

OPERATION DAWN LIMITED

香港晨曦會有限公司

(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2016

FOR SUBMISSION TO THE SOCIAL WELFARE DEPARTMENT



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**REVIEW REPORT ON THE ANNUAL FINANCIAL REPORT
TO THE BOARD OF DIRECTORS OF
OPERATION DAWN LIMITED**

香港晨曦會有限公司

(incorporated in Hong Kong and limited by guarantee)

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香港九龍觀塘道 370 號
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We have audited the financial statements of Operation Dawn Limited (“the Organisation”) for the year ended 31 March 2016 and have issued an unqualified auditors’ report thereon dated 9 November 2016.

We conducted our review of the attached Annual Financial Report on pages 2 to 10 of the Organisation for the year ended 31 March 2016 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 Organisation, on which the above audited financial statements of the Organisation 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 Organisation for the year ended 31 March 2016:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Organisation; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Organisation 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 31 March 2016.

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.

K.W. Tam & Co.
Certified Public Accountants (Practising)
Unit 2002, 20th Floor,
Millennium City 3,
370 Kwun Tong Road,
Kowloon, Hong Kong
9 November 2016

ANNUAL FINANCIAL REPORT

NGO: 542 OPERATION DAWN LIMITED

香港晨曦會有限公司

1 APRIL 2015 TO 31 MARCH 2016

	Note	Total 2015-16 HK\$	Total 2014-15 HK\$
A. INCOME			
1. Lump Sum Grant		7,344,438.00	6,970,190.00
a. Lump Sum Grant (excluding Provident Fund)	1b	6,886,153.00	6,532,138.00
b. Provident Fund	1c	458,285.00	438,052.00
2. Special One-Off Grant		-	-
3. Fee Income	2	2,769,374.90	3,120,508.49
4. Central Items	3	402,856.00	374,230.00
5. Rent and Rates	4	228,096.00	227,220.00
6. Other Income	5	152,227.00	411,927.30
7. Interest Received		-	39.40
TOTAL INCOME		10,896,991.90	11,104,115.19
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		5,329,289.02	4,408,369.04
b. Provident Fund	1c	345,135.68	276,087.19
c. Allowances		-	-
Sub-total	6	5,674,424.70	4,684,456.23
2. Other Charges	7	3,541,820.92	3,881,452.89
3. Central Items	3	389,297.75	366,134.40
4. Rent and Rates	4	249,392.00	251,352.00
5. Special One-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		9,854,935.37	9,183,395.52
C. SURPLUS FOR THE YEAR	8	1,042,056.53	1,920,719.67

SIGNATURE


CHAIRMAN

DATE: - 9 NOV 2016


DIRECTOR

DATE: - 9 NOV 2016

NGO: 542 OPERATION DAWN LIMITED 香港晨曦會有限公司
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

NOTES ON THE ANNUAL FINANCIAL REPORT

1 Lump Sum Grant

a. Basis of preparation The Annual Financial Report (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** like 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. Please note that the PF received and contributed for staff under the Central Items have been shown under 3. Details are analysed below:

	Snapshot Staff		6.8% and Other Posts		Total
	HK\$		HK\$		
<u>Provident Fund Contribution</u>					
Subvention Received	-		458,285.00		458,285.00
Provident Fund Contribution Paid during the Year	-		(345,135.68)		(345,135.68)
Surplus for the Year	-		113,149.32		113,149.32
Add: Surplus b/f	-		836,379.70		836,379.70
Surplus c/f	-		949,529.02		949,529.02

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.

NGO: 542 OPERATION DAWN LIMITED 香港晨曦會有限公司
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

NOTES ON THE ANNUAL FINANCIAL REPORT

- 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 PF received and contributed for staff under Central Items have been separately included as part of the income and expenditure of the relevant items (paragraph 3.13 of LSG Manual). The income and expenditure of each of the Central Items are as follows:

	<u>2015-16</u>	<u>2014-15</u>
	HK\$	HK\$
a. Income		
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call allowance)	402,856.00	374,230.00
Total	<u>402,856.00</u>	<u>374,230.00</u>
b. Expenditure		
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call allowance)	389,297.75	366,134.40
Total	<u>389,297.75</u>	<u>366,134.40</u>

- 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.
- 6 **Personal Emoluments** Personal Emoluments include salary, provident fund and salary-related allowances.
- The analysis on number of posts with annual Personal Emoluments over \$500,000 each is appended below:
- | <u>Analysis of Personal Emoluments</u> | <u>No of Posts</u> | <u>HK\$</u> |
|--|--------------------|-------------|
| HK\$500,001 - HK\$600,000 p.a. | 1 | 588,000.00 |
| HK\$600,001 - HK\$700,000 p.a. | - | - |
| 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\$1,000,000 p.a. | - | - |

NGO: 542 OPERATION DAWN LIMITED 香港晨曦會有限公司
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

NOTES ON THE ANNUAL FINANCIAL REPORT

7 Other Charges

The breakdown on Other Charges is as follows:

	<u>2015-16</u>	<u>2014-15</u>
	HK\$	HK\$
<u>Other Charges</u>		
(a) Utilities	210,341.07	157,067.95
(b) Food	531,304.55	908,222.73
(c) Administrative Expenses	254,590.00	243,309.57
(d) Stores and Equipment	20,472.70	253,227.12
(e) Repair and Maintenance	331,249.71	292,464.73
(f) Special Allowances	-	-
(g) Programme Expenses	86,338.80	271,513.70
(h) Transportation and Travelling	904,516.30	477,445.84
(i) Insurance	129,074.31	105,384.90
(j) Miscellaneous	1,073,933.48	1,172,816.35
Total:	<u>3,541,820.92</u>	<u>3,881,452.89</u>

7a Special One-off Grant Payments

Details of Special One-off Grant Payments are as follows:

	<u>2015-16</u>	<u>2014-15</u>
	HK\$	HK\$
Special one-off Grant Payments		
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total:	<u>-</u>	<u>-</u>

NOTES ON THE ANNUAL FINANCIAL REPORT

8. Analysis of Reserve Fund

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
Income					
Lump Sum Grant	7,344,438.00	-	-	-	7,344,438.00
Special One-off Grant	-	-	-	-	-
Fee Income	2,769,374.90	-	-	-	2,769,374.90
Other Income	152,227.00	-	-	-	152,227.00
Interest Received (Note (1))	-	-	-	-	-
Rent and Rates	-	-	228,096.00	-	228,096.00
Central Items	-	-	-	402,856.00	402,856.00
Total Income (a)	10,266,039.90	-	228,096.00	402,856.00	10,896,991.90
Expenditure					
Personal Emoluments	5,674,424.70	-	-	-	5,674,424.70
Other Charges	3,541,820.92	-	-	-	3,541,820.92
Rent and Rates	-	-	249,392.00	-	249,392.00
Central Items	-	-	-	389,297.75	389,297.75
Special One-Off Grant Payments	-	-	-	-	-
Total Expenditure (b)	9,216,245.62	-	249,392.00	389,297.75	9,854,935.37
Surplus / (Deficit) for the year (a) - (b)	1,049,794.28	-	(21,296.00)	13,558.25	1,042,056.53
Less: Surplus of Provident Fund	(113,149.32)	-	-	-	(113,149.32)
	936,644.96	-	(21,296.00)	13,558.25	928,907.21
Surplus b/f (Note (2))	4,605,083.68	-	(124,045.42)	126,002.99	4,607,041.25
Adjusted per SWD's letter of 29 April 2015	-	-	(27,177.00)	30,702.52	3,525.52
Adjusted per SWD's letter of 31 March 2016	16,691.00	-	-	(16,691.00)	-
	4,621,774.68	-	(151,222.42)	140,014.51	4,610,566.77
	5,558,419.64	-	(172,518.42)	153,572.76	5,539,473.98
Less: Refund to Government	(768,837.12)	-	(3,000.00)	(119,776.11)	(891,613.23)
Surplus / (Deficit) c/f (Note (3))	4,789,582.52	-	(175,518.42)	33,796.65	4,647,860.75

Notes:

- (1) All the Interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant is included as one item under LSG; and the item is considered as part of LSG reserve.
- (2) Accumulated balance of Lump Sum Grant Surplus b/f from previous years and all interest received in previous years are included in the surplus b/f under LSG.
- (3) The level of LSG cumulative reserve (i.e. S) will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for that year.

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period from 1 April 2015 to 31 March 2016

Name of Agency : 542 OPERATION DAWN LIMITED 香港晨曦會有限公司

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2) (a)	Deficit (Note 2) (b)
		HKS	HKS	HKS	HKS
7878 - Half-Way House at Wong Tai Sin	Rent (Note 3)	111,780.00	121,716.00	-	9,936.00
	Rates	12,348.00	18,600.00	-	6,252.00
	Government Rent	7,110.00	11,160.00	-	4,050.00
	Less: Rates concession	-	(5,000.00)	-	(5,000.00)
	Total	131,238.00	146,476.00	-	15,238.00
4270 - Treatment Centre at Tsing Yi (Girl Centre)	Rent (Note 3)	87,480.00	95,256.00	-	7,776.00
	Rates	9,378.00	12,660.00	-	3,282.00
	Less: Rates concession	-	(5,000.00)	-	(5,000.00)
	Total	96,858.00	102,916.00	-	6,058.00
	Grand Total:	228,096.00	249,392.00	-	21,296.00

Notes:

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year.
2. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
3. Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government rent.

Schedule for Central Items
Analysis of Subvention and Expenditure for the period from 1 April 2015 to 31 March 2016

Name of Agency : 542 OPERATION DAWN LIMITED 香港晨曦會有限公司

Unit Code and Name (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3)	Deficit for the year		Surplus b/f (Note 5)	Surplus c/f (Note 6)
					Deficit (Note 3)	Adjusted Deficit		
		(a)	(b)	(c)	(d)=(b)-(c)	(e)	(f)=(e)+(a)-(d)	
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Unit 4270 Treatment Centre at Tsing Yi (Girl Centre)	Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	201,428.00	194,972.75	6,455.25	-	N.A.	108,396.19	114,851.44
Unit 7878 Half-Way House at Wong Tai Sin		201,428.00	194,325.00	7,103.00	-	N.A.	17,606.80	24,709.80
Total:		402,856.00	389,297.75	13,558.25	-	N.A.	126,002.99	139,561.24

Notes:

- The figures for the whole financial year can be extracted from the payroll for March (Final) of the financial year.
- Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
- Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
- 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. (16) in SWD/S/104/2 Pt. 12 dated 17 July 2013.
 - 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
 - Regularised Programme Assistants (PA) / Care Assistants (CA)
- "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
- "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
- Unit code and name are extracted from the payroll from SWD.

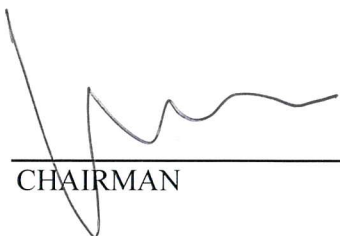
Schedule for Investment
Analysis of Investment as at 31 March 2016

Agency: 542 OPERATION DAWN LIMITED

	<u>4/2015 to 3/2016</u>	<u>4/2014 to 3/2015</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
	<u>\$</u>	<u>\$</u>
LSG Reserve as at 31 March 2016	4,789.58	4,605.08
Represented by:		
Investments		
a. HKD Bank Account Balances	4,789.58	4,605.08
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	-
d. HKD Certificate of Deposits	-	-
e. HKD Bonds	-	-
	4,789.58	4,605.08

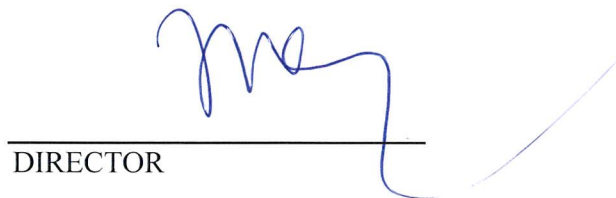
Note: The investments should be reported at historical cost.

Confirmed by:-



CHAIRMAN

DATE: - 9 NOV 2016



DIRECTOR

DATE :- 9 NOV 2016

List of Subvented Service Units

Agency: 542 OPERATION DAWN LIMITED

1. Central Administration
2. Treatment Centre at Tsing Yi (Girl Centre)
3. Half-Way House at Wong Tai Sin
4. Treatment Centre at Sai Kung (Dawn Island)