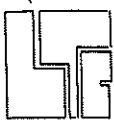


HANS ANDERSEN CLUB LIMITED
(Incorporated in Hong Kong with liabilities limited by
guarantee and not having a share capital)

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023



INDEPENDENT AUDITOR'S ASSURANCE REPORT
To the Board Members of Hans Andersen Club Limited (the "Club")

We have audited the financial statements of the Club 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 auditors' report thereon dated 30 OCT 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 Club for the year ended 31 March 2023.

Responsibilities of the Board Members

In relation to this report, the Board Members are responsible for ensuring the AFR of the Club 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 Club 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.

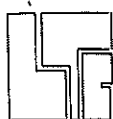
Auditor's Responsibility

Our responsibility is to form a conclusion, based on our engagement, and to report our conclusion to you.

We 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.

to be cont'd/.....



Auditor's Responsibility (cont'd)

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 Club 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 Club 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 Club 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 Club 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.

Li Tang Chen & Co.

Li, Tang, Chen & Co.
Certified Public Accountants (Practising)
17/F Leighton Centre
77 Leighton Road
Causeway Bay
Hong Kong

30 OCT 2023

APWS/CTKW

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

ANNUAL FINANCIAL REPORT

FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023

	<u>Notes</u>	<u>2022-23</u> HK\$	<u>2021-22</u> HK\$
A. INCOME			
1. Lump Sum Grant			
a) Lump Sum Grant (excluding Provident Fund)	1b	3,183,179.00	3,139,573.00
b) Provident Fund	1c	243,068.00	241,937.00
		3,426,247.00	3,381,510.00
2. Fee Income	2	10,973.00	7,500.00
3. Central Items	3	1,262,012.00	756,288.00
4. Rent and Rates	4	214,589.00	205,013.00
5. Other Income	5	720,664.50	935,054.20
6. Interest Received		4,038.11	1,570.99
TOTAL INCOME		<u>5,638,523.61</u>	<u>5,286,936.19</u>
B. EXPENDITURE			
1. Personal Emoluments			
a) Salaries		3,509,571.37	3,134,026.14
b) Provident Fund	1c	268,061.08	240,113.27
c) Allowances		-	-
Sub-total	6	3,777,632.45	3,374,139.41
2. Other Charges	7	504,489.88	559,923.68
3. Central Items	3	1,061,455.00	926,640.00
4. Rent and Rates	4	207,273.20	197,697.20
TOTAL EXPENDITURE		<u>5,550,850.53</u>	<u>5,058,400.29</u>
C. SURPLUS FOR THE YEAR	8	<u>87,673.08</u>	<u>228,535.90</u>

The Annual Financial Report from pages 3 to 8 has been prepared in accordance with the requirements are set out in the Lump Sum Grant Manual.

.....
Chairperson

Date: 30 OCT 2023

.....
Executive Director

Date: 30 OCT 2023

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 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:

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u> HK\$	<u>6.8% and Other Posts</u> HK\$	<u>Total</u> HK\$
Subvention Received	66,713.00	176,355.00	243,068.00
Provident Fund Contribution paid during the year	(68,651.70)	(199,409.38)	(268,061.08)
Surplus/(Deficit) for the year	(1,938.70)	(23,054.38)	(24,993.08)
<u>Add: (Deficit)/surplus b/f</u>	(1.65)	247,083.28	247,081.63
Additional subvention received for prior year	-	-	-
<u>Less: Refund to Government</u>	-	-	-
(Deficit)/surplus c/f	<u>(1,940.35)</u>	<u>224,028.90</u>	<u>222,088.55</u>

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:

	2022-23		2021-22	
	<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 – Fee Waiving Subsidy Scheme	<u>654,107.00</u>	<u>607,905.00</u>	<u>1,262,012.00</u>	<u>756,288.00</u>
Total	<u>654,107.00</u>	<u>607,905.00</u>	<u>1,262,012.00</u>	<u>756,288.00</u>
b. <u>Expenditure</u>				
After School Care Programme – Fee Waiving Subsidy Scheme	<u>511,835.00</u>	<u>549,620.00</u>	<u>1,061,455.00</u>	<u>926,640.00</u>
Total	<u>511,835.00</u>	<u>549,620.00</u>	<u>1,061,455.00</u>	<u>926,640.00</u>
Surplus (deficit)/ for the year	<u>142,272.00</u>	<u>58,285.00</u>	<u>200,557.00</u>	<u>(170,352.00)</u>

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.

HANS ANDERSEN CLUB LIMITED

(BY GUARANTEE)

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 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>2022-23</u> HK\$	<u>2021-22</u> HK\$
Other income		
a) Fees and charges for services incidental to the operation of subvented services	719,067.00	935,054.20
b) Subsidy from Central Items (CI) – After School Care Programmer (ASCP) – Fee Waiving Subsidy Scheme (FWSS)*	340,810.00	186,318.00
a) Donation	1,207.50	-
d) Others	390.00	-
	<u>1,061,474.50</u>	<u>1,121,372.20</u>
Less: Utilised allocation under CI – ASCP – FWSS which forms as part of Other Income	<u>340,810.00</u>	<u>186,318.00</u>
Total	<u>720,664.50</u>	<u>935,054.20</u>

* For those programmes which are regarded as FSA-related activities only.

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>2022-23</u> HK\$
HK\$700,001 – HK\$800,000 p.a.	1	759,250
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.	-	<u>-</u>

HANS ANDERSEN CLUB LIMITED

(BY GUARANTEE)

NOTES ON THE ANNUAL FINANCIAL REPORT

7. OTHER CHARGES

The breakdown on Other Charges is as follows:

	<u>2022-23</u>	<u>2021-22</u>
	HK\$	HK\$
Other Charges		
a) Utilities	30,956.51	31,419.20
b) Food	-	-
c) Administrative Expenses	44,558.34	47,574.02
d) Stores and Equipment	50,625.00	5,699.70
e) Repair and Maintenance	22,333.95	27,859.20
f) Special Allowances	-	-
g) Programme Expenses	306,102.36	418,492.72
h) Transportation and Travelling	1,408.80	1,528.40
i) Insurance	15,381.10	17,292.34
j) Miscellaneous	33,123.82	10,058.10
Sub Total	<u>504,489.88</u>	<u>559,923.68</u>
Less: Utilised allocation under CI-ASCP/Enhanced ASCP - FWSS which forms as part of Other Income to fund the operating expenses of FSA – related activities*	<u>340,810.00</u>	<u>186,318.00</u>
Total	<u>163,679.88</u>	<u>373,605.68</u>

*For those programmes which are regarded as FSA-related activities only.

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) HK\$	Holding Account (HA)	Adjustment for Utilised allocation Under ASCP - FWSS HK\$	Rent and Rates HK\$	Central Items HK\$	Total HK\$
INCOME						
Lump Sum Grant	3,426,247.00	-	-	-	-	3,426,247.00
Fee Income	10,973.00	-	-	-	-	10,973.00
Other Income	720,664.50	-	(340,810.00)	-	-	379,854.50
Interest Received (Note (1))	4,038.11	-	-	-	-	4,038.11
Rent and Rates	-	-	-	214,589.00	-	214,589.00
Central Items	-	-	-	-	1,262,012.00	1,262,012.00
Total Income (a)	4,161,922.61	-	(340,810.00)	214,589.00	1,262,012.00	5,297,713.61
EXPENDITURE						
Personal Emoluments	3,738,392.45	39,240.00	-	-	-	3,777,632.45
Other Charges	504,489.88	-	(340,810.00)	-	-	163,679.88
Rent and Rates	-	-	-	207,273.20	-	207,273.20
Central Items	-	-	-	-	1,061,455.00	1,061,455.00
Total Expenditure (b)	4,242,882.33	39,240.00	(340,810.00)	207,273.20	1,061,455.00	5,210,040.53
(Deficit)/surplus for the year (a) - (b)	(80,959.72)	(39,240.00)	-	7,315.80	200,557.00	87,673.08
Add: Deficit of Provident Fund	24,993.08	-	-	-	-	24,993.08
Surplus/(deficit) b/f (Note (2))	(55,966.64)	(39,240.00)	-	7,315.80	200,557.00	112,666.16
Add: Refund from Government	916,094.22	237,232.74	-	7,315.74	(113,803.50)	1,046,839.20
Less: Refund to Government	860,127.58	197,992.74	-	14,631.54	86,753.50	1,159,505.36
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmiry Care Supplementary (Note (3))	-	-	-	-	-	-
Surplus/(Deficit) c/f (Note (4))	860,127.58	197,992.74	-	7,315.74	86,753.50	1,152,189.56

Notes:

- (1) Interest received on LSG 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 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 for 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.

(A) Total expenditure excluding Provident Fund expenditure:

Total expenditure for the year HK\$ 4,282,122.33
Less: Provident Fund for the year (268,061.08)

HK\$ 4,014,061.25

(B) Total surplus c/f of LSG
Less: LSG Reserve kept in the holding account

HK\$ 1,058,120.32
197,992.74

HK\$ 860,127.58

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

HK\$ 1,003,515.31

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

HK\$ Nil

HANS ANDERSEN CLUB LIMITED

Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1 April 2022 to 31 March 2023

Unit code	Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3)	Deficit for the year			Surplus b/f (Note 5)	Refund to Government (f) HK\$	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\$	(a) HK\$	(b) HK\$	(c) HK\$	(d)-(b)-(c) HK\$	(e) HK\$	(f) HK\$	(f)=(e)+(a)-(d) HK\$
3030	Diana Boyd Wilson Centre	After School Care Programme – Fee Waiving Subsidy Scheme	654,107.00	511,835.00	142,272.00	-	-	-	(142,272.00)	-	-
3030	Chuk Yuen Centre	After School Care Programme – Fee Waiving Subsidy Scheme	607,905.00	549,620.00	58,285.00	-	-	-	28,468.50	-	86,753.50
		TOTAL:	1,262,012.00	1,061,455.00	200,557.00	-	-	-	(113,803.50)	-	86,753.50

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) by Social Welfare Department 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.
- "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 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 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>2022-23</u>	<u>2021-22</u>
	HK\$	HK\$
Total comprehensive (expense)/income for the year (per movement of Lump Sum Grant Reserve shown on Page 9 of audited financial statements)		
- Lump Sum Grant	(146,016.64)	398,239.32
- Provident Fund	(24,993.08)	1,823.73
- ASCP	200,557.00	(170,352.00)
	<u>29,547.28</u>	<u>229,711.05</u>
Total comprehensive income for the year		
Agency's contribution	-	-
Subvention/(deficit recoverable)/surplus repayable	<u>7,315.80</u>	<u>7,315.80</u>
Surplus for the year on accrual basis	36,863.08	237,026.85
Accounts receivable b/f	31,182.83	19,964.13
Receipt in advance b/f	(40,900.00)	(38,365.00)
Prepayment b/f	23,702.45	6,921.20
Accrued expenses b/f	(36,343.00)	(19,369.00)
Accounts receivable c/f	(43,991.63)	(31,182.83)
Prepayment c/f	(893.65)	(23,702.45)
Receipt in advance c/f	79,211.00	40,900.00
Accrued expenses c/f	<u>38,842.00</u>	<u>36,343.00</u>
Surplus for the year on cash basis	<u>87,673.08</u>	<u>228,535.90</u>

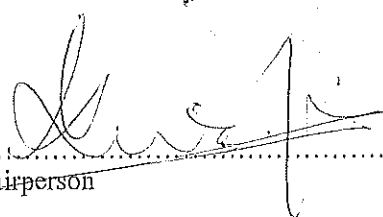
Schedule For Investment
Analysis of Investment As At 31 March 2023

HANS ANDERSEN CLUB LIMITED

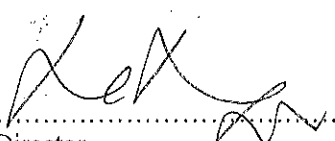
	<u>2022-23</u> HK\$	<u>2021-22</u> HK\$
LSG Reserve as at 31 March	<u>1,058,120.32</u>	<u>1,153,326.96</u>
Represented by:		
Investments		
a. HKD Bank Account Balances	617,262.02	715,991.86
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	440,858.30	437,335.10
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see Annex 3 (2 of 2) for breakdown)	-	-
	<u>1,058,120.32</u>	<u>1,153,326.96</u>

Note: The investments should be reported at historical cost.

Confirmed by:


.....
Chairperson

Date: 30 OCT 2023


.....
Executive Director

Date: 30 OCT 2023

HANS ANDERSEN CLUB LIMITED

**Schedule for Investment
Detailed Analysis of Bonds/Notes as at 31 March 2023**

	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.