,822.91)	977,088.43	964,265.52

2. Fee Income

This represents social welfare fee income received for the year in respect of the fees and charges recognised for the purpose of subvention as set out in the LSG Manual.

3. Central Items

These are subvented service activities which are not included in LSG and are subject to their own procedures as set out in other SWD's papers and correspondence with the NGOs. The Provident Fund received and contributed for staff under the Central Items have been separately included as part of the income and expenditure of the relevant items (paragraph 3.14 of the LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	2020-21 \$	2019-20 \$
a. Income		
Dementia Supplement for Elderly with Disabilities		
Infirmity Care Supplement for the Aged Blind Persons		
Dementia Supplement for Residential Elderly Services		
Infirmity Care Supplement for Residential Elderly Services		
Foster Care Allowance/Emergency Foster Care Allowance		
After School Care Programme – Fee Waiving Subsidy Scheme		
Temporary Financial Aid		
Emergency Fund		
Time-defined Subsidy Scheme for Extended Hours Service Users	7,436.00	7,436.00
Training Subsidy under Training Scheme for Child Care		
Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services		
Short-term Rental Assistance and Enhanced Employment Service		
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)		
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy		
NSCCP – Subsidy for Fee Reduction/Waiving		
NSCCP – Subsidy for Incentive Payment		
NSCCP – Rent and Rates		
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes		
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services		
Financial Incentive Scheme for Mentors of Employees with Disabilities		
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities		
Time-defined Subsidy Scheme for Occasional Child Care Service	10,600.00	10,600.00
Enhanced After School Care Programme – Fee Waiving Subsidy Scheme		
Navigation Scheme for Young Persons in Care Services - Operating Expenses		
Navigation Scheme for Young Persons in Care Services - Training Cost		
Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services		
Pilot Scheme on Multi-disciplinary Outreaching Support Teams for the Elderly (MOSTE) – Annual Funding Allocation		
MOSTE – Annual Rent and Rates		
Child Care Training for Grand parents		
Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infectious Agent		


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Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19		
Subsidy for Enhanced Support for Ethnic Minority Children in Special Care Centre		
Subsidy for Enhanced Support for Ethnic Minority Children in Early Education and Training Centres		
Ethnic Minority District Ambassador Posts – Central Item (A) Salary and Mandatory Provident Fund		
Ethnic Minority District Ambassador Posts – Central Item (B) Other Charges		
Time-limited programme on Enhancing Infection Control and Ventilation of Residential Care Homes for the Elderly and Residential Care Homes for Persons with Disabilities – On-site Ventilation Assessment #		
Total	18,036.00	18,036.00
b. Expenditure	2020-21	2019-20
	\$	\$
Dementia Supplement for Elderly with Disabilities		
Infirmiry Care Supplement for the Aged Blind Persons		
Dementia Supplement for Residential Elderly Services		
Infirmiry Care Supplement for Residential Elderly Services		
Foster Care Allowance/Emergency Foster Care Allowance		
After School Care Programme – Fee Waiving Subsidy Scheme		
Temporary Financial Aid		
Emergency Fund		
Time-defined Subsidy Scheme for Extended Hours Service Users		
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services		
Short-term Rental Assistance and Enhanced Employment Service Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)		
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy		
NSCCP – Subsidy for Fee Reduction/Waiving		
NSCCP – Subsidy for Incentive Payment		
NSCCP – Rent and Rates		
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes		
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services		
Financial Incentive Scheme for Mentors of Employees with Disabilities		
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities		
Time-defined Subsidy Scheme for Occasional Child Care Service		



Enhanced After School Care Programme – Fee Waiving Subsidy Scheme

Navigation Scheme for Young Persons in Care Services - Operating Expenses

Navigation Scheme for Young Persons in Care Services - Training Cost

Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services

Pilot Scheme on Multi-disciplinary Outreaching Support Teams for the Elderly (MOSTE) – Annual Funding Allocation

MOSTE – Annual Rent and Rates

Child Care Training for Grandparents

Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infectious Agent

Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19

Subsidy for Enhanced Support for Ethnic Minority Children in Special Care Centre

Subsidy for Enhanced Support for Ethnic Minority Children in Early Education and Training Centres

Ethnic Minority District Ambassador Posts - Central Item (A) Salary and Mandatory Provident Fund

Ethnic Minority District Ambassador Posts –Central Item (B) Other Charges

Time-limited programme on Enhancing Infection Control and Ventilation of Residential Care Homes for the Elderly and Residential Care Homes for Persons with Disabilities – On-site Ventilation Assessment #

Total

For NGOs with Visiting Medical Practitioner Service Team which arrange delivery of the service under the Programme to all private and self-financing RCHes, RCHDs as well as contract homes operated by private operators only.

- 4. Rent and Rates** This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditure on rent and rates in respect of premises not recognised by SWD have not been included in AFR.

- 5. Other Income** This includes programme income and all income other than recognised social welfare fee income received during the year. Non-SWD subventions and donations received have not been included as Other Income in AFR. In this respect, donations have been included if it is used to finance expenditure reflected in the AFR.

The breakdown on Other Income is as follows:

	2020-21	2019-20
	\$	\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	-	-
(b) Subsidy from Central Items (CI) – After School Care Programme (ASCP) / Enhanced ASCP – Fee Waiving Subsidy Scheme (FWSS)*	-	-
(c) Others	-	988.60
Sub-Total	-	988.60
Less: Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS which forms as part of Other Income*	-	-
Total	-	988.60

**For those programmes which are regarded as FSA-related activities only*

- 6. Personal Emoluments** Personal Emoluments include salary, provident fund and salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over \$700,000 each paid under LSG is appended below:

Analysis of Personal Emoluments paid under LSG	No of Posts	\$
HK\$700,001 - HK\$800,000 p.a.		
HK\$800,001 - HK\$900,000 p.a.		
HK\$900,001 - HK\$1,000,000 p.a.		
HK\$1,000,001 - HK\$1,100,000 p.a.		
HK\$1,100,001 - HK\$1,200,000 p.a.		
>HK\$1,200,000 p.a.		

7. Other Charges

The breakdown on Other Charges is as follows:

	2020-21	2019-20
Other Charges	\$	\$
(a) Utilities	-	-
(b) Food	-	15,029.10
(c) Administrative Expenses	39,820.00	39,820.00
(d) Stores and Equipment	5,362.00	5,753.50
(e) Repair and Maintenance	-	-
(f) Special Allowances	-	-
(g) Programme Expenses	30,602.24	66,044.90
(h) Transportation and Travelling	-	-
(i) Insurance	-	-
(j) Miscellaneous	8,149.00	15,572.50
(k) Printing and stationery	26,790.60	14,098.50
Sub-Total	110,723.84	156,318.50
<u>Less:</u> Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS* which forms as part of Other Income to fund the operating expenses of FSA-related activities	-	-
Total	110,723.84	156,318.50

**For those programmes which are regarded as FSA-related activities only*

Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	Lump Sum Grant (LSG)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP - FWSS	Rent and Rates	Central Items (CI)	Total
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	2,064,160.00	-	-	-	2,064,160.00
Fee Income	192.00	-	-	-	192.00
Other Income	-	-	-	-	-
Interest Received (Note (1))	6.60	-	-	-	6.60
Rent and Rates	-	-	-	-	-
Central Items	-	-	-	18,036.00	18,036.00
Total Income (a)	2,064,358.60	(-)	-	18,036.00	2,082,394.60
Expenditure					
Personal Emoluments	1,271,496.52	-	-	-	1,271,496.52
Other Charges	110,723.84	(-)	-	-	110,723.84
Rent and Rates	-	-	-	-	-
Central Items	-	-	-	-	-
Total Expenditure (b)	1,382,220.36	(-)	-	-	1,382,220.36
Surplus/(Deficit) for the Year (a) - (b)	682,138.24	-	-	18,036.00	700,174.24
<u>Less</u> : Surplus/ (Deficit) of Provident Fund	(63,792.53)	-	-	-	(63,792.53)
	618,345.71	-	-	18,036.00	636,381.71
Surplus/ (Deficit) b/f (Note (2))	2,512,184.68	-	-	189,988.00	2,702,172.68
<u>Add</u> : Refund from Government	3,130,369.36	-	-	208,024.00	3,337,554.39
	-	-	-	-	-
<u>Less</u> : Refund to Government	(1,341,723.51)	-	(-)	(18,036.00)	(1,359,759.51)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement (Note (3))	(-)	-	-	-	-
Adjustment for utilised allocation under <u>Enhanced</u> ASCP – FWSS* (over-estimated) / under-estimated in previous year(s)	(-)	-	-	-	-
Surplus/ (Deficit) c/f (Note (4))	1,788,806.88	-	-	189,988.00	1,978,794.88

Notes:

Including an amount \$Z being the utilised allocation under CI - ASCP / Enhanced ASCP – FWSS*

* For those programmes which are regarded as FSA-related activities only

- (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items are included as one item under LSG; and the item is considered as part of LSG reserve.
- (2) Accumulated balance of LSG Surplus b/f from previous years (including holding account) and all interest received in previous years should be included in the surplus b/f under LSG.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule for Central Items.
- (4) The level of LSG cumulative reserve (i.e. S), less LSG Reserve kept in the holding account, will be capped at 25% of the NGO's operating expenditure (excluding Provident Fund expenditure) for the year.