



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, 2019



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



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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, 2019 and have issued an unqualified auditor's report thereon dated **29 OCT 2019**.

We conducted our review of the attached Annual Financial Report on pages 2 to 7 of the Club for the year ended 31st March, 2019 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, 2019:

- 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, 2019.

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, **29 OCT 2019**
AWSP/CKWT:al

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

ANNUAL FINANCIAL REPORT

FOR THE PERIOD FROM 1ST APRIL, 2018 TO 31ST MARCH, 2019

	<u>Note</u>	<u>2018-19</u> HK\$	<u>2017-18</u> HK\$
A. INCOME			
1. Lump Sum Grant			
a) Lump Sum Grant (excluding Provident Fund)	1b	2,963,042.00	2,840,132.00
b) Provident Fund	1c	224,074.00	214,455.00
		3,187,116.00	3,054,587.00
2. Fee Income	2	6,480.00	7,710.00
3. Central Items	3	356,400.00	330,900.00
4. Rent and Rates	4	191,304.00	199,421.00
5. Other Income	5	644,344.80	641,614.70
6. Interest Received		4,249.09	4,187.15
TOTAL INCOME		4,389,893.89	4,238,419.85
B. EXPENDITURE			
1. Personal Emoluments			
a) Salaries		2,895,721.14	2,818,484.79
b) Provident Fund	1c	219,241.98	215,649.04
c) Allowances		-	-
Sub-total	6	3,114,963.12	3,034,133.83
2. Other Charges	7	604,014.88	667,700.02
3. Central Items	3	348,637.50	326,496.50
4. Rent and Rates	4	191,286.80	195,050.00
TOTAL EXPENDITURE		4,258,902.30	4,223,380.35
C. SURPLUS FOR THE YEAR	8	130,991.59	15,039.50

The Annual Financial Report from pages 2 to 7 has been prepared in accordance with the requirements are set out in the Lump Sum Grant Manual.


.....
Chairperson
Date: 29 OCT 2019


.....
Executive Director
Date: 29 OCT 2019

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	58,927.00	165,147.00	224,074.00
Provident Fund Contribution paid during the year	(59,653.35)	(159,588.63)	(219,241.98)
(Deficit)/surplus for the year	(726.35)	5,558.37	4,832.02
Add: (Deficit)/surplus b/f	(0.85)	255,029.94	255,029.09
Additional subvention received for prior year	-	-	-
Less: Refund to Government	-	-	-
(Deficit)/surplus c/f	(727.20)	260,588.31	259,861.11

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 2016)). The income and expenditure of each of the Central Items are as follows:

	2018-19		2017-18	
	Diana Boyd Wilson Centre HK\$	Chuk Yuen Centre HK\$	Total HK\$	Total HK\$
a. <u>Income</u>				
After School Care Programme – Fee Waiving Subsidy Scheme	129,600.00	226,800.00	356,400.00	330,900.00
Total	129,600.00	226,800.00	356,400.00	330,900.00
b. <u>Expenditure</u>				
After School Care Programme – Fee Waiving Subsidy Scheme	122,850.00	225,787.50	348,637.50	326,496.50
Total	122,850.00	225,787.50	348,637.50	326,496.50
Surplus for the year	6,750.00	1,012.50	7,762.50	4,403.50

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 is as follows:

	<u>2018-19</u> HK\$	<u>2017-18</u> HK\$
Other income		
a) Fees and charges for services incidental to the operation of subvented services	644,044.80	640,631.70
b) Others	<u>300.00</u>	<u>983.00</u>
Total	<u>644,344.80</u>	<u>641,614.70</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>Paid under LSG</u>	<u>No. of Posts</u>	<u>2018-19</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>2018-19</u> HK\$	<u>2017-18</u> HK\$
Other Charges		
a) Utilities	30,479.80	27,418.80
b) Food	-	-
c) Administrative Expenses	36,434.31	35,067.30
d) Stores and Equipment	10,349.80	17,196.70
e) Repair and Maintenance	16,113.00	25,579.00
f) Special Allowances	-	-
g) Programme Expenses	474,112.02	522,082.31
h) Transportation and Travelling	962.60	1,987.60
i) Insurance	14,122.15	11,637.81
j) Miscellaneous	<u>21,441.20</u>	<u>26,730.50</u>
Total	<u>604,014.88</u>	<u>667,700.02</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

	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$
INCOME				
Lump Sum Grant	3,187,116.00	-	-	3,187,116.00
Fee Income	6,480.00	-	-	6,480.00
Other Income	644,344.80	-	-	644,344.80
Interest Received (Note (1))	4,249.09	-	-	4,249.09
Rent and Rates	-	191,304.00	-	191,304.00
Central Items	-	-	356,400.00	356,400.00
Total Income (a)	3,842,189.89	191,304.00	356,400.00	4,389,893.89
EXPENDITURE				
Personal Emoluments	3,114,963.12	-	-	3,114,963.12
Other Charges	604,014.88	-	-	604,014.88
Rent and Rates	-	191,286.80	-	191,286.80
Central Items	-	-	348,637.50	348,637.50
Total Expenditure (b)	3,718,978.00	191,286.80	348,637.50	4,258,902.30
Surplus for the year (a) – (b)	123,211.89	17.20	7,762.50	130,991.59
Less: Surplus of Provident Fund	(4,832.02)	-	-	(4,832.02)
Surplus b/f (Note (2))	118,379.87	17.20	7,762.50	126,159.57
Add: Refund from Government	698,945.76	0.44	15,058.50	714,004.70
Less: Refund to Government (Note 5)	817,325.63	17.64	22,821.00	840,164.27
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note 3)	-	-	-	-
Surplus/(Deficit) c/f (Note (4))	817,325.63	17.64	22,821.00	840,164.27

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 Infirmary Care Supplement, if any, as per Schedule for Central Items (i.e. S).
- (4) The level of LSG cumulative reserve, 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.

(A) Total expenditure excluding Provident Fund expenditure:

Total expenditure for the year HK\$ 3,718,978.00
Less: Provident Fund for the year (219,241.98)

HK\$ 3,499,736.02

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

HK\$ 489,536.59

25% of (A) on operating expenditure for the year

HK\$ 874,934.01

(B) amount is smaller than 25% of (A): no clawback

HK\$ Nil

(5) Refund to Government: N/A

(6) Agency's contribution: N/A

HANS ANDERSEN CLUB LIMITED

Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1st April, 2018 to 31st March, 2019

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)
						Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d)=(b)-(c)		
			HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
3030	Diana Boyd Wilson Centre	After School Care Programme – Fee Waiving Subsidy Scheme	129,600.00	122,850.00	6,750.00	-	N.A.	-	-	6,750.00
3030	Chuk Yuen Centre	After School Care Programme – Fee Waiving Subsidy Scheme	226,800.00	225,787.50	1,012.50	-	N.A.	-	15,058.50	16,071.00
		TOTAL:	356,400.00	348,637.50	7,762.50	-	-	-	15,058.50	22,821.00

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.e. the following central items arising from salary adjustment are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref. (5) in SWD/S/104/2 Pt. 18 dated 20th July, 2018.
- "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
- "Surplus carried forward (c/f)" means surplus brought forward loss refund to Government 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>2018-19</u> HK\$	<u>2017-18</u> 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	78,417.26	25,102.91
- Provident Fund	4,832.02	(4,998.04)
- ASCP	<u>7,762.50</u>	<u>6,883.50</u>
Total comprehensive income for the year	91,011.78	26,988.37
Agency's contribution	-	(6,736.00)
Subvention/(deficit recoverable)/surplus repayable	<u>17.20</u>	<u>12,431.00</u>
Surplus for the year on accrual basis	91,028.98	32,683.37
Accounts receivable b/f	29,210.70	15,869.10
Receipt in advance b/f	(28,695.00)	(37,940.00)
Accrued expenses b/f	(36,881.94)	(31,939.21)
Accounts receivable c/f	(43,451.31)	(29,210.70)
Receipt in advance c/f	45,800.00	28,695.00
Accrued expenses c/f	<u>73,980.16</u>	<u>36,881.94</u>
Surplus for the year on cash basis	<u><u>130,991.59</u></u>	<u><u>15,039.50</u></u>

Schedule For Investment
Analysis of Investment As At 31st March, 2019

HANS ANDERSEN CLUB LIMITED

	<u>2018-19</u> HK\$	<u>2017-18</u> HK\$
LSG Reserve as at 31 st March	<u>817,325.63</u>	<u>698,945.76</u>
Represented by:		
Investments		
a. HKD Bank Account Balances	403,993.43	285,613.56
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	413,332.20	413,332.20
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see Annex 3 (2 of 2) for breakdown)	<u>-</u>	<u>-</u>
	<u>817,325.63</u>	<u>698,945.76</u>

Note: The investments should be reported at historical cost.

Confirmed by:


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Chairperson
Date: 29 OCT 2019


.....
Executive Director
Date: 29 OCT 2019

HANS ANDERSEN CLUB LIMITED

Schedule for Investment
Detailed Analysis of Bonds/Notes as at 31st March, 2019

	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, 2018 to 31st March, 2019

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) HK\$	Actual Expenditure HK\$	Surplus (Note 2) HK\$	Deficit (Note 2) HK\$
7050 Diana Boyd Wilson Centre	Rent (Note 3)	175,560.00	175,560.00	-	-
	Rates	15,744.00	15,726.80	17.20	-
	Total	191,304.00	191,286.80	17.20	-

Notes:

- The figures are to be extracted from the paylist 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.

- Actual released	\$ 175,560.00
- Back payment on rent and rates for 2017-18	-
	<u>\$ 175,560.00</u>

- Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
- Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.