

**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 2018**

**FOR SUBMISSION TO THE SOCIAL WELFARE DEPARTMENT**



**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)*

譚根榮會計師行  
香港九龍觀塘道 370 號  
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**K.W. Tam & Co.**  
Certified Public Accountants (Practising)  
Unit 2002, 20/F, Millennium City 3,  
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We have audited the financial statements of Operation Dawn Limited (“the Organisation”) for the year ended 31 March 2018 and have issued an unqualified auditors’ report thereon dated 3 September 2018.

We conducted our review of the attached Annual Financial Report on pages 2 to 10 of the Organisation for the year ended 31 March 2018 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 2018:

- 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 2018.

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 September 2018

**ANNUAL FINANCIAL REPORT**

**OPERATION DAWN LIMITED**

香港晨曦會有限公司

**1 APRIL 2017 TO 31 MARCH 2018**

	Note	Total 2017-18 \$	Total 2016-17 \$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	7,443,872.00	7,252,036.00
b. Provident Fund	1c	485,405.00	479,734.00
2. Special One-off Grant		159,468.00	68,122.00
3. Fee Income	2	2,923,648.21	2,638,346.91
4. Central Items	3	428,332.00	403,516.00
5. Rent and Rates	4	273,047.00	272,271.00
6. Other Income	5	153,831.50	218,453.35
<b>TOTAL INCOME</b>		11,867,603.71	11,332,479.26
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		7,647,043.23	6,259,040.21
b. Provident Fund	1c	450,500.78	366,337.02
Sub-total	6	8,097,544.01	6,625,377.23
2. Central Items	3	428,040.00	405,450.62
3. Rent and Rates	4	280,060.20	280,060.00
4. Other Charges	7	3,562,118.86	3,662,870.17
5. Special one-off Grant Payments	7a	-	-
<b>TOTAL EXPENDITURE</b>		12,367,763.07	10,973,758.02
<b>C. (DEFICIT)/SURPLUS FOR THE YEAR</b>	8	(500,159.36)	358,721.24

SIGNATURE

Chairman

Date: 3 September 2018

Director

Date: 3 September 2018

NGO: 542 OPERATION DAWN LIMITED 香港晨曦會有限公司  
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2018

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:

<u>Provident Fund Contribution</u>	Snapshot staff	6.8% and Other Posts	Total
Subvention Received	---	\$ 485,405.00	\$ 485,405.00
Provident Fund Contribution Paid during the Year	---	(450,500.78)	(450,500.78)
Surplus for the Year	---	34,904.22	34,904.22
Add: Surplus b/f	---	1,062,926.00	1,062,926.00
Surplus c/f	---	1,097,830.22	1,097,830.22

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 2018

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>2017-18</u>	<u>2016-17</u>
	\$	\$
<b>a. Income</b>		
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	428,332.00	403,516.00
<b>Total</b>	<u>428,332.00</u>	<u>403,516.00</u>
<b>b. Expenditure</b>		
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	428,040.00	405,450.62
<b>Total</b>	<u>428,040.00</u>	<u>405,450.62</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:

Analysis of Personal Emoluments	No. of Posts	\$
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 2018

NOTES ON THE ANNUAL FINANCIAL REPORT

7. Other Charges

The breakdown on Other Charges is as follows:

	<u>2017-18</u>	<u>2016-17</u>
	\$	\$
<b>Other Charges</b>		
(a) Utilities	188,633.30	204,460.65
(b) Food	604,862.75	671,049.34
(c) Administrative Expenses	431,473.91	395,744.33
(d) Stores and Equipment	78,801.87	45,790.78
(e) Repair and Maintenance	469,595.10	345,721.63
(f) Special Allowances	-	-
(g) Programme Expenses	241,722.15	57,171.30
(h) Transportation and Travelling	455,952.86	646,695.62
(i) Insurance	329,069.77	118,123.08
(j) Miscellaneous	762,007.15	1,178,113.44
<b>Total:</b>	<u><u>3,562,118.86</u></u>	<u><u>3,662,870.17</u></u>

7a. Special One-off Grant Payments

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

	<u>2017-18</u>	<u>2016-17</u>
	\$	\$
<b>Special one-off Grant Payments</b>		
(a) Voluntary Retirement Scheme	---	---
(b) Compensation Scheme	---	---
(c) Staff Training and Development	---	---
(d) Other Staff-related Initiatives	---	---
<b>Total:</b>	<u><u>---</u></u>	<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
	\$	\$	\$	\$	\$
<b>Income</b>					
Lump Sum Grant	7,929,277.00	-	-	-	7,929,277.00
Special One-off Grant	-	159,468.00	-	-	159,468.00
Fee Income	2,923,648.21	-	-	-	2,923,648.21
Other Income	153,831.50	-	-	-	153,831.50
Interest Received (Note (1))	-	-	-	-	-
Rent and Rates	-	-	273,047.00	-	273,047.00
Central Items	-	-	-	428,332.00	428,332.00
<b>Total Income (a)</b>	<b>11,006,756.71</b>	<b>159,468.00</b>	<b>273,047.00</b>	<b>428,332.00</b>	<b>11,867,603.71</b>
<b>Expenditure</b>					
Personal Emoluments	8,097,544.01	-	-	-	8,097,544.01
Central Items	-	-	-	428,040.00	428,040.00
Rent and Rates	-	-	280,060.20	-	280,060.20
Other Charges	3,562,118.86	-	-	-	3,562,118.86
Special One-off Grant Payments	-	-	-	-	-
<b>Total Expenditure (b)</b>	<b>11,659,662.87</b>	<b>-</b>	<b>280,060.20</b>	<b>428,040.00</b>	<b>12,367,763.07</b>
<b>Surplus/(Deficit) for the Year (a)-(b)</b>	<b>(652,906.16)</b>	<b>159,468.00</b>	<b>(7,013.20)</b>	<b>292.00</b>	<b>(500,159.36)</b>
Less: Surplus of Provident Fund	(34,904.22)	-	-	-	(34,904.22)
Surplus/(Deficit) for the year excluding P.F.	(687,810.38)	159,468.00	(7,013.20)	292.00	(535,063.58)
<b>Surplus/(Deficit) b/f (Note (2))</b>	<b>3,297,179.62</b>	<b>68,122.00</b>	<b>(183,307.42)</b>	<b>23,766.43</b>	<b>3,205,760.63</b>
<b>Adjusted per SWD's letter of</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	3,297,179.62	68,122.00	(183,307.42)	23,766.43	3,205,760.63
	2,609,369.24	227,590.00	(190,320.62)	24,058.43	2,670,697.05
Less: Refund to Government	(791,322.95)	-	(1,731.00)	(13,558.25)	(806,612.20)
	1,818,046.29	227,590.00	(192,051.62)	10,500.18	1,864,084.85

**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 Infirmary 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 2017 to 31 March 2018**

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	12,620.00	15,500.10	-	(2,880.10)
	Government Rent	7,302.00	11,700.00	-	(4,398.00)
	Less: Rates concession		-	-	-
	Total	156,542.00	163,820.10	-	(7,278.10)
4270 - Treatment Centre at Tsing Yi (Girl Centre)	Rent (Note 3)	106,920.00	106,920.00	-	-
	Rates	9,585.00	9,320.10	264.90	-
	Less: Rates concession	-	-	-	-
	Total	116,505.00	116,240.10	264.90	-
	<b>Grand Total</b>	273,047.00	280,060.20	264.90	(7,278.10)

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 2017 to 31 March 2018

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 (Note 3) (b)	Deficit for the year		Surplus b/f (Note 4) (e)	Surplus c/f (Note 5) (f)=(c)+(a)-(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)	214,166.00	214,020.00	146.00	-	N.A.	---	113,799.44	113,945.44
Unit 7878 Half-Way House at Wong Tai Sin		214,166.00	214,020.00	146.00	-	N.A.	---	23,827.18	23,973.18
<b>Total</b>		<b>428,332.00</b>	<b>428,040.00</b>	<b>292.00</b>	<b>-</b>	<b>N.A.</b>	<b>---</b>	<b>137,626.62</b>	<b>137,918.62</b>

**Notes:**

- The figures for the whole financial year are 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 setting 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 SWDS/104/2 pt.12 dated 17 July 2013.
  - Dementia Supplement for Edlerly with Disabilities
  - Infirmary Care Supplement for Residential for Aged Blind Persons
  - Dementia Supplement for Residential Elderly Services
  - Infirmary Care Supplement for Residential Elderly services
  - Regularized 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 names are extracted from the payroll from SWD.

**Schedule for Investment**  
**Analysis of Investment as at 31 March 2018**

**Agency: 542 OPERATION DAWN LIMITED**

	<u>4/2017 to 3/2018</u> <u>HK\$'000</u>	<u>4/2016 to 3/2017</u> <u>HK\$'000</u>
<b>LSG Reserve as at 31 March 2018</b>	1,818.05	3,297.17

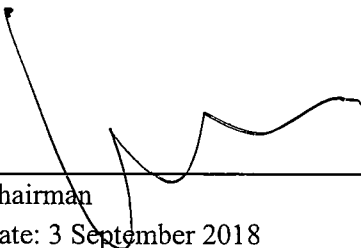
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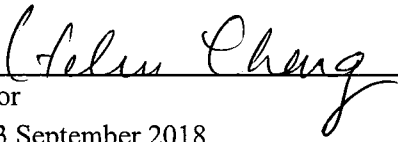
**Investments**

a. HKD Bank Account Balances	1,818.05	3,297.17
b. HKD 24-hour Call Deposits	---	---
c. HKD Fixed Deposits	---	---
d. HKD Certificate of Deposits	---	---
e. HKD Bonds (see appendix for breakdown)	---	---
	1,818.05	3,297.17

Note: The investments should be reported at historical cost.

**Confirmed by:-**

  
 \_\_\_\_\_  
 Chairman  
 Date: 3 September 2018

  
 \_\_\_\_\_  
 Director  
 Date: 3 September 2018

**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)