

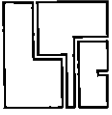


HANS ANDERSEN CLUB LIMITED
(Incorporated in Hong Kong with liabilities limited by
guarantee and not having a share capital)

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH, 2018



李 湯 陳 會 計 師 事 務 所
LI, TANG, CHEN & CO.
Certified Public Accountants (Practising)
Hong Kong



REVIEW REPORT
TO THE EXECUTIVE COMMITTEE MEMBERS OF HANS ANDERSEN CLUB LIMITED
(incorporated in Hong Kong with liabilities limited by guarantee and not having a share capital)

We have audited the financial statements of Hans Andersen Club Limited ("the Club") for the year ended 31st March, 2018 and have issued an unqualified auditor's report thereon dated

We conducted our review of the attached Annual Financial Report on pages 2 to 7 of the Club for the year ended 31st 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 Club, on which the above audited financial statements of the Club 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 Club for the year ended 31st March, 2018:

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

Li, Tang, Chen & Co.

Li, Tang, Chen & Co.
Certified Public Accountants (Practising)

Hong Kong, 26 OCT 2018
AWSP/KKWK:vy

**HANS ANDERSEN CLUB LIMITED
(BY GUARANTEE)**

ANNUAL FINANCIAL REPORT

FOR THE PERIOD FROM 1ST APRIL, 2017 TO 31ST MARCH, 2018

	<u>Note</u>	<u>2017-18</u> HK\$	<u>2016-17</u> HK\$
A. INCOME			
1. Lump Sum Grant			
a) Lump Sum Grant (excluding Provident Fund)	1b.	2,840,132.00	2,760,515.00
b) Provident Fund	1c	214,455.00	211,837.00
		3,054,587.00	2,972,352.00
2. Special One-off Grant		-	-
3. Fee Income	2	7,710.00	13,085.00
4. Central Items	3	330,900.00	270,000.00
5. Rent and Rates	4	199,421.00	235,180.00
6. Other Income	5	641,614.70	579,170.80
7. Interest Received		4,187.15	1,341.88
TOTAL INCOME		4,238,419.85	4,071,129.68
B. EXPENDITURE			
1. Personal Emoluments			
a) Salaries		2,818,484.79	2,735,893.13
b) Provident Fund	1c	215,649.04	210,857.75
c) Allowances		-	-
Sub-total	6	3,034,133.83	2,946,750.88
2. Other Charges	7	667,700.02	601,677.98
3. Central Items	3	326,496.50	268,715.00
4. Rent and Rates	4	195,050.00	195,050.00
5. Special One-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		4,223,380.35	4,012,193.86
C. SURPLUS FOR THE YEAR			
	8	15,039.50	58,935.82

.....
Chairman

Date: 26 OCT 2018

.....
Executive Director

Date: 26 OCT 2018

HANS ANDERSEN CLUB LIMITED

(BY GUARANTEE)

NOTES ON THE ANNUAL FINANCIAL REPORT

1. LUMP SUM GRANT

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 under the Lump Sum Grant 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.

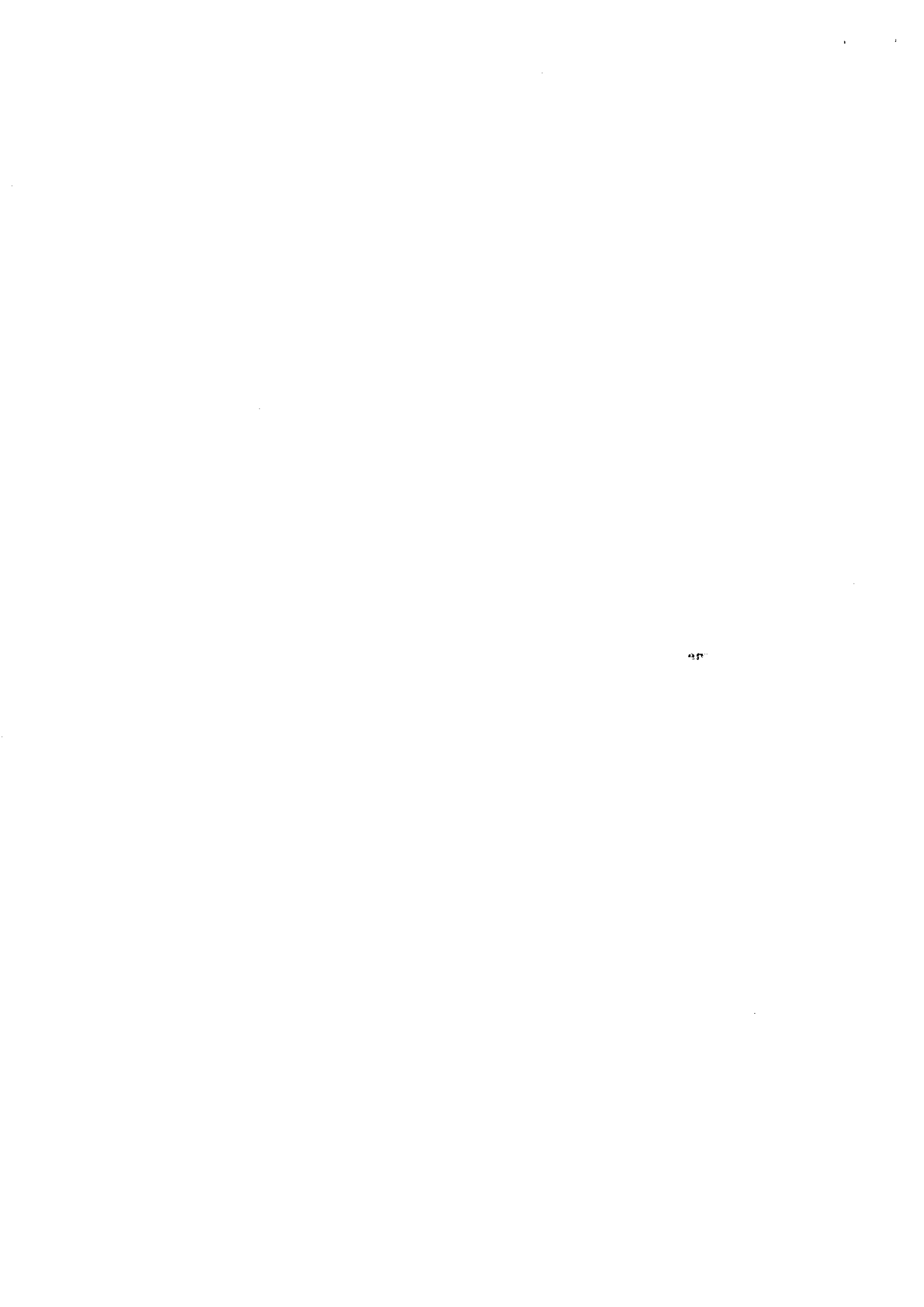
Snapshot staff are defined as those staff occupying recognised or holding against subvented posts as at 1st April, 2000.

6.8% and other posts represent those staff that are employed after 1st April, 2000.

The Provident Fund received and contributed for staff under the Central Items have been shown under note (3).

Details are analysed below:

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u> HK\$	<u>6.8% and Other Posts</u> HK\$	<u>Total</u> HK\$
Subvented Received	56,383.00	158,072.00	214,455.00
Provident Fund Contribution paid during the year	(56,383.20)	(159,265.84)	(215,649.04)
Deficit for the year	(0.20)	(1,193.84)	(1,194.04)
Add: Surplus b/f	3,803.35	256,223.78	260,027.13
Agency's contribution	4,256.00	-	4,256.00
Less: Refund to Government	(8,060.00)	-	(8,060.00)
(Deficit)/surplus c/f	(0.85)	255,029.94	255,029.09



HANS ANDERSEN CLUB LIMITED

(BY GUARANTEE)

NOTES ON THE ANNUAL FINANCIAL REPORT

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.

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 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 LSG Manual (October 2017)). The income and expenditure of each of the Central Items are as follows:

	2017-18		2016-17	
	<u>Diana Boyd Wilson Centre</u> HK\$	<u>Chuk Yuen Centre</u> HK\$	<u>Total</u> HK\$	<u>Total</u> HK\$
a. <u>Income</u>				
After School Care Programme	<u>118,200.00</u>	<u>212,700.00</u>	<u>330,900.00</u>	<u>270,000.00</u>
Total	<u>118,200.00</u>	<u>212,700.00</u>	<u>330,900.00</u>	<u>270,000.00</u>
b. <u>Expenditure</u>				
After School Care Programme	<u>120,750.00</u>	<u>205,746.50</u>	<u>326,496.50</u>	<u>268,715.00</u>
Total	<u>120,750.00</u>	<u>205,746.50</u>	<u>326,496.50</u>	<u>268,715.00</u>
(Deficit)/surplus for the year	<u>(2,550.00)</u>	<u>6,953.50</u>	<u>4,403.50</u>	<u>1,285.00</u>

HANS ANDERSEN CLUB LIMITED

(BY GUARANTEE)

NOTES ON THE ANNUAL FINANCIAL REPORT

4. RENT AND RATES

This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditures 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. In this respect, donations have been included if it is used to finance expenditure reflected in the AFR.

The breakdown on other income (paragraph 2.29 of LSG Manual (October 2017)) is as follows:

	<u>2017-18</u> HK\$	<u>2016-17</u> HK\$
a) Fees and charges of services incidental to operation of subvented services	640,631.70	577,904.80
b) Others	<u>983.00</u>	<u>1,266.00</u>
Total other income	<u><u>641,614.70</u></u>	<u><u>579,170.80</u></u>

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\$700,000.00 each paid under LSG is appended below:

<u>Analysis of Personal Emoluments</u>	<u>No. of Posts</u>	<u>2017-18</u> 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.	-	-



HANS ANDERSEN CLUB LIMITED

(BY GUARANTEE)

NOTES ON THE ANNUAL FINANCIAL REPORT

7. OTHER CHARGES

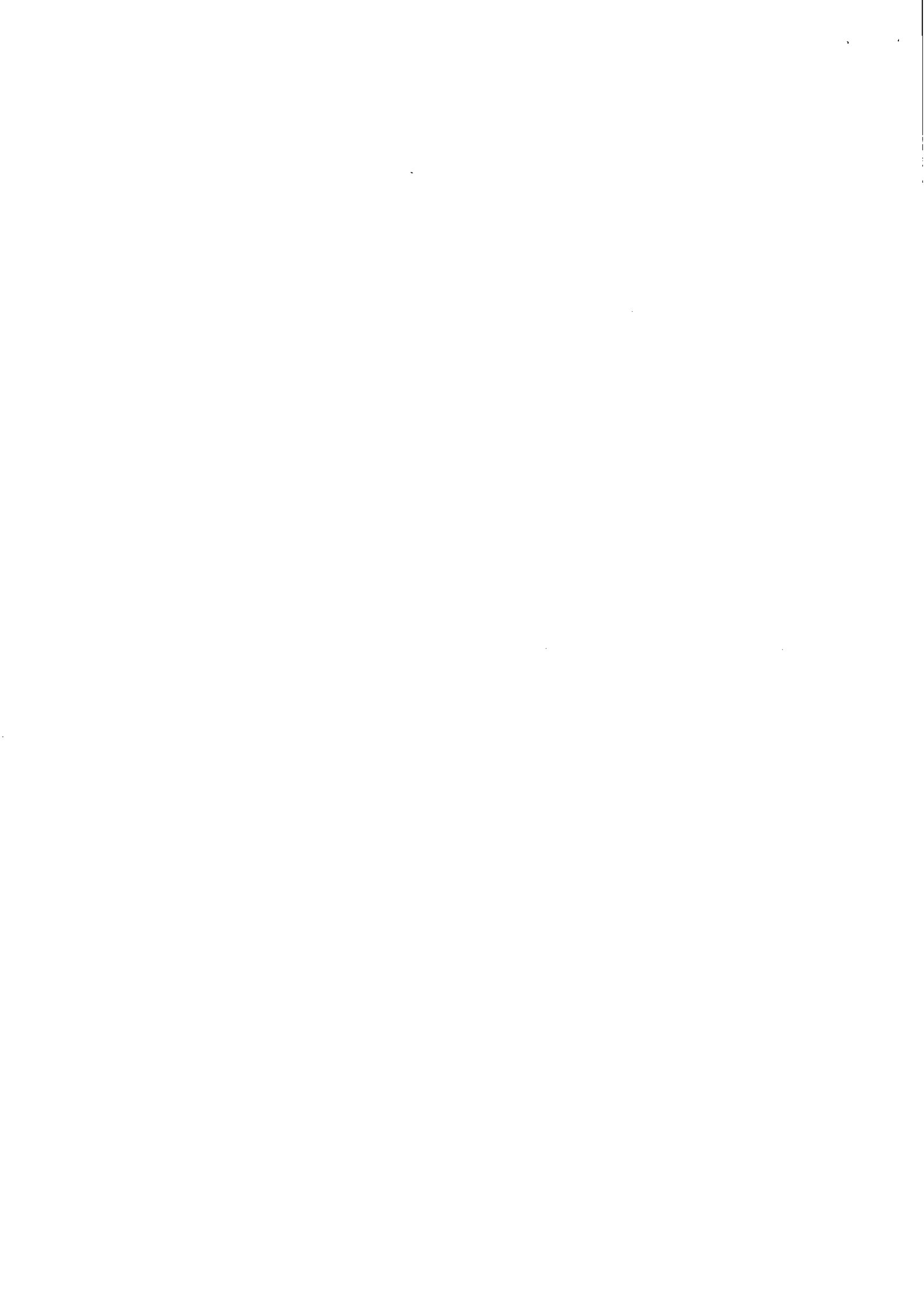
The breakdown on Other Charges is as follows:

	<u>2017-18</u> HK\$	<u>2016-17</u> HK\$
Other Charges		
a) Utilities	27,418.80	27,914.70
b) Food	-	-
c) Administrative Expenses	35,067.30	32,502.40
d) Stores and Equipment	17,196.70	39,121.60
e) Repair and Maintenance	25,579.00	15,129.00
f) Special Allowances	-	-
g) Programme Expenses	522,082.31	435,346.99
h) Transportation and Travelling	1,987.60	2,610.90
i) Insurance	11,637.81	11,031.49
j) Miscellaneous	<u>26,730.50</u>	<u>38,020.90</u>
Total	<u>667,700.02</u>	<u>601,677.98</u>

7a. SPECIAL ONE-OFF GRANT PAYMENTS

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

	<u>2017-18</u> HK\$	<u>2016-17</u> HK\$
Special one-off Grant Payments		
a) Voluntary Retirement Scheme	-	-
b) Compensation Scheme	-	-
c) Staff Training and Development	-	-
d) Other Staff-related Initiatives	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>



HANS ANDERSEN CLUB LIMITED

(BY GUARANTEE)

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	3,054,587.00	-	-	-	3,054,587.00
Special One-off Grant	-	-	-	-	-
Fee Income	7,710.00	-	-	-	7,710.00
Other Income	641,614.70	-	-	-	641,614.70
Interest Received (Note (1))	4,187.15	-	-	-	4,187.15
Rent and Rates	-	-	199,421.00	-	199,421.00
Central Items	-	-	-	330,900.00	330,900.00
Total Income (a)	3,708,098.85	-	199,421.00	330,900.00	4,238,419.85
EXPENDITURE					
Personal Emoluments	3,034,133.83	-	-	-	3,034,133.83
Other Charges	667,700.02	-	-	-	667,700.02
Rent and Rates	-	-	195,050.00	-	195,050.00
Central Items	-	-	-	326,496.50	326,496.50
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	3,701,833.85	-	195,050.00	326,496.50	4,223,380.35
Surplus for the year (a) – (b)	6,265.00	-	4,371.00	4,403.50	15,039.50
Add: Deficit of Provident Fund	1,194.04	-	-	-	1,194.04
Surplus/(Deficit) b/f (Note (2))	7,459.04	-	4,371.00	4,403.50	16,233.54
	695,290.72	-	(4,370.56)	8,175.00	699,095.16
Less: Refund to Government (Note 5)	702,749.76	-	0.44	12,578.50	715,328.70
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplementary (Note 3)	(8,060.00)	-	-	-	(8,060.00)
Add: Agency's contribution (Note 6)	4,256.00	-	-	2,480.00	6,736.00
Surplus/(Deficit) c/f (Note (4))	698,945.76	-	0.44	15,058.50	714,004.70

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 Lump Sum Grant Surplus b/f from previous years (including holding account) and all interest received in previous years are included in the surplus b/f under LSG.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplement, if any, as per Schedule for Central Items.
- (4) The level of LSG cumulative reserve, less LSG Reserve kept in the holding account, will be capped at 25% of the Club's operating expenditure (excluding Provident Fund expenditure) for the year.

(A) Total expenditure excluding Provident Fund expenditure:

Total expenditure for the year	HK\$3,701,833.85
Less: Provident Fund for the year	(215,649.04)
	<u>HK\$3,486,184.81</u>

(B) Total surplus c/f of LSG (less: LSG Reserve kept in the holding account HK\$327,789.04) HK\$ 371,156.72

25% of (A) on operating expenditure for the year HK\$ 871,546.20

(B) amount is smaller than 25% of (A): no clawback HK\$ Nil

- (5) Refund to Government: Surplus in 2015-2016 PF for Snapshot Staff HK\$3,804.00
Over charging in 2014-2015 PF for Snapshot Staff HK\$4,256.00
- (6) Agency's contribution: Over charging in 2014-2015 PF for Snapshot Staff HK\$4,256.00
Central Items After School Care Programme of Diana Body Wilson Centre deficit for the year HK\$2,480.00

HANS ANDERSEN CLUB LIMITED

Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1st April, 2017 to 31st March, 2018

Unit code	Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the year			Surplus b/f (Note 5) (e)	Surplus c/f (Note 6) (f)=(e)+(a)-(d) HK\$
						Deficit (Note 3) (b) HK\$	Deficit transferred to LSG (Note 4) (c) HK\$	Adjusted Deficit (d)=(b)-(c) HK\$		
			HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
3030	Diana Boyd Wilson Centre	After School Care Programme – Fee Waiving Subsidy Scheme	118,200.00	120,750.00	-	2,550.00	N.A.	2,550.00	70.00	(2,480.00) 2,480.00
3030	Chuk Yuen Centre	Add: Agency's Contribution After School Care Programme – Fee Waiving Subsidy Scheme	212,700.00	205,746.50	6,953.50	-	N.A.	-	8,105.00	15,058.50
		TOTAL:	330,900.00	326,496.50	6,953.50	2,550.00	N.A.	2,550.00	8,175.00	15,058.50

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 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. (28) in SWD/S/104/2 Pt. 17 dated 31st October, 2017.
- "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.
- The central items as listed above may not be exhaustive and relevant details of central items released and / or expended during the year, where appropriate, should also be included.

**Schedule For Reconciliations of Surplus
for the year between the audited financial statements and AFR**

HANS ANDERSEN CLUB LIMITED

	<u>2017-18</u>	<u>2016-17</u>
	HK\$	HK\$
Total comprehensive income for the year (per movement of Lump Sum Grant Reserve shown on Page 9 of audited financial statements)		
- Lump Sum Grant	25,102.91	4,602.26
- Provident Fund	(4,998.04)	979.25
- ASCP	<u>6,883.50</u>	<u>1,285.00</u>
Total comprehensive income for the year	26,988.37	6,866.51
Agency's contribution	(6,736.00)	-
Subvention/(deficit recoverable)/surplus repayable	<u>12,431.00</u>	<u>40,130.00</u>
Surplus for the year on accrual basis	32,683.37	46,996.51
Accounts receivable b/f	15,869.10	47,786.90
Receipt in advance b/f	(37,940.00)	(28,670.00)
Accrued expenses b/f	(31,939.21)	(61,187.70)
Accounts receivable c/f	(29,210.70)	(15,869.10)
Receipt in advance c/f	28,695.00	37,940.00
Accrued expenses c/f	<u>36,881.94</u>	<u>31,939.21</u>
Surplus for the year on cash basis	<u><u>15,039.50</u></u>	<u><u>58,935.82</u></u>

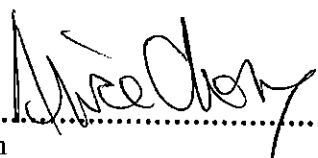
Schedule For Investment
Analysis of Investment As At 31st March, 2018

HANS ANDERSEN CLUB LIMITED

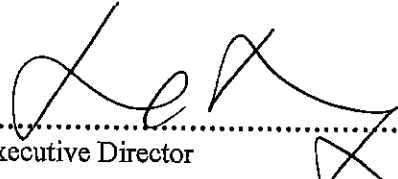
	<u>2017-18</u> HK\$	<u>2016-17</u> HK\$
LSG Reserve as at 31 st March	<u>698,945.76</u>	<u>695,290.72</u>
Represented by:		
Investments		
a. HKD Bank Account Balances	285,613.56	286,131.92
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	413,332.20	409,158.80
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see Annex 3 (2 of 2) for breakdown)	-	-
	<u>698,945.76</u>	<u>695,290.72</u>

Note: The investments should be reported at historical cost.

Confirmed by:


.....
Chairman

Date: 26 OCT 2018


.....
Executive Director

Date: 26 OCT 2018



HANS ANDERSEN CLUB LIMITED

Schedule for Investment
Detailed Analysis of Bonds/Notes as at 31st March, 2018

	Issuer	Nominal Amount HK\$	Cost of Acquisition (Note) HK\$	Maturity Date	Coupon % p.a.	Effective Yield % p.a.	Credit Rating	Custodian Bank
1.	N/A	-	-	-	-	-	-	-
2.	N/A	-	-	-	-	-	-	-
3.	N/A	-	-	-	-	-	-	-
4.	N/A	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-

Note: The amount will be reduced in accordance with the proportion of the disposal of the investments.

Schedule For Rent and Rates
Analysis of Subvention and Expenditure for the period from 1st April, 2017 to 31st March, 2018

HANS ANDERSEN CLUB LIMITED

This represents the amount paid by Social Welfare Department. The details are analysed below:

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
		HK\$	HK\$	HK\$	HK\$
7050 Diana Boyd Wilson Centre	Rent (Note 3)	175,560.00	175,560.00	-	-
	Rates	19,490.00	19,490.00	-	-
	Total	195,050.00	195,050.00	-	-

Notes:

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year. Reimbursement to rent and rates relating to previous financial year(s) (i.e. back payment(s)) 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.

