

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 2017
FOR SUBMISSION TO THE SOCIAL WELFARE DEPARTMENT



譚根榮會計師行
香港九龍觀塘道 370 號
創紀之城 3 期 20 樓 2002 室

K.W. Tam & Co.

Certified Public Accountants (Practising)
Unit 2002, 20/F, Millennium City 3,
370 Kwun Tong Road, Kowloon,
Hong Kong

Tel : (852) 2393 1168

Fax : (852) 2393 2988

www.kwtamco.com.hk

**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)

We have audited the financial statements of Operation Dawn Limited (“the Organisation”) for the year ended 31 March 2017 and have issued an unqualified auditors’ report thereon dated 3 October 2017.

We conducted our review of the attached Annual Financial Report on pages 2 to 10 of the Organisation for the year ended 31 March 2017 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 2017:

- 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 2017.

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

3 October 2017

ANNUAL FINANCIAL REPORT

OPERATION DAWN LIMITED

香港晨曦會有限公司

1 APRIL 2016 TO 31 MARCH 2017

	Notes	Total 2016-17 \$	Total 2015-16 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	7,252,036.00	6,886,153.00
b. Provident Fund	1c	479,734.00	458,285.00
2. Special One-off Grant		68,122.00	-
3. Fee Income	2	2,638,346.91	2,769,374.90
4. Central Items	3	403,516.00	402,856.00
5. Rent and Rates	4	272,271.00	228,096.00
6. Other Income	5	218,453.35	152,227.00
7. Interest Received		-	-
TOTAL INCOME		11,332,479.26	10,896,991.90
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		6,259,040.21	5,329,289.02
b. Provident Fund	1c	366,337.02	345,135.68
c. Allowances		-	-
Sub-total	6	6,625,377.23	5,674,424.70
2. Other Charges	7	3,662,870.17	3,541,820.92
3. Central Items	3	405,450.62	389,297.75
4. Rent and Rates	4	280,060.00	249,392.00
5. Special one-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		10,973,758.02	9,854,935.37
C. SURPLUS FOR THE YEAR	8	358,721.24	1,042,056.53

SIGNATURE


CHAIRMAN

DATE: 3 October 2017


DIRECTOR

DATE: 3 October 2017

NGO: 542 OPERATION DAWN LIMITED 香港晨曦會有限公司
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

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:

Provident Fund Contribution	Snapshot staff	6.8% and Other Posts		Total
		\$	\$	
Subvention Received	---	479,734.00		479,734.00
Provident Fund Contribution Paid during the year	---	(366,337.02)		(366,337.02)
Surplus for the Year	---	113,396.98		113,396.98
Add: Surplus b/f	---	949,529.02		949,529.02
Surplus c/f	---	1,062,926.00		1,062,926.00

2. Fee Income

This represents social welfare fee income received for the year in respect of the fees and charges recognized 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 2017

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 the 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>2016-17</u>	<u>2015-16</u>
	\$	\$
a. Income		
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	403,516.00	402,856.00
Total	<u>403,516.00</u>	<u>402,856.00</u>
b. Expenditure		
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	405,450.62	389,297.75
Total	<u>405,450.62</u>	<u>389,297.75</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>\$</u>
HK\$500,001 - HK\$600,000 p.a.	---	---
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 2017

NOTES ON THE ANNUAL FINANCIAL REPORT

7. Other Charges

The breakdown on Other Charges is as follows:

	<u>2016-17</u>	<u>2015-16</u>
Other Charges	\$	\$
(a) Utilities	204,460.65	210,341.07
(b) Food	671,049.34	531,304.55
(c) Administrative Expenses	395,744.33	254,590.00
(d) Stores and Equipment	45,790.78	20,472.70
(e) Repair and Maintenance	345,721.63	331,249.71
(f) Special Allowances	-	-
(g) Programme Expenses	57,171.30	86,338.80
(h) Transportation and Travelling	646,695.62	904,516.30
(i) Insurance	118,123.08	129,074.31
(j) Miscellaneous	1,178,113.44	1,073,933.48
Total:	<u>3,662,870.17</u>	<u>3,541,820.92</u>

7a. Special One-off Grant Payments

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

	<u>2016-17</u>	<u>2015-16</u>
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
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	7,731,770.00	-	-	-	7,731,770.00
Special One-off Grant	-	68,122.00	-	-	68,122.00
Fee Income	2,638,346.91	-	-	-	2,638,346.91
Other Income	218,453.35	-	-	-	218,453.35
Interest Received (Note (1))	-	-	-	-	-
Rent and Rates	-	-	272,271.00	-	272,271.00
Central Items	-	-	-	403,516.00	403,516.00
Total Income (a)	10,588,570.26	68,122.00	272,271.00	403,516.00	11,332,479.26
Expenditure					
Personal Emoluments	6,625,377.23	-	-	-	6,625,377.23
Other Charges	3,662,870.17	-	-	-	3,662,870.17
Rent and Rates	-	-	280,060.00	-	280,060.00
Central Items	-	-	-	405,450.62	405,450.62
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	10,288,247.40	-	280,060.00	405,450.62	10,973,758.02
Surplus/(Deficit) for the Year (a)-(b)	300,322.86	68,122.00	(7,789.00)	(1,934.62)	358,721.24
Less: Surplus of Provident Fund	(113,396.98)	-	-	-	(113,396.98)
Surplus/(Deficit) for the year excluding P.F.	186,925.88	68,122.00	(7,789.00)	(1,934.62)	245,324.26
Surplus/(Deficit) b/f (Note (2))	4,789,582.52	-	(175,518.42)	33,796.65	4,647,860.75
Adjusted per SWD's letter of	-	-	-	-	-
	4,789,582.52	-	(175,518.42)	33,796.65	4,647,860.75
	4,976,508.40	68,122.00	(183,307.42)	31,862.03	4,893,185.01
Less: Refund to Government	(1,679,328.78)	-	-	(8,095.60)	(1,687,424.38)
	3,297,179.62	68,122.00	(183,307.42)	23,766.43	3,205,760.63

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) Amount of cumulative unspent balance as at 30.11.2014 (i.e. amount of surplus c/f) for permanent/time-defined Care Assistant and Programme Assistant posts, if any, as per Schedule for Central Items.
- (4) Amount of LSG Reserve used to cover the salary adjustment for Programme Assistants, Care Assistants, Dementia Supplement and Infirmity Care Supplement, if any, as per Schedule of Central Items.
- (5) The level of LSG cumulative reserve (i.e. S) will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.

Schedule for Rent and Rates

Analysis of Subvention and Expenditure for the period from 1 April 2016 to 31 March 2017

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)	Deficit (Note 2)
7878 - Half Way House at Wong Tai Sin		\$	\$	\$	\$
	Rent (Note 3)	136,620.00	136,620.00	-	-
	Rates	12,288.00	15,500.00	-	(3,212.00)
	Government Rent	7,110.00	11,700.00	-	(4,590.00)
	Less: Rates concession		-	-	-
	Total	156,018.00	163,820.00	-	(7,802.00)
4270 - Treatment Centre at Tsing Yi (Girl Centre)	Rent (Note 3)	106,920.00	105,919.90	1,000.10	-
	Rates	9,333.00	10,320.10		(987.10)
	Less: Rates concession	-	-	-	-
		Total	116,253.00	116,240.00	1,000.10
	Grand Total	272,271.00	280,060.00	1,000.10	(8,789.10)

Note:

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 2016 to 31 March 2017

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

Unit Code and Name (Note 7)	Subvented Element	Subventions Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the year			Surplus b/f (Note 4) (e)	Surplus c/f (Note 5) (f)=(c)+(a)-(b)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d)=(b)-(c)		
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)	201,758.00	202,810.00	-	(1,052.00)	N.A.	---	114,851.44	113,799.44
Unit 7878 Half-Way House at Wong Tai Sin		201,758.00	202,640.62	-	(882.62)	N.A.	---	24,709.80	23,827.18
Total		403,516.00	405,450.62	-	(1,934.62)	N.A.	---	139,561.24	137,626.62

Notes:

1. The figures for the whole financial year are extracted from the payroll for March (Final) of the financial year.
2. Actual expenditure represents the total expenditure incurred including provision fund for the respective services after setting off programme income, if any.
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. (16) in SWD/S/104/2 pt.12 dated 17 July 2013.
 - (i) Dementia Supplement for Edlerly with Disabilities
 - (ii) Infirmary Care Supplement for Residential for Aged Blind Persons
 - (iii) Dementia Supplement for Residential Elderly Services
 - (iv) Infirmary Care Supplement for Residential Elderly services
 - (v) Regularized Programme Assistants (PA)/Care Assistants (CA)
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 plus surplus, if any, arising from operations in current year.
7. Unit code and names are extracted from the payroll from SWD.

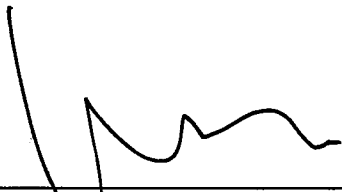
Schedule for Investment
Analysis of Investment as at 31 March 2017

Agency: 542 OPERATION DAWN LIMITED

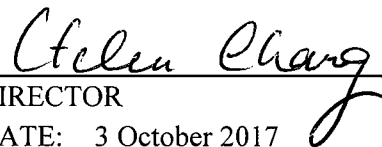
	<u>4/2016 to 3/2017</u> <u>HK\$'000</u>	<u>4/2015 to 3/2016</u> <u>HK\$'000</u>
LSG Reserve as at 31 March 2017	<u>3,297.17</u>	<u>4,789.58</u>
Represented by:		
Investments		
a. HKD Bank Account Balances	3,297.17	4,789.58
b. HKD 24-hour Call Deposits	---	---
c. HKD Fixed Deposits	---	---
d. HKD Certificate of Deposits	---	---
e. HKD Bonds (see appendix for breakdown)	---	---
	<u>3,297.17</u>	<u>4,789.58</u>

Note: The investments should be reported at historical cost.

Confirmed by:-



 CHAIRMAN
 DATE: 3 October 2017



 DIRECTOR
 DATE: 3 October 2017

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)