

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 2023
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

**INDEPENDENT AUDITOR'S ASSURANCE 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 the Operation Dawn Limited (“the organisation”) for the year ended 31 March 2023 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and have issued an unmodified auditor’s report thereon dated 3 October 2023.

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 organisation for the year ended 31 March 2023.

Responsibilities of the Directors

In relation to this report, the directors are responsible for ensuring the AFR of the organisation for the year ended 31 March 2023 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 organisation 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.

Auditor’s Responsibility

Our responsibility is to form a conclusion, based on our engagement, and to report our conclusion to you. We do not assume or accept any responsibility or liability or duty of care to any other person for the contents of this report.

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 an audit opinion.

**INDEPENDENT AUDITOR'S ASSURANCE 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)

Auditor's Responsibility (continued)

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 respects, 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 organisation 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 relating 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 organisation for the year ended 31 March 2023 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 LSG by the organisation 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 organisation 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.



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

3 October 2023


ANNUAL FINANCIAL REPORT

NGO 542: OPERATION DAWN LIMITED 香港晨曦會有限公司 (1 APRIL 2022 TO 31 MARCH 2023)

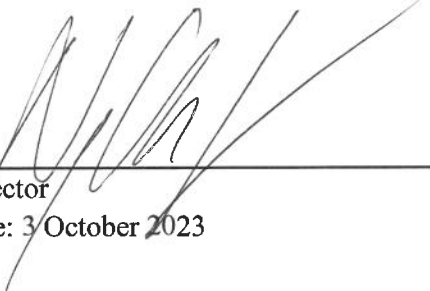
	Note	2022-23 HK\$	2021-22 HK\$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	8,504,878.00	8,379,552.00
b. Provident Fund	1c	551,265.00	543,254.00
2. Fee Income	2	3,748,354.90	3,309,703.74
3. Central Items	3	463,205.00	467,884.00
4. Rent and Rates	4	322,822.00	309,538.00
5. Other Income	5	174,290.00	164,478.01
6. Interest Received		52,604.74	4,473.68
TOTAL INCOME		13,817,419.64	13,178,883.43
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		8,594,292.69	8,107,916.24
b. Provident Fund	1c	485,191.07	471,922.10
c. Allowances		---	---
Sub-total	6	9,079,483.76	8,579,838.34
2. Other Charges	7	3,818,448.84	3,863,025.39
3. Central Items	3	463,216.00	467,888.00
4. Rent and Rates	4	296,009.00	282,724.00
TOTAL EXPENDITURE		13,657,157.60	13,193,475.73
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	160,262.04	(14,592.30)

The Annual Financial Report from pages 3 to 12 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE



Chairman
Date: 3 October 2023



Director
Date: 3 October 2023

NOTES ON THE ANNUAL FINANCIAL REPORT

NGO 542: OPERATION DAWN LIMITED 香港晨曦會有限公司
(1 APRIL 2022 TO 31 MARCH 2023)

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 ("SWD") under the Lump Sum Grant ("LSG") 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 HK\$	6.8% and Other Posts HK\$	Total HK\$
Subvention Received	---	551,265.00	551,265.00
Provident Fund Contribution paid during the Year	---	(485,191.07)	(485,191.07)
Surplus for the Year	---	66,073.93	66,073.93
Add: Surplus/(Deficit) b/f	---	1,468,018.71	1,468,018.71
Additional subvention received for previous year(s)	---	---	---
Less: Refund to Government	---	---	---
Surplus/(Deficit) c/f	---	1,534,092.64	1,534,092.64

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.

NOTES ON THE ANNUAL FINANCIAL REPORT

NGO 542: OPERATION DAWN LIMITED 香港晨曦會有限公司
(1 APRIL 2022 TO 31 MARCH 2023)

- 3. Central Items** These are subsidies allocated to NGOs for specified purposes on a recurrent, time-limited or one-off basis 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.
- Any surplus, which is not allowed to be offset by any deficit of another item, is subject to claw-back by SWD according to the terms and conditions of individual central items.
- 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). The income and expenditure of each of the Central Items are as follows:

	2022-23 HK\$	2021-22 HK\$
a. Income		
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	<u>463,205.00</u>	<u>467,884.00</u>
Total	<u>463,205.00</u>	<u>467,884.00</u>
b. Expenditure		
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	<u>463,216.00</u>	<u>467,888.00</u>
Total	<u>463,216.00</u>	<u>467,888.00</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.

- 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 need not be included as Other Income in the AFR. In this respect, donations have been 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:

	2022-23 HK\$	2021-22 HK\$
Other Income		
(a) Programme income	<u>174,290.00</u>	<u>164,478.01</u>
Total	<u>174,290.00</u>	<u>164,478.01</u>

NOTES ON THE ANNUAL FINANCIAL REPORT

NGO 542: OPERATION DAWN LIMITED 香港晨曦會有限公司 (1 APRIL 2022 TO 31 MARCH 2023)

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	2022-23 HK\$	2021-22 HK\$
(a) Utilities	213,972.65	200,824.38
(b) Food	756,299.20	675,626.00
(c) Administrative Expenses	218,867.66	233,794.55
(d) Stores and Equipment	429,407.58	351,822.79
(e) Repair and Maintenance	890,014.07	1,052,886.71
(f) Programme Expenses	218,741.53	224,390.80
(g) Transportation and Travelling	396,746.38	432,759.55
(h) Insurance	316,159.98	331,149.15
(i) Fuel	277,264.00	233,951.00
(j) Staff Training	35,830.90	28,770.62
(k) Cleaning	36,516.40	40,598.80
(l) Miscellaneous	28,628.49	56,451.04
Total	<u>3,818,448.84</u>	<u>3,863,025.39</u>

NOTES ON THE ANNUAL FINANCIAL REPORT

NGO 542: OPERATION DAWN LIMITED 香港晨曦會有限公司
(1 APRIL 2022 TO 31 MARCH 2023)

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

	Lump Sum Grant (LSG) HK\$	Holding Account (HA) HK\$	Rent and Rates HK\$	Central Items (CI) HK\$	Total HK\$
Income					
Lump Sum Grant	9,056,143.00	---	---	---	9,056,143.00
Fee Income	3,748,354.90	---	---	---	3,748,354.90
Other Income	174,290.00	---	---	---	174,290.00
Interest Received (Note (1))	52,604.74	---	---	---	52,604.74
Rent and Rates	---	---	322,822.00	---	322,822.00
Central Items	---	---	---	463,205.00	463,205.00
Total Income (a)	13,031,392.64	---	322,822.00	463,205.00	13,817,419.64
Expenditure					
Personal Emoluments	9,079,483.76	---	---	---	9,079,483.76
Other Charges	3,818,448.84	---	---	---	3,818,448.84
Rent and Rates	---	---	296,009.00	---	296,009.00
Central Items	---	---	---	463,216.00	463,216.00
Total Expenditure (b)	12,897,932.60	---	296,009.00	463,216.00	13,657,157.60
Surplus/(Deficit) for the Year (a) - (b)	133,460.04	---	26,813.00	(11.00)	160,262.04
Less: Surplus/(Deficit) of Provident Fund	66,073.93	---	---	---	66,073.93
	67,386.11	---	26,813.00	(11.00)	94,188.11
Surplus/(Deficit) b/f (Note (2))	2,274,674.55	101,153.30	(101,240.52)	12,102.28	2,286,689.61
	2,342,060.66	101,153.30	(74,427.52)	12,091.28	2,380,877.72
Add: Refund from Government	---	---	4,393.00	---	4,393.00
Less: Refund to Government	---	---	(29,767.00)	---	(29,767.00)
Adjustment for understated surplus in 2019-20 AFR	---	---	---	10.00	10.00
Surplus/(Deficit) c/f (Note (3))	2,342,060.66	101,153.30	(99,801.52)	12,101.28	2,355,513.72

Notes:

- (1) Interest received on LSG (including Holding Account ("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) For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows:

Without SS [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year (which is regarded as Year 0) was zero]

For the next three years (Year 1 to Year 3), the level of LSG cumulative reserve will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year.

From the fourth financial year (Year 4) onwards, the level of LSG cumulative reserve and HA reserve will be counted altogether and the combined reserve amount will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year. In this regard, separate disclosure of the movement of HA in their respective AFRs is not necessary.

[For (4) above, please also refer to SWD's letter under reference (11) in SWD/S/109/1/10 of 4 April 2022.]

For any amount above the cap, SWD would arrange the claw-back (including provisional in the following financial year) accordingly.

**SCHEDULE FOR RENT AND RATES
ANALYSIS OF SUBVENTION AND EXPENDITURE
FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023**

Appendix 1

NGO 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)	161,855.00	164,808.00	---	(2,953.00)
	Rates	13,563.00	5,000.00	8,563.00	---
	Total	175,418.00	169,808.00	8,563.00	(2,953.00)
4270 - Treatment Centre at Tsing Yi (Girl Centre)	Rent (Note 3)	120,528.00	120,528.00	---	---
	Rates	10,301.00	2,150.00	8,151.00	---
	Total	130,829.00	122,678.00	8,151.00	---
7876 - Treatment Centre at Sai Kung (Dawn Island)	Rent (Note 3)	---	---	---	---
	Rates	16,575.00	3,523.00	13,052.00	---
	Total	16,575.00	3,523.00	13,052.00	---
	Grand Total	322,822.00	296,009.00	29,766.00	(2,953.00)

Note:

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year. Reimbursement for rent and rates relating to previous financial year(s) (i.e. back payments) should not be included.
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 2022 TO 31 MARCH 2023**

NGO 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)	231,602.50	231,608.00	---	(5.50)	N.A.	---	113,927.44	---	113,921.94
Unit 7878 Half-Way House at Wong Tai Sin		231,602.50	231,608.00	---	(5.50)	N.A.	---	23,955.18	---	23,949.68
Remittance Advice No: 4286693	Special Allowance for Staff of Subvented Residential Service Units respect of COVID-19	---	---	---	---	N.A.	---	(4.00)	---	(4.00)
<i>Adjustments for omitted entries in prior years</i>										
	Adjustment per SWD letter of 29.4.2015	---	---	30,702.52	---	N.A.	---	---	---	30,702.52
	Adjustment per SWD letter SF/SA/4-65/(542)	---	---	---	(16,691.00)	N.A.	---	---	---	(16,691.00)
	Refund to Government - Per AFR 2016 Note 8	---	---	---	---	N.A.	---	---	(119,776.11)	(119,776.11)
	Refund to Government - Per AFR 2017 Note 8	---	---	---	---	N.A.	---	---	(8,095.60)	(8,095.60)
	Refund to Government - Per AFR 2018 Note 8	---	---	---	---	N.A.	---	---	(13,558.25)	(13,558.25)
	Refund to Government - For 2018	---	---	1,944.00	---	N.A.	---	---	(292.00)	(292.00)
	Adjustment per SWD letter SF/SAS/4-65/116(542) II	---	---	---	---	N.A.	---	---	---	1,944.00
	Refund from Government - Per AFR 2021 Note 8	---	---	---	---	N.A.	---	---	0.10	0.10
		---	---	32,646.52	(16,691.00)	N.A.	---	---	(141,721.86)	(125,766.34)
Total		463,205.00	463,216.00	32,646.52	(16,702.00)	N.A.	---	137,878.62	(141,721.86)	12,101.28

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 can be transferred to the Lump Sum Grant Reserve as stated in the relevant letter issued by SWD.
 - 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
- For items other than those listed above, please insert "N/A".
- "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.
 - As the above schedule may not be exhaustive in content, any relevant details of central items released and/or expended during the year may also be included, where appropriate.

SCHEDULE FOR INVESTMENT
ANALYSIS OF INVESTMENT AS AT 31 MARCH 2023

NGO 542: OPERATION DAWN LIMITED 香港晨曦會有限公司

	<u>2023</u> <u>HK\$'000</u>	<u>2022</u> <u>HK\$'000</u>
LSG Reserve as at 31 March	2,443.21	2,375.83
 Represented by:		
Investments		
a. HKD Bank Account Balances	2,443.21	2,375.83
b. HKD 24-hour Call Deposits	---	---
c. HKD Fixed Deposits	---	---
d. HKD Certificate of Deposits	---	---
e. HKD Bonds	---	---
	2,443.21	2,375.83

Note: The investments should be reported at historical cost.

Confirmed by:-



Chairman

Date: 3 October 2023



Director

Date: 3 October 2023

**SCHEDULE FOR THE UTILISATION OF RESERVE
IN HOLDING ACCOUNT (HA) FOR 2022-23 AND
THE PLAN OF UTILISATION OF HA RESERVE FOR 2023-24**

NGO 542: OPERATION DAWN LIMITED 香港晨曦會有限公司

Please submit this schedule together with the Annual Financial Report to the Finance Branch of Social Welfare Department on or before 31 October 2023.

(A) Utilisation of HA Reserve (2022-23)

		\$
(1)	Balance as at 31 March 2022 brought forward	(a) 101,153.30
(2)	Actual Expenditure	
	(i) Meeting contractual commitments towards Snapshot Staff	(b) ---
	(ii) Enhancing human resources management (please specify:)	(c) ---
	(iii) Others [applicable to NGOs without Snapshot Staff] (please specify:)	(d) ---
	Total = (b) + (c) + (d)	(e) ---
(3)	Balance as at 31 March 2023 carried forward [i.e. = (a) – (e)]	(f) 101,153.30
(4)	No. of Snapshot Staff (as at 1 September 2022)	0.000

(B) Plan of Utilisation of HA Reserve (2023-24)

		\$
(1)	Balance as at 31 March 2023 brought forward [i.e. (f) of Part (A)]	(a) 101,153.30
(2)	Estimated Expenditure	
	(i) Meeting contractual commitments towards Snapshot Staff	(b) ---
	(ii) Enhancing human resources management (please specify:)	(c) ---
	(iii) Others [applicable to NGOs without Snapshot Staff] (please specify:)	(d) ---
	Total = (b) + (c) + (d)	(e) ---
(3)	Balance as at 31 March 2024 carried forward [i.e. = (a) – (e)]	(f) 101,153.30
(4)	Estimated no. of Snapshot Staff (as at 1 September 2023)	0.000

List of Subvented Service Units

NGO 542: OPERATION DAWN LIMITED 香港晨曦會有限公司

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)