

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 2021
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*)

We have audited the financial statements of Operation Dawn Limited (“the Organisation”) for the year ended 31 March 2021 and have issued an unqualified auditors’ report thereon dated 17 September 2021.

We conducted our review of the attached Annual Financial Report on pages 2 to 11 of the Organisation for the year ended 31 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 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 2021:

- 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 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.

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

17 September 2021

ANNUAL FINANCIAL REPORT

OPERATION DAWN LIMITED

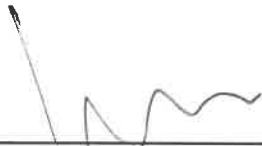
香港晨曦會有限公司

1 APRIL 2020 TO 31 MARCH 2021

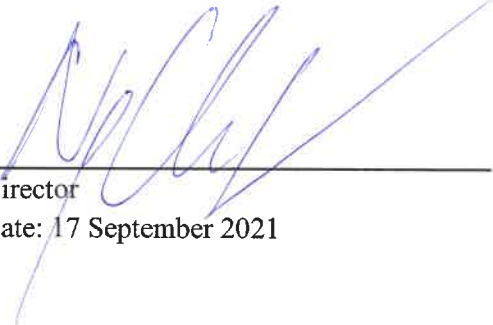
	Note	Total 2020-21 HK\$	Total 2019-20 HK\$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	8,358,220.00	8,305,397.00
b. Provident Fund	1c	543,254.00	543,255.00
2. Fee Income	2	2,851,086.70	2,907,835.24
3. Central Items	3	594,656.00	670,767.00
4. Rent and Rates	4	310,151.00	318,931.00
5. Other Income	5	132,279.00	168,265.00
6. Interest Received		17,342.83	2,452.49
TOTAL INCOME		12,806,989.53	12,916,902.73
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		8,517,035.52	8,026,153.80
b. Provident Fund	1c	470,105.96	440,359.49
Sub-total	6	8,987,141.48	8,466,513.29
2. Other Charges	7	2,666,017.24	3,554,947.40
3. Central Items	3	594,692.00	591,544.00
4. Rent and Rates	4	273,892.00	298,308.00
TOTAL EXPENDITURE		12,521,742.72	12,911,312.69
C. SURPLUS FOR THE YEAR	8	285,246.81	5,590.04

The Annual Financial Report from pages 2 to 11 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE



Chairman
Date: 17 September 2021



Director
Date: 17 September 2021

NGO: 542 OPERATION DAWN LIMITED 香港晨曦會有限公司
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

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 (SWD) under the Lump Sum Grant Subvention 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 (PF)

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:

	6.8% and		Total
	Snapshot staff	Other Posts	
	HK\$	HK\$	HK\$
<u>Provident Fund Contribution</u>	---	543,254.00	543,254.00
Subvention Received	---	(470,105.96)	(470,105.96)
Provident Fund Contribution Paid during the Year	---	73,148.04	73,148.04
Surplus for the Year	---	1,315,135.77	1,315,135.77
Add: Surplus b/f	---	---	---
Adjusted per SWD's letter of 27 Aug 2019 Ref: (27) in SWD SF/SAS/4-65/116(542)II	---	8,433.00	8,433.00
(a) Subventions Released in 2017-2018	---	1,396,716.81	1,396,716.81
Surplus c/f	---	---	---

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.

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ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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 3.14 of LSG Manual (October 2016)).

The income and expenditure of each of the Central Items are as follows:

	2020-21 HK\$	2019-20 HK\$
a. Income		
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	467,884.00	464,762.00
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	---	79,233.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	<u>126,772.00</u>	<u>126,772.00</u>
Total	<u>594,656.00</u>	<u>670,767.00</u>
b. Expenditure		
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	467,920.00	464,768.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	<u>126,772.00</u>	<u>126,776.00</u>
Total	<u>594,692.00</u>	<u>591,544.00</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.

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NOTES ON THE ANNUAL FINANCIAL REPORT

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 the 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 HK\$	2019-20 HK\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	132,279.00	168,265.00
(b) Others	---	---
Total	<u>132,279.00</u>	<u>168,265.00</u>

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ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

NOTES ON THE ANNUAL FINANCIAL REPORT

- 6. Personal Emoluments** Personal Emoluments include salary, provident fund and salary-related allowances. The analysis on number of posts with annual Personal Emoluments over HK\$700,000 each paid under LSG is appended below:

Analysis of Personal Emoluments paid under LSG	No. of Posts	HK\$
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:

Other Charges	2020-21 HK\$	2019-20 HK\$
(a) Utilities	85,297.62	215,763.92
(b) Food	699,533.94	678,364.80
(c) Administrative Expenses	188,928.11	199,224.17
(d) Stores and Equipment	164,064.47	335,772.80
(e) Repair and Maintenance	438,961.29	906,516.64
(f) Special Allowances	---	---
(g) Programme Expenses	160,390.70	223,207.00
(h) Transportation and Travelling	370,258.62	398,801.15
(i) Insurance	326,108.96	324,709.71
(j) Fuel	148,020.00	109,370.00
(k) Staff Training	15,189.00	52,376.30
(l) Cleaning	27,689.33	53,825.12
(m) Miscellaneous	41,575.20	57,015.79
Total:	<u>2,666,017.24</u>	<u>3,554,947.40</u>

NOTES ON THE ANNUAL FINANCIAL REPORT

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

	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	8,901,474.00	---	---	---	8,901,474.00
Fee Income	2,851,086.70	---	---	---	2,851,086.70
Other Income	132,279.00	---	---	---	132,279.00
Interest Received (Note (1))	17,342.83	---	---	---	17,342.83
Rent and Rates	---	---	310,151.00	---	310,151.00
Central Items	---	---	---	594,656.00	594,656.00
Total Income (a)	11,902,182.53	---	310,151.00	594,656.00	12,806,989.53
Expenditure					
Personal Emoluments	8,987,141.48	---	---	---	8,987,141.48
Central Items	---	---	---	594,692.00	594,692.00
Rent and Rates	---	---	273,892.00	---	273,892.00
Other Charges	2,666,017.24	---	---	---	2,666,017.24
Total Expenditure (b)	11,653,158.72	---	273,892.00	594,692.00	12,521,742.72
Surplus/(Deficit) for the Year (a)-(b)	249,023.81	---	36,259.00	(36.00)	285,246.81
Less: Surplus of Provident Fund	(73,148.04)	---	---	---	(73,148.04)
Surplus/(Deficit) for the year excluding P.F.	175,875.77	---	36,259.00	(36.00)	212,098.77
Surplus/(Deficit) b/f (Note (2))	2,092,997.68	159,468.00	(125,336.52)	91,375.18	2,218,504.34
Adjusted per SWD's letter of 27 August 2019 Ref: (27) in SWD SF/SAS/4-65/116(542)II					
(a) Subventions Released in 2017-2018	143,233.00	(159,468.00)	7,802.00	---	(8,433.00)
Adjusted per SWD's letter of 9 November 2020 Ref: (51) in SWD SF/SAS/4-65/116(542)II					
(a) Rates & Management Fees for Office	364,693.60	---	---	---	364,693.60
	2,600,924.28	---	(117,534.52)	91,375.18	2,574,764.94
	2,776,800.05	---	(81,275.52)	91,339.18	2,786,863.71
<u>Add:</u> Refund from Government	---	---	---	0.10	0.10
<u>Less:</u> Refund to Government	(288,268.00)	---	(20,623.00)	(79,233.00)	(388,124.00)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmiry Care Supplement (Note (3))	---	---	---	---	---
Surplus/(Deficit) c/f (Note (4))	2,488,532.05	---	(101,898.52)	12,106.28	2,398,739.81

Notes:

- (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant 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 Infirmiry Care Supplement, if any, as per Schedule of 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.

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period from 1 April 2020 to 31 March 2021

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)
		HK\$	HK\$	HK\$	HK\$
7878 - Half Way House at Wong Tai Sin	Rent (Note 3)	154,403.00	158,796.00	---	(4,393.00)
	Rates	13,563.00	400.00	13,163.00	---
	Total	167,966.00	159,196.00	13,163.00	(4,393.00)
4270 - Treatment Centre at Tsing Yi (Girl Centre)	Rent (Note 3)	114,696.00	114,696.00	---	---
	Rates	10,301.00	---	10,301.00	---
	Total	124,997.00	114,696.00	10,301.00	---
7876 - Treatment Centre at Sai Kung (Dawn Island)	Rent (Note 3)	---	---	---	---
	Rates	17,188.00	---	17,188.00	---
	Total	17,188.00	---	17,188.00	---
	Grand Total	310,151.00	273,892.00	40,652.00	(4,393.00)

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 2020 to 31 March 2021

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) HK\$	Actual Expenditure (Note 2) HK\$	Surplus (Note 3) (a) HK\$	Deficit for the year			Surplus b/f (Note 5) HK\$	Refund to Government (f)	Surplus c/f (Note 6) (f)=(c)+(a)-(b) HK\$
					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)	233,942.00	233,960.00	---	(18.00)	N.A.	---	113,947.44	---	113,929.44
Unit 7878 Half-Way House at Wong Tai Sin		233,942.00	233,960.00	---	(18.00)	N.A.	---	23,975.18	---	23,957.18
Remittance Advice No: 4286693	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	---	---	---	---	N.A.	---	79,233.00	(79,233.00)	---
Remittance Advice No: 4286693	Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	126,772.00	126,772.00	---	---	N.A.	---	(4.00)	---	(4.00)
Total		594,656.00	594,692.00	---	(36.00)	N.A.	---	217,151.62	(79,233.00)	137,882.62

Notes:

- 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 SWD 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. (33) in SWD/S/104/2 Pt. 18 dated 4 March 2020.
 - Dementia Supplement for Elderly with Disabilities
 - Infirmary Care Supplement for the Aged Blind Persons
 - Dementia Supplement for Residential Elderly Services
 - Infirmary Care Supplement for Residential Elderly services
- "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
- "Surplus carried forward (c/f)" means surplus brought forward less refund to Government plus surplus, if any, arising from operations in current year.
- Unit code and name / remittance advice no. are extracted from the payroll from SWD and remittance advice from the Treasury respectively.
- 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.
- For ASCP / Enhanced ASCP, the adjustment includes the amount of expenditure overstated / (understand) in previous year(s) after taking into account the actual claw-back amount(s) per SWD's allocation letter(s), if any.


Schedule for Investment
Analysis of Investment as at 31 March 2021

Agency: 542 OPERATION DAWN LIMITED


	<u>2021</u> <u>HK\$'000</u>	<u>2020</u> <u>HK\$'000</u>
LSG Reserve as at 31 March 2021	2,488.53	2,092.99
Represented by:		
Investments		
a. HKD Bank Account Balances	2,488.53	2,092.99
b. HKD 24-hour Call Deposits	---	---
c. HKD Fixed Deposits	---	---
d. HKD Certificate of Deposits	---	---
e. HKD Bonds	---	---
	2,488.53	2,092.99

Note: The investments should be reported at historical cost.

Confirmed by:-



 Chairman
 Date: 17 September 2021



 Director
 Date: 17 September 2021

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)