

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 2024

(EXPRESSED IN HONG KONG DOLLARS)

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

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

We have audited the financial statements of the NGO for the year ended 31st March 2024 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKIPCA"), and have issued an unqualified auditor's report thereon dated 30th October 2024.

Pursuant to the Lump Sum Grant ("LSG") Manual issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region ("SWD"), we have been requested to issue this assurance report in connection with the Annual Financial Report ("AFR") of the NGO for the year ended 31st March 2024.

Responsibilities of the Management Board

In relation to this report, the Management Board are responsible for ensuring the AFR of the NGO for the year ended 31st March 2024 is properly prepared in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD, and the use of the funds from the LSG by the NGO has complied with the purposes as specified in the LSG Manual and other Instructions issued by the SWD.

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 HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' Responsibility

Our responsibility is to form a conclusion, based on our engagement, and to report our conclusion to you.

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 and with reference to Practice Note 851 (Revised), Reporting on the Annual Financial Reports of Non-governmental Organisations issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance for giving conclusion 1 and obtain limited assurance for giving conclusion 2 below.

The work undertaken in connection with this engagement is less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express and audit opinion.

In relation to our conclusion 1 below, we have planned and performed such procedures as we considered necessary with reference to the procedures recommended in PN 851 (Revised), to satisfy ourselves that the AFR has been properly prepared, in all material respect, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.

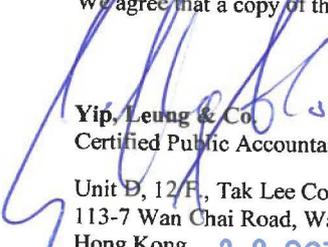
In relation to our conclusion 2 below, we have obtained an understanding in respect of the purposes of the use of the funds as specified in the LSG Manual and other instructions issued by the SWD and obtaining an understanding of the control procedures. We are not required to perform any procedures to search for instances of the use of funds from the LSG by the NGO being non-complied with the specified purposes. Our work was limited to reporting non-compliances identified as a result of the procedures performed in relation to conclusion 2 and during the normal course of our work relation to conclusion 1. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Conclusion

1. In our opinion, the AFR of the NGO for the year ended 31st March 2024 is properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.
2. Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the use of the funds from the NGO has not complied, in all material respects, with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

Intended Users and Purpose

This report is intended solely for submission by the NGO to the SWD and is not intended to be, and should not be, used for any other purpose. We agree that a copy of this report may be provided to the SWD without further comment from us.


Yip, Leung & Co.
Certified Public Accountants

Unit B, 12/F., Tak Lee Commercial Building,
113-7 Wan Chai Road, Wanchai, Hong Kong
Hong Kong, 30 OCT 2024

ANNUAL FINANCIAL REPORT

NGO: 020 ALICE LAN & VERA SHEN EDUCATION FUND LIMITED

(1 April 2023 to 31 March 2024)

	Notes	2023-24 \$	2022-23 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	2,324,761.00	2,230,174.00
b. Provident Fund	1c	177,532.00	169,647.00
2. Fee Income	2	6,052.00	2,352.00
3. Central Items	3	16,183.00	16,183.00
4. Rent and Rates	4	-	-
5. Other Income	5	448.50	403.00
6. Interest Received		6,994.30	765.55
TOTAL INCOME		<u>2,531,970.80</u>	<u>2,419,524.55</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		1,527,989.80	1,455,540.89
b. Provident Fund	1c	111,169.13	108,576.00
c. Allowances		-	-
Sub-total	6	<u>1,639,158.93</u>	<u>1,564,116.89</u>
2. Other Charges	7	114,684.25	118,939.94
3. Central Items	3	-	-
4. Rent and Rates	4	-	-
TOTAL EXPENDITURE		<u>1,753,843.18</u>	<u>1,683,056.83</u>
C. SURPLUS FOR THE YEAR	8	<u>778,127.62</u>	<u>736,467.72</u>

The Annual Financial Report from pages 2 to 10 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURESIGNATURECHAIRMANHON. SECRETARY

DATE: 30 OCT 2024

DATE: 30 OCT 2024

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) services (including support services to FSA services) 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 which are separately included as part of the income and expenditure of the relevant items have been shown under Note 3.

Details are analysed below :

<u>Provident Fund Contribution</u>	Snapshot Staff	6.8% and Other Posts	Total
	\$	\$	\$
Subvention Received	70,983.00	106,549.00	177,532.00
Provident Fund Contribution Paid during the Year	<u>(73,728.00)</u>	<u>(37,441.13)</u>	<u>(111,169.13)</u>
Surplus/(Deficit) for the Year	(2,745.00)	69,107.87	66,362.87
Add : Surplus/(Deficit) b/f Additional subvention received for previous year(s)	<u>(13,921.50)</u>	1,123,975.42	1,110,053.92
	<u>7,080.00</u>	-	<u>7,080.00</u>
Surplus/(Deficit) c/f	<u>(9,586.50)</u>	<u>1,193,083.29</u>	<u>1,183,496.79</u>

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:

NOTES ON THE ANNUAL FINANCIAL REPORT

	2023-24	2022-23
a. Income	\$	\$
Time-defined Subsidy Scheme for Extended Hours Service Users	5,689.00	5,689.00
Time-defined Subsidy Scheme for Occasional Child Care Service	10,494.00	10,494.00
Total	16,183.00	16,183.00

	2023-24	2022-23
b. Expenditure	\$	\$
Time-defined Subsidy Scheme for Extended Hours Service Users	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
Total	-	-

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 be included as Other Income in AFR. In this respect, donations should be included if it is used to finance expenditure of the FSA services / FSA-related activities reflected in the AFR.

The breakdown on Other Income is as follows:

	2023-24	2022-23
Other Income	\$	\$
(a) Miscellaneous income	448.50	403.00
Total	448.50	403.00

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:

	2023-24	2022-23
Other Charges	\$	\$
(a) Administrative Expenses	40,480.00	40,480.00
(b) Stores and Equipment	159.00	6,895.00
(c) Programme Expenses	38,733.10	35,255.00
(d) Miscellaneous	20,693.40	14,463.54
(e) Printing and stationery	14,618.75	21,846.40
Total	114,684.25	118,939.94

NOTES ON THE ANNUAL FINANCIAL REPORT

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

	Lump Sum Grant (LSG)	Holding Account (HA)	Rent and Rates	Central Items (CI)	Total
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	2,502,293.00	-	-	-	2,502,293.00
Fee Income	6,052.00	-	-	-	6,052.00
Other Income	448.50	-	-	-	448.50
Interest Received (Note (1))	6,994.30	-	-	-	6,994.30
Rent and Rates	-	-	-	-	-
Central Items	-	-	-	16,183.00	16,183.00
Total Income (a)	2,515,787.80	-	-	16,183.00	2,531,970.80
Expenditure					
Personal Emoluments	1,639,158.93	-	-	-	1,639,158.93
Other Charges	114,684.25	-	-	-	114,684.25
Rent and Rates	-	-	-	-	-
Central Items	-	-	-	-	-
Total Expenditure (b)	1,753,843.18	-	-	-	1,753,843.18
Surplus/(Deficit) for the Year (a) - (b)	761,944.62	-	-	16,183.00	778,127.62
<u>Less</u> : Surplus/(Deficit) of Provident Fund	66,362.87	-	-	-	66,362.87
	695,581.75	-	-	16,183.00	711,764.75
Surplus/(Deficit) b/f (Note (2))	1,478,425.59	695,750.12	-	16,183.00	2,190,358.71
	2,174,007.34	695,750.12	-	32,366.00	2,902,123.46
<u>Less</u> : Refund to Government	(1,084,805.38)	-	-	(16,183.00)	(1,100,988.38)
Surplus/(Deficit) c/f (Note (4))	1,089,201.96	695,750.12	-	16,183.00	1,801,135.08

Notes :

- (1) Interest received on LSG (including HA) 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 all interest received in previous years (see (1) above) and the balance of HA should be separately reported as in the surplus b/f under LSG and HA respectively.
- (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) For NGOs without HA, separate disclosure of the movement of HA in their respective AFRs is not necessary. The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.

9. Analysis of Income and Expenditure by Programmed Area and Funding and Service Agreements (1-4-2023 to 31-3-2024)

	INCOME						EXPENDITURES						Surplus / (Deficit) (1) - (2)	Remarks
	Lump Sum Grant	Fee Income	Central Items	Rent and Rates	Other Income	Total Income (1)	Personal Emoluments	Other Charges	Central Items	Rent & Rates	Total Expenditures (2)			
Service Unit = 0020 (Alice Lan & Vera Shen Education Fund Limited)	461,613.54	-	10,494.00	-	-	472,107.54	-	-	-	-	-	472,107.54		
Service Unit = 1204 (Gordon Pei Nursery . Kindergarten)	656,806.26	-	-	-	-	656,806.26	697,736.98	22,116.00	-	-	719,852.98	(63,046.72)		
Service Unit = 1204 (Gordon Pei Nursery . Kindergarten - Occasional Child Care Service)	103,436.00	288.00	-	-	52.00	103,776.00	94,455.00	14,998.20	-	-	109,453.20	(5,677.20)		
Service Unit = 1204 (Gordon Pei Nursery . Kindergarten - Extended Hours Service in Child Care)	306,004.00	2,561.00	2,845.00	-	-	311,410.00	117,297.50	41,929.55	-	-	159,227.05	152,182.95		
Service Unit = 1205 (Delia Pei Nursery . Kindergarten)	645,208.20	-	-	-	-	645,208.20	610,630.70	26,600.00	-	-	637,230.70	7,977.50		
Service Unit = 1205 (Delia Pei Nursery . Kindergarten - Occasional Child Care Service)	103,310.00	3,008.00	-	-	396.50	106,714.50	48,036.00	4,385.50	-	-	52,421.50	54,293.00		
Service Unit = 1205 (Delia Pei Nursery . Kindergarten - Extended Hours Service in Child Care)	225,915.00	195.00	2,844.00	-	-	228,954.00	71,002.75	4,655.00	-	-	75,657.75	153,296.25		
Sub-total	2,502,293.00	6,052.00	16,183.00	-	448.50	2,524,976.50	1,639,158.93	114,684.25	-	-	1,753,843.18	771,133.32		
Interest Received	6,994.30	-	-	-	-	6,994.30	-	-	-	-	-	6,994.30		
Total	2,509,287.30	6,052.00	16,183.00	-	448.50	2,531,970.80	1,639,158.93	114,684.25	-	-	1,753,843.18	778,127.62		

Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1-4-2023 to 31-3-2024

Name of Agency : 020 ALICE LAN & VERA SHEN EDUCATION FUND LIMITED

Unit Code and Name / Remittance Advice No. (Note 7)	Subvented Element	Subvention Released (Note 1a) (a1)	Actual Expenditure (Note 2a) (a2)	Surplus (Note 3) (a) = (a1) - (a2) (b) = (a1) - (a2)	Deficit (Note 3) (d) = (b) - (c)	Deficit for the Year		Surplus b/f (Note 5) (e)	Refund to Government (f)	Surplus c/f (Note 6) (g) = (e) + (a) - (f) - (0)
						Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d) = (b) - (c)			
1204 - AL & VSEF - Gordon Pei Nursery	Time-defined Subsidy Scheme For Extended Hours Service Users	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1205 - AL & VSEF - Delia Pei Nursery	Time-defined Subsidy Scheme For Occasional Child Care Service	\$ -	\$ -	\$ -	\$ -	N.A.	N.A.	\$ -	\$ -	\$ -
W020 - AL & VSEF Limited	Time-defined Subsidy Scheme For Extended Hours Service (EHS) Users	\$ 5,689.00	\$ -	\$ 5,689.00	\$ -	\$ -	\$ -	\$ 5,689.00	\$ 5,689.00	\$ 5,689.00
6375 - AL & VSEF Limited	Time-defined Subsidy Scheme For Occasional Child Care Service	\$ 10,494.00	\$ -	\$ 10,494.00	\$ -	\$ -	\$ -	\$ 10,494.00	\$ 10,494.00	\$ 10,494.00
TOTAL		\$ 16,183.00	\$ -	\$ 16,183.00	\$ -	\$ -	\$ -	\$ 16,183.00	\$ 16,183.00	\$ 16,183.00

Notes :

- 1(a). The figures for the whole financial year are extracted from the payroll for March (Final) or remittance advice(s) issued by the Treasury or allocation letter(s) issued by the Social Welfare Department of the financial year.
- 1(b). This amount represents any reimbursement received from the RMLP Scheme if the NGO has temporarily paid the expenditure out of the allocation from the subvented element (see Note 2(b) below).
- 2(a). Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off (i) programme income and (ii) expenditure under RMLP Scheme mentioned in Note 2(b) below, if any.
- 2(b). This amount represents the additional four weeks' MLP (i.e. the 11th to 14th weeks) paid to the employee out of the corresponding allocation.
3. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
4. Deficit i.r.o. the following central items arising from salary adjustment are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref. (33) in SWD/S/104/2 Pt. 18 dated 4 March 2020.
 - (i) Dementia Supplement for Elderly with Disabilities
 - (ii) Infirmary Care Supplement for the Aged Blind Persons
 - (iii) Dementia Supplement for Residential Elderly Services
 - (iv) Infirmary Care Supplement for Residential Elderly services
5. "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
6. "Surplus carried forward (c/f)" means surplus brought forward less refund to Government plus surplus, if any, arising from operations in current year.
7. Unit code and name / remittance advice no. are extracted from the payroll from SWD and remittance advice from the Treasury respectively.
8. The central items as listed above may not be exhaustive and any relevant details of central items released and/or expended during the year, where appropriate, should also be included.
9. For ASCP/ Enhanced ASCP, the adjustment includes the amount of expenditure overstated / (understated) in previous year(s) after taking into account the actual claw-back amount(s) per SWD's allocation letter(s), if any.

Claim for 2023-24 Subvention for Provident Fund - Snapshot Staff

Organisation Code and Name : Alice Lan and Vera Shen Education Fund Limited (020)

Name of Snapshot Staff	Reported Bank	Salary Paid for the year \$	PF Contribution Rate	PF Contribution Paid for the year \$
1. Chan Shuk Ling 2. 3. 4. 5.	SCCW	491,520.00	15	73,728.00
Total Amount of PF Contribution Paid for the Year				73,728.00
Less: Subventions of PF-Snapshot Staff Received for the Year				70,983.00
Amount of Additional Subvention Applied for				2,745.00

Declaration

- I declare the all reported information is correct and that the staff as reported are employed by our Organization solely for services funded by subventions and grants within the control of SWD.
- I also agree that SWD shall have the right to recover at any time from recurrent subventions any overpaid amount.

Contact Person : CHAU SIU FONG Signature of
Chairperson

Title: : PRINCIPAL Name : YUNG WING KI, SAMUEL

Tel No.: : 2619 8504 Title: : CHAIRMAN

Date: : 3 0 OCT 2024

Disclosure in NGO's Audited Financial Statements

Movement of the F&E Replenishment and Minor Works Block Grant Reserve

	\$	\$
Balance of Block Grant reserve brought forward from previous financial year		4,202.84
Add: Block Grant received during the year	-	
Interest income received	-	-
	<hr/>	
Less: Expenditure during the year -		
Minor Works Projects	-	
Furniture & Equipment	-	-
	<hr/>	<hr/>
		4,202.84
Contribution from NGO to cover the deficit		-
		<hr/>
Balance of Block Grant reserve carried forward to the next financial year		<u><u>4,202.84</u></u>

Capital Commitments

As at **31 March 2024**, there are no outstanding commitments in respect of F&E Replenishment and Minor Works Grant.

Schedule for Investment
Analysis of Investments as at 31st March 2024

Agency : (020) Alice Lan And Vera Shen Education Fund Limited

	Year 2024 \$'000	Year 2023 \$'000
LSG Reserve as at 31st March	<u>1,089</u>	<u>1,478</u>

Represented by :

Investments

a. HKD Bank Account Balances	1,089	1,478
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	-
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	<u>1,089</u>	<u>1,478</u>

Note : The investments should be reported at historical cost.

Confirmed by : -

DATE : 30 OCT 2024 /

DATE : 30 OCT 2024