

香港學生輔助會有限公司  
THE HONG KONG STUDENT AID SOCIETY LIMITED

REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2021

(EXPRESSED IN HONG KONG DOLLARS)

葉梁會計師事務所  
**YIP, LEUNG & CO.**  
Certified Public Accountants



22302145993  
AC  
20/01/2022

0714302

**THE HONG KONG STUDENT AID SOCIETY LIMITED**  
**REPORT OF THE COMMITTEE MEMBERS**

The Committee Members of The Hong Kong Student Aid Society Limited (“the Organisation”) present their annual report and the audited financial statements of the Organisation for the year ended 31st March 2021.

**PRINCIPAL PLACE OF BUSINESS**

The Organisation is an entity incorporated and domiciled in Hong Kong. Its registered office and principal place of business are situated at 485 Kwun Tong Road, Kwun Tong, Kowloon.

**PRINCIPAL ACTIVITIES**

The principal activities of the Organisation are providing social and community services, and to act as a school governing body to provide advice and direction for Hong Kong Student Aid Society Primary School and Tung Wan Mok Law Shui Wah School, which provide primary and secondary education in Hong Kong, and Hong Kong Student Aid Society Po Tat Nursery, which provides kindergarten and nursery education in Hong Kong.

**RESULTS**

Results of the Organisation for the year ended 31st March 2021 and its financial position as at that date are set out in the financial statements on pages 6 to 18.

**FIXED ASSETS**

Movements in property, plant and equipment are set out in note 6 to the financial statements.

**RESERVES**

Movements in reserves comprise changes to accumulated funds which arose from surplus or deficit.

**COMMITTEE MEMBERS**

The committee members of the Organisation during the year were:

Chan Kwok Wah	(Retired on 1-12-2020)	Law Albert Yu Kwan	(Retired on 1-12-2020)
Chan Pik Kiu Michael		Lo Wai Ching Fanny	
Chan Wai To		Lok Man Fai Felix	
Cheng Mee Ling Elinda		Lui Tsun Cheong Bryan	
Choi Yuk Kwan		Sin Kuen Fung	
Chun Ka Wai Cecilia		Wong Chi Sum	
Lai Yuk Ching		Yeung Tak Wah	
Lam Hong Wai Weymond	(Appointed on 1-12-2020)	Yu Po Kwan	

0049

In accordance with section 3 of article 5 of the Organisation’s Articles of Association, all committee members will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

## MANAGEMENT CONTRACTS

The Organisation did not enter into any contracts, other than the contracts of service with the committee members or any full-time staff, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Organisation.

## COMMITTEE MEMBERS' INTERESTS

No contract of significance to which the Organisation was a party and in which a committee member of the Organisation had a material interest subsisted at the end of the year or at any time during the year.

## PERMITTED INDEMNITY PROVISION

At no time during the year there was any permitted indemnity provision in force for the benefit of one or more committee members of the Organisation.

At the time of approval of this report, there is no permitted indemnity provision in force for the benefit of one or more committee members of the Organisation.

## BUSINESS REVIEW

### 1. Services of the Organisation

Founded in 1957 by a British missionary, The Hong Kong Student Aid Society Limited ("The Organisation") is specialising in residential child care services for children aged from 0 to 21. In certain situation, the organisation will provide services for youth up to aged 29. Other than subvented social services, we also operate education services in respect of mainstream primary school, school for social development and kindergarten cum child care centre in addition to a self-financing community service known as "Family Energy", which aims to take timely preventive measures against family violence through social work service in kindergartens and primary schools. Last year, we served a total of 389 children in our residential care services, 1,728 students in our education services and 2,117 persons in our community service despite of the fact that our delivery of services was a bit affected under the precautionary measures taken in response to the COVID-19 pandemic.

### 2. Principal risks and uncertainties

We stay vigilant about potential risks and effectively manage those that may impact us.

#### a) Financial risks

This risk is relatively small. As at 31st March 2021, we had Lump Sum Grant Reserve (LSGR) of HK\$29.0 million, of which HK\$19.1 million in Holding Account (i.e. LSGR as at 31 March 2007), and Provident Fund Reserve of HK\$6.4 million. We also had a sum of HK\$34.8 million in our designated funds.

#### b) Manpower risks

To enhance the competitiveness of the remuneration package, our salary pay scale had been adjusted upward for 1% in 2020-2021 and will be further adjusted upward, effective from 1 April 2022, to narrow down the gap with the salary scale of similar rank recommended by Social Welfare Department. This will increase our competitive advantage for new staff recruitment while retaining our talents.

#### c) Service quality risks

The Organisation has complied with all requirements, including Funding and Service Agreements, Service Quality Standards, Education Ordinance set by different government bureaux and departments concerned. Feedbacks from our service users, parents and students were all positive. Nevertheless, we will continue to enhance our service quality to our service users.

**BUSINESS REVIEW (Cont'd)**

3. Important events and issues in 2020/2021

- a) Due to the Kwun Tong Composite Development Project, our Holland Hostel and Head Office will be moved to a temporary decanting premises at 122 Shatin Pass Road in Wong Tai Sin tentatively in early June 2022. At the same time, we are preparing for the development of a new 22-storey HKSAS Integrated Service Building in Yau Tong with the target time to move in 2027 under the Special Scheme on Privately Owned Sites for Welfare Uses under the Social Welfare Department.
- b) Renovation of Mark Memorial Home in Tseung Kwan O, financed by Lotteries Fund, was almost completed by the end of this fiscal year. Moreover, the HKSAS Jockey Club "RESTORE" Youth Empowerment Project of about \$26 million approved by the Hong Kong Jockey Club Charity Trust started the implementation in 2020.
- c) Our Yan Lai and Yan Ming Small Group Homes (SGH) got approval from the Lotteries Fund to carry out the fitting-out works under the environment improvement programme of SGH. The renovation of Yan Lai SGH would be expected to be completed in September 2021.
- d) The reprovisioning of Tung Wan Mok Law Shui Wah School and Island Hostel had been completed. The school in Tuen Mun was in operation in the school year of 2019/2020 starting from end of October 2019. The school had been commenced operation in the new premises with 11 classes (7 primary school classes and 4 secondary) and the hostel served 108 boys. The operation in the school year of 2020/2021 went well and the number of boys served increased to 132. As regards to the hostel, the number of boys served also increased to 121 from 106 which was more than 14%. When reaching full capacity, the school will have 16 classes and 192 primary and secondary students, while the hostel had 8 dormitory units and 144 boys. The new facilities in the school such as Black Box Theatre, a Gym room, a Dancing Room, a Creative Studio, a Rooftop Soccer Pitch, a Mediation Room, a STEM Lab, wireless network system, audio-visual equipment and public announcement system were in full operation in 2020-2021.

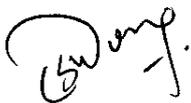
4. Future likely developments

- a) Due to time project timeline, the improvement and fitting-out works for our temporary decanting premises in Wong Tai Sin for Holland Hostel and Head Office will be commenced immediately upon receiving the approval letter from Lotteries Fund in 2021.
- b) The Technical Feasibility Study for HKSAS Integrated Service Building in Yau Tong was expected to be completed within six months after this fiscal year ended. Relevant consultant would be appointed to prepare the development of said premises as soon as practicable.
- c) Based on the operational needs and prepare for future development of HKSAS, we will apply for different fundings for new projects as opportunities arise.

**AUDITOR**

The financial statements for the year have been audited by Messrs. Yip, Leung & Co. who retire and, being eligible, offer themselves for re-appointment.

ON BEHALF OF THE COMMITTEE



---

Wong Chi Sum  
Chairman

Hong Kong, 15 OCT 2021

0051

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**THE HONG KONG STUDENT AID SOCIETY LIMITED**  
(incorporated in Hong Kong with limited guarantee)

**Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of The Hong Kong Student Aid Society Limited ("the Organisation") set out on pages 6 to 18, which comprise the statement of financial position as at 31st March 2021, and the statement of income and retained earnings and accumulated funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Organisation as at 31st March 2021 and of its financial performance and its cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organisation in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The members are responsible for the other information included in the members' report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

**Responsibilities of Members and Those Charged with Governance for the Financial Statements**

The members are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

**INDEPENDENT AUDITOR'S REPORT (Cont'd)**

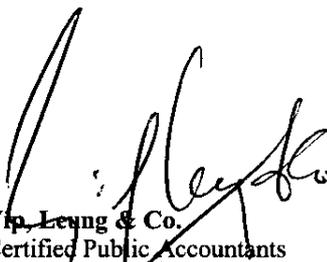
**Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)**

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As Part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Yip, Leung & Co.  
Certified Public Accountants

Unit D, 12/F., Tak Lee Commercial Building,  
113-7 Wan Chai Road, Wanchai, Hong Kong.

Hong Kong, 15 OCT 2021

**THE HONG KONG STUDENT AID SOCIETY LIMITED**  
**STATEMENT OF INCOME AND ACCUMULATED FUNDS**  
**FOR THE YEAR ENDED 31ST MARCH 2021**

	<u>NOTE</u>	\$	<u>2020</u> \$
<b>INCOME</b>			
Contribution and donations		15,150,788.36	10,791,829.48
Dividends income		47,617.53	270,370.55
Exchange gain		24,047.53	-
Government subventions		80,004,512.50	76,958,058.00
Interest income		833,261.53	1,607,701.48
Gain on disposal of property, plant and equipment		-	5,288.20
Lotteries fund subsidies	15	8,719,665.00	5,409,709.80
Other receipts		8,341,320.90	12,099,593.21
Programme income		2,839,626.00	4,182,454.07
School government grants received		72,406,216.01	67,194,933.40
Teaching materials		181,538.00	103,896.50
Working youth income		-	(625.00)
		<u>188,548,593.36</u>	<u>178,623,209.69</u>
Less:			
<b>EXPENDITURE</b>			
Amortisation		4,141.80	37,148.12
Audit fee		87,500.00	118,300.00
Depreciation		7,964.72	8,509.72
Exchange loss		-	74,787.18
Food		3,815,918.55	3,619,614.59
Incentive allowances		4,308,604.11	4,227,842.02
Loss on investment	8	26,077.52	956,234.92
Lotteries fund utilised	15	9,329,710.02	4,681,567.46
Minor assets		4,087,733.63	8,528,244.91
Others		17,477,583.54	17,521,798.83
Personal emoluments	5	126,601,620.60	117,431,821.08
Programme expenses		3,133,049.39	6,100,261.20
Rents and rates		2,649,760.19	2,686,447.00
Repairs and maintenance		12,387,639.12	908,005.48
Schooling		211,182.85	495,812.19
Utilities		2,130,809.27	2,300,469.73
		<u>186,259,295.31</u>	<u>169,696,864.43</u>
<b>SURPLUS FOR THE YEAR</b>		2,289,298.05	8,926,345.26
<b>ADJUSTMENTS</b>		(778,743.25)	2,112.60
<b>FIXED ASSET GRANTS UTILISED</b>		(1,799,635.93)	(273,468.02)
<b>EMPLOYEE'S UNVESTED BENEFITS REFUND</b>		305,449.53	196,190.52
<b>TRANSFER FROM / (TO) OTHER PAYABLE</b>		1,108,905.97	(1,206,401.34)
<b>TRANSFER FROM / (TO) DEFERRED INCOME</b>		450,095.26	(901,344.33)
<b>NET SURPLUS FOR THE YEAR</b>		1,575,369.63	6,743,434.69
<b>BALANCE BROUGHT FORWARD</b>		86,801,424.30	80,057,989.61
<b>BALANCE CARRIED FORWARD</b>		<u>88,376,793.93</u>	<u>86,801,424.30</u>

0054

The notes on pages 9 to 18 form part of the statement of income and accumulated funds

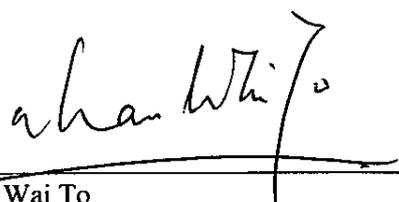
**THE HONG KONG STUDENT AID SOCIETY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST MARCH 2021**

	<u>NOTE</u>	\$	<u>2020</u> \$
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	-	-
Investments held-to-maturity	7	2,352,788.87	2,351,125.67
Education services assets	12	20,988,260.79	18,657,837.29
Other investments	8	851,574.08	847,565.96
		<b>24,192,623.74</b>	<b>21,856,528.92</b>
<b>CURRENT ASSETS</b>			
Other receivables, deposits and prepayments	9	10,019,938.43	3,907,869.79
Cash and cash equivalents		67,151,190.54	70,815,240.32
		<b>77,171,128.97</b>	<b>74,723,110.11</b>
<b>CURRENT LIABILITIES</b>			
Other payables and accruals	10	(9,354,286.79)	(6,187,408.48)
		<b>67,816,842.18</b>	<b>68,535,701.63</b>
<b>NET CURRENT ASSETS</b>			
		<b>67,816,842.18</b>	<b>68,535,701.63</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred income	13	(3,632,671.99)	(3,590,806.25)
		<b>88,376,793.93</b>	<b>86,801,424.30</b>
<b>NET ASSETS</b>			
		<b>88,376,793.93</b>	<b>86,801,424.30</b>
<b>GENERAL FUND</b>			
		(2,899,678.19)	(4,485,458.32)
<b>RESERVES ON EDUCATION SERVICES</b>	12	20,988,260.79	18,657,837.29
<b>DESIGNATED FUNDS</b>	14	34,812,318.69	39,609,526.89
<b>SOCIAL WELFARE SUBVENTION RESERVES</b>	11	35,475,892.64	33,019,518.44
		<b>88,376,793.93</b>	<b>86,801,424.30</b>

Approved by the Executive Committee on 15 OCT 2021



Wong Chi Sum  
Chairman



Chan Wai To  
Honorary Treasurer

0055

The notes on pages 9 to 18 form part of the statement of financial position

**THE HONG KONG STUDENT AID SOCIETY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST MARCH 2021**

	\$	2020 \$
<b>OPERATING ACTIVITIES</b>		
Surplus for the year	1,575,369.63	6,743,434.69
Adjustment for:		
Dividends income	(47,617.53)	(270,370.55)
Interest income	(833,261.53)	(1,607,701.48)
Loss on disposal of investment	-	568,857.46
Revaluation loss	20,272.52	387,377.46
Operating surplus before changes in working capital	<u>714,763.09</u>	<u>5,821,597.58</u>
Increase in other receivables, deposits and prepayments	(6,112,068.64)	(2,952,246.14)
Increase in other payables and accruals	<u>3,166,878.31</u>	<u>1,386,431.24</u>
Cash (used in)/generated from operations	<u>(2,230,427.24)</u>	<u>4,255,782.68</u>
Bank interest received	<u>833,261.53</u>	<u>1,607,701.48</u>
Net cash (used)/generated	<u>(1,397,165.71)</u>	<u>5,863,484.16</u>
<b>FINANCING ACTIVITIES</b>		
Cash generated - Increase in deferred income	<u>41,865.74</u>	<u>901,344.33</u>
<b>INVESTING ACTIVITIES</b>		
Return of premium received	4,141.80	37,148.12
Redemption of bonds/certificate of deposits	-	3,913,725.00
Acquisition of shares	(30,085.64)	(76,825.32)
Disposal of shares	-	1,338,873.34
Acquisition of unit trusts	-	(6,991,515.00)
Disposal of unit trusts	-	6,411,864.20
(Increase)/Decrease in education services assets	(2,330,423.50)	1,627,151.19
Dividends received	47,617.53	270,370.55
Net cash (used)/generated	<u>(2,308,749.81)</u>	<u>6,530,792.08</u>
<b>(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,664,049.78)</b>	<b>13,295,620.57</b>
<b>CASH AND CASH EQUIVALENTS</b>		
At start of year	<u>70,815,240.32</u>	<u>57,519,619.75</u>
At end of year	<u>67,151,190.54</u>	<u>70,815,240.32</u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash at bank	66,654,524.19	70,724,059.62
Cash on hand	<u>496,666.35</u>	<u>91,180.70</u>
	<u>67,151,190.54</u>	<u>70,815,240.32</u>

0056

**THE HONG KONG STUDENT AID SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

The Hong Kong Student Aid Society Limited (“the Organisation”) is an entity incorporated in Hong Kong under the Companies Ordinance as a company limited by guarantee and not having a share capital. In the event of the Organisation being wound up, its present members and past members whose membership ceased within one year of the commencement of the winding-up undertake to contribute to the assets of the Organisation for payment of debts, liabilities and cost and expenses of the winding-up, to the extent not exceeding \$100.00.

The registered office and principal operation address of the Organisation are located at 485 Kwun Tong Road, Kwun Tong, Kowloon.

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong, and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. Significant accounting policies adopted by the Organisation are set out below.

(a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items and deduct the related specific subventions, contributions and donations. For the Organisation, all cost of property, plant and equipment write-off as qualified expenditure in the year.

(b) Investments held-to-maturity

Investments held-to-maturity are stated at cost less cumulative amortisation of the difference between the cost and the amount receivable on the maturity date. Amortisation is provided to charge the difference over the period on a straight-line basis. Cost includes charges, premium, taxes and duties and excludes accrued interest. The carrying value of investments held-to-maturity is reviewed at each financial year-end date and provision is made for impairment loss, when arises, via the statement of income.

(c) Other investments

Other investments are financial assets at fair value through the statement of income. At each financial year-end date subsequent to initial recognition, other investments are measured at fair value, with changes in fair value recognised immediately in the statement of income in the year in which they arise.

(d) Designated funds

Designated funds are funds set aside by the Organisation for designated purposes. Income and expenditure relating to these designated funds are dealt with in the separate statement of income and expenditure.

0057

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Cont'd)**

(e) Social welfare lump sum reserves

With effect from the financial year ended 31st March 2001, the Social Welfare Department has implemented a new funding system under which Lump Sum Grant is made to the Organisation to cover certain expenditure including staff cost, provident fund contributions and other charges. The unspent portion of the Lump Sum Grant for the year is required to transfer to designated lump sum grant reserves for future use of the Organisation.

(f) Cash and cash equivalents

Cash and cash equivalents includes cash at bank and on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown under current liabilities on the statement of financial position.

(g) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are incorporated into these financial statements by translating foreign currencies into Hong Kong dollars at the rates of exchange ruling at the financial year-end date. Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated into Hong Kong dollars at the rates of exchange ruling at the transaction dates; that are stated at fair values are translated into Hong Kong dollars at the respective rates of exchange ruling at the respective dates when the respective fair values were determined. Differences on foreign currency translation are recognised in the statement of income.

(h) Impairment of assets

At each financial year-end date, the carrying value of property, plant and equipment are reviewed to determine, by reference to both internal and external sources of information, whether there is any indication of impairment. If there is an indication of impairment, the recoverable amount of the affected asset is estimated, at the higher of net selling price and value in use, and compared with its carrying amount. If the estimated recoverable amount is lower, its carrying value is reduced to the estimated recoverable amount, and an impairment loss is recognised immediately in the statement of income.

If an impairment loss subsequently reverses, the carrying value of the affected asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of income.

(i) Leasing arrangements

Leases are accounted for as finance leases wherever the terms of leases transfer substantially all the risks and rewards of ownership of the leased assets to the lessees. All other leases are accounted for as operating leases. Rentals under operating leases are recognised in the statement of income on a straight-line basis over the term of the relevant lease.

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Cont'd)**

(j) Employee benefit obligations

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payments or settlements are deferred and the effect would be material, those amounts are stated at their present values.

(k) Income recognition

Subventions, contributions and donations from the Government or third parties ("SC&D") for general fund are recognised when there is a reasonable assurance that the SC&D will be received and the Organisation will comply with the conditions attaching with them.

SC&D are recorded in the accounts of deferred income or designated funds when received.

Interest income is recorded when received.

Dividend income is recognised when the right to receive payment has been established.

Working youth income and other receipts are recognised on an accruals basis.

**3. TAXATION**

No provision for profits tax has been made in these financial statements as the Organisation is an approved trust of a public character and exempt from Hong Kong Taxation under section 88 of the Inland Revenue Ordinance.

**4. EXECUTIVE COMMITTEE MEMBERS' REMUNERATION**

None of the executive committee members had received any remuneration for the year (2020: Nil).

**5. PERSONAL EMOLUMENTS**

	<u>2021</u>	<u>2020</u>
	\$	\$
Salaries and allowance	120,301,118.05	111,703,846.87
Contributions to MPF and defined contribution scheme	<u>6,300,502.55</u>	<u>5,727,974.21</u>
	<u>126,601,620.60</u>	<u>117,431,821.08</u>

6. PROPERTY, PLANT AND EQUIPMENT

(all already taken up in the movement of Lotteries fund)

	<u>Buildings</u> \$	<u>Furniture, fixtures &amp; motor vehicles</u> \$	<u>Total</u> \$
Cost			
At 31-3-2020	1,884,050.71	9,814,537.69	11,698,588.40
Disposal	(1,884,050.71)	(925,377.37)	(2,809,428.08)
Addition	-	2,793,721.47	2,793,721.47
At 31-3-2021	<u>-</u>	<u>11,682,881.79</u>	<u>11,682,881.79</u>
Less:			
Written off as qualified expenditure			
At 31-3-2020	1,884,050.71	9,814,537.69	11,698,588.40
Written back on disposal	(1,884,050.71)	(925,377.37)	(2,809,428.08)
Written off	-	2,793,721.47	2,793,721.47
At 31-3-2021	<u>-</u>	<u>11,682,881.79</u>	<u>11,682,881.79</u>
Carrying Value			
At 31-3-2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31-3-2020	<u>-</u>	<u>-</u>	<u>-</u>

7. INVESTMENTS HELD-TO-MATURITY

	<u>2021</u> \$	<u>2020</u> \$
<u>Listed debt securities in Hong Kong</u>		
Cost		
Balance brought forward	2,326,275.00	6,240,000.00
Adjustments	5,805.00	(13,725.00)
Disposal	-	(3,900,000.00)
Balance carried forward	<u>2,332,080.00</u>	<u>2,326,275.00</u>
Premium		
Balance brought forward	24,850.67	61,998.79
Return by interest received	(4,141.80)	(37,148.12)
Balance carried forward	<u>20,708.87</u>	<u>24,850.67</u>
	<u>2,352,788.87</u>	<u>2,351,125.67</u>

8. OTHER INVESTMENTS

		<u>2021</u>	<u>2020</u>
		\$	\$
<u>Listed equity in Hong Kong</u>			
Carrying Value			
Balance brought forward		847,565.96	2,486,198.10
Addition		30,085.64	76,825.32
Disposal		-	(1,338,873.34)
Gain on disposal of investment	(A)	-	10,793.34
Revaluation loss	(B)	<u>(26,077.52)</u>	<u>(387,377.46)</u>
Balance carried forward		<u>851,574.08</u>	<u>847,565.96</u>
<u>Unit trusts</u>			
Addition		-	6,991,515.00
Disposal		-	(6,411,864.20)
Loss on disposal of investment	(A)	<u>-</u>	<u>(579,650.80)</u>
		<u>-</u>	<u>-</u>
<u>Loss on investment</u>			
Loss on disposal of investment	(A)	-	(568,857.46)
Revaluation loss	(B)	<u>(26,077.52)</u>	<u>(387,377.46)</u>
		<u>(26,077.52)</u>	<u>(956,234.92)</u>

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<u>2021</u>	<u>2020</u>
	\$	\$
Other receivables	9,560,028.19	2,644,120.26
Utilities deposits	348,801.00	231,648.00
Prepayments	<u>111,109.24</u>	<u>1,032,101.53</u>
	<u>10,019,938.43</u>	<u>3,907,869.79</u>

10. OTHER PAYABLES AND ACCRUALS

	<u>2021</u>	<u>2020</u>
	\$	\$
Other payables	7,177,043.14	462,056.70
Accruals	1,095,764.11	2,744,345.77
Sundry creditors	<u>1,081,479.54</u>	<u>2,981,006.01</u>
	<u>9,354,286.79</u>	<u>6,187,408.48</u>

11. SOCIAL WELFARE SUBVENTION RESERVES

	Lump sum <u>grant reserve</u> \$	Provident <u>fund reserve</u> \$	<u>Total</u> \$
At 31-3-2020	26,839,455.43	6,180,063.01	33,019,518.44
Adjustments	-	(168,180.00)	(168,180.00)
Employee's unvested benefits refund	-	302,484.41	302,484.41
Surplus for the year	2,199,201.12	122,868.67	2,322,069.79
At 31-3-2021	<u>29,038,656.55</u>	<u>6,437,236.09</u>	<u>35,475,892.64</u>

12. RESERVES ON EDUCATION SERVICES

	HKSAS Primary <u>School</u> \$	Tung Wan Mok Law Shui Wah <u>School</u> \$	Po Tat <u>Nursery</u> \$	<u>2021</u> \$	<u>2020</u> \$
Surpluses carried forward represented by:					
School operational general fund	5,183,755.70	1,888,908.43	-	7,072,664.13	7,060,964.13
Others and Government grant reserves	27,980,518.89	19,083,865.99	24,045.72	47,088,430.60	38,808,589.79
Fixed asset grants utilised	(23,906,617.23)	(12,714,559.19)	-	(36,621,176.42)	(30,774,731.89)
Nursery development fund	-	-	3,448,342.48	3,448,342.48	3,563,015.26
	<u>9,257,657.36</u>	<u>8,258,215.23</u>	<u>3,472,388.20</u>	<u>20,988,260.79</u>	<u>18,657,837.29</u>

The fund was set up for the purpose of operating the Hong Kong Student Aid Society Primary School in Tin Shui Wai, Tung Wan Mok Law Shui Wah School in Tuen Mun, and Hong Kong Student Aid Society Po Tat Nursery in Sau Mau Ping. Fund assets at the financial year-end date comprised:

	HKSAS Primary <u>School</u> \$	Tung Wan Mok Law Shui Wah <u>School</u> \$	Po Tat <u>Nursery</u> \$	<u>2021</u> \$	<u>2020</u> \$
Furniture, fixtures and equipment	24,934,911.73	14,607,305.62	14,692.00	39,556,909.35	33,619,429.54
Fixed asset grants utilised	(23,906,617.23)	(12,714,559.19)	-	(36,621,176.42)	(30,774,731.89)
Inventories	-	28,559.76	49,652.90	78,212.66	47,836.20
Tuition fees receivable	-	-	7,800.00	7,800.00	99,370.00
Sundry debtors	-	109,290.00	27,922.00	137,212.00	594,849.98
Prepayments	-	-	46,155.91	46,155.91	49,978.87
Deposits paid	16,700.00	43,850.00	45,392.00	105,942.00	80,942.00
Cash and bank balances	9,107,022.01	6,974,485.61	3,436,612.64	19,518,120.26	16,449,333.68
(A)	<u>10,152,016.51</u>	<u>9,048,931.80</u>	<u>3,628,227.45</u>	<u>22,829,175.76</u>	<u>20,167,008.38</u>
Accruals	16,313.60	14,000.00	-	30,313.60	54,379.20
Deposits received	3,000.00	-	-	3,000.00	3,000.00
Related fees received in advance	-	-	145,346.25	145,346.25	60,624.00
Sundry creditors	875,045.55	776,716.57	10,493.00	1,662,255.12	1,391,167.89
(B)	<u>894,359.15</u>	<u>790,716.57</u>	<u>155,839.25</u>	<u>1,840,914.97</u>	<u>1,509,171.09</u>
(A) - (B)	<u>9,257,657.36</u>	<u>8,258,215.23</u>	<u>3,472,388.20</u>	<u>20,988,260.79</u>	<u>18,657,837.29</u>

**13. DEFERRED INCOME**

	<u>2021</u>	<u>2020</u>
Lotteries Fund Grant (note 15)	\$ 3,632,671.99	\$ 3,480,806.25
Others	-	110,000.00
	<u>3,632,671.99</u>	<u>3,590,806.25</u>
<u>Others</u>	<u>Expenditures</u>	<u>At 31-3-2021</u>
	\$ 220,000.00	\$ -
Special Grant to Step Up Preventive Measures	<u>(330,000.00)</u>	<u>-</u>
	<u>110,000.00</u>	<u>-</u>
	<u>At 31-3-2020</u>	<u>At 31-3-2020</u>
	\$ 110,000.00	\$ 110,000.00
	<u>220,000.00</u>	<u>220,000.00</u>
	<u>110,000.00</u>	<u>110,000.00</u>

**14. DESIGNATED FUND**

	<u>At 31-3-2020</u>	<u>Donations</u>	<u>Expenditures</u>	<u>At 31-3-2021</u>
	\$ 960.56	\$ -	\$ -	\$ 960.56
Educational Development Fund	260,679.12	-	(148,350.50)	112,328.62
HKSAS Children Fund	13,023,972.17	-	-	13,023,972.17
HKSAS Development Fund	457,173.45	14,400.00	-	471,573.45
Hugging A Child Fund	26,723.80	-	-	26,723.80
Joseph Lee Fund	103,005.00	-	-	103,005.00
Loo Tai Man Wah Fund	407,816.54	-	-	407,816.54
Lovise Haraldstad Fund	15,830,639.50	-	(1,182,490.00)	14,648,149.50
Mok Yip Sui Hung Fund	10,407.50	-	-	10,407.50
Otto Jager Scholarship Fund	377,316.77	-	-	377,316.77
Renovation of Mark Memorial Home Fund	37,438.01	-	-	37,438.01
Renovation of Small Group Homes Fund	8,895,056.27	73,801.80	(3,506,099.30)	5,462,758.77
Reprovisioning of IH and TWMLSW School	24,265.00	-	-	24,265.00
Sam Chung Tong	15,000.00	-	(1,000.00)	14,000.00
Tang Shui Mui Scholarship	2,635.00	-	-	2,635.00
The Van Zuiden Charity Trust	39,318.20	-	(47,470.20)	(8,152.00)
The Hong Kong Jockey Club Charities Trust COVID-19 Emergency Fund	97,120.00	-	-	97,120.00
The Hong Kong Racehorse Owners Association Fund	<u>39,609,526.89</u>	<u>88,201.80</u>	<u>(4,885,410.00)</u>	<u>34,812,318.69</u>

## 15. LOTTERIES FUND

	Experimental Projects				Other Grants				Po Tat Nursery	Total
	Block Grant	Provision of Wi-Fi Service	Pre-Primary Institutions (Phase 2) "同心牽小手" 幼雅園社工服務隊	Pre-Primary Institutions (Phase 3) "同心牽小手" 幼雅園社工服務隊	Social Welfare Development Fund (Phase III)	Renovation of Mark Memorial Home 35141-510- 0200-0000	Technical Feasibility Study of Holland Hostel 35141-510- 0210-0000	Reprovisioning of Island Hostel to Tuen Mun 35141-510- 0220-0000		
INCOME										
Lotteries fund grant	1,167,000.00	398,700.00	992,002.00	374,404.00	69,400.00	3,740,150.00	1,271,700.00	706,309.00	-	8,719,665.00
Interest received	37,347.54	-	6.16	2.50	19,209.56	-	-	-	-	56,565.76
(A)	1,204,347.54	398,700.00	992,008.16	374,406.50	88,609.56	3,740,150.00	1,271,700.00	706,309.00	-	8,776,230.76
EXPENDITURE										
Minor works project	20,596.00	-	-	-	-	-	-	-	44,800.00	65,396.00
Major renovation	-	-	-	-	-	3,754,076.00	-	-	144,831.00	3,898,907.00
Furniture & Equipment	837,701.57	-	-	-	57,965.00	-	-	-	-	895,666.57
Personal emoluments	-	-	837,569.82	201,547.25	-	-	-	-	-	1,039,117.07
Others	-	40,008.00	55,885.08	37,228.30	1,295,740.00	-	1,271,700.00	706,309.00	23,753.00	3,430,623.38
(B)	838,297.57	40,008.00	893,454.90	238,775.55	1,353,705.00	3,754,076.00	1,271,700.00	706,309.00	213,384.00	9,329,710.02
Surplus / (Deficit) for the year (C) = (A) - (B)	(C)	346,049.97	98,553.26	135,630.95	(1,265,095.44)	(13,926.00)	-	-	(213,384.00)	(553,479.26)
Transfer	(D)	-	-	-	491,961.00	-	-	-	213,384.00	705,345.00
Balance brought forward	(E)	2,376,924.59	305,423.00	(17,981.66)	-	816,440.32	-	-	-	3,480,806.25
Balance carried forward to the next financial year (F) = (C) + (D) + (E)	(F)	2,722,974.56	664,115.00	80,571.60	135,630.95	43,305.88	(13,926.00)	-	-	3,632,671.99

## Disclosure in NGO's Audited Financial Statements

### Use of the Social Welfare Development Fund (SWDF) Phase 3 funded by Lotteries Fund for the Financial Year (2020-21)

Name of NGO: THE HONG KONG STUDENT AID SOCIETY LIMITED

Code of NGO: 384

Particulars		\$	\$
(a)	Balance of SWDF brought forward :	[REDACTED]	(a) 816,440.32
(b)	Allocation from SWDF during the financial year :	[REDACTED]	(b) 69,400.00
(c)	Interest received during the financial year :	[REDACTED]	(c) 19,209.56
(d)	Expenditure under SWDF during the year :	[REDACTED]	[REDACTED]
	1. Expenditure for projects under scope A	0	[REDACTED]
	2. Expenditure for projects under scope B (non-IT)	0	[REDACTED]
	3. Expenditure for projects under scope B (IT)	747,802.00	[REDACTED]
	4. Expenditure for projects under scope C	0	[REDACTED]
	5. Expenditure for administrative support	0	[REDACTED]
	Total expenditure during the financial year :	[REDACTED]	(d) 747,802.00
(e)	Balance carried forward to the next financial year : (e) = (a) + (b) + (c) - (d)	[REDACTED]	(e) 157,247.88

The above expenditures under the SWDF have been incurred in accordance with the requirements stipulated in SWDF Guidance Notes for Application, SWD's approval letter(s) and the procurement of projects and services are in line with the procedures specified in the Lotteries Fund Manual.

#### Notes:

1. The above information should be audited by external auditors and included as part of the notes to the Agency's audited financial statements submitted to SWD.
2. After completion of external audit, the audited financial statements, in which the above information must be included, together with the Auditors' Report should be submitted to SWD's Finance Branch (8/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong). A copy of the notes to the audited financial statements in respect of SWDF extracted from the audited financial statements should be submitted to Subventions Section (38/F., 248 Queen's Road East, Wanchai, Hong Kong).

0065

Income and Expenditure Statement for  
 Lotteries Fund Experimental Project(s) of limited duration  
 for the Year Ending 31st March 2021  
 NGO: The Hong Kong Student Aid Society Limited

	Pilot Project on Provision of Wi-Fi Service (35141-837-4510-000) HK\$	Pre-Primary Institutions (Phase 2) HK\$	Pre-Primary Institutions (Phase 3) HK\$
<b>Income</b>			
Lotteries Fund Grant	398,700.00	992,002.00	374,404.00
Interest Received	-	6.16	2.50
<b>Total Income</b>	<b>(a) <u>398,700.00</u></b>	<b><u>992,008.16</u></b>	<b><u>374,406.50</u></b>
<b>Expenditure</b>			
Personal Emoluments	-	837,569.82	201,547.25
Administrative Expenses	-	31,809.70	25,320.40
Store & Equipment	21,058.00	-	760.00
Programme Expenses	-	23,918.68	11,147.90
Transport & Travelling	-	156.70	-
Other Expenditure: (i) Technical set-up and installation cost	-	-	-
Other Expenditure: (ii) Operating expenses	18,950.00	-	-
<b>Total Expenditure</b>	<b>(b) <u>40,008.00</u></b>	<b><u>893,454.90</u></b>	<b><u>238,775.55</u></b>
<b>Surplus for the year (c) = (a) - (b)</b>	<b>(c) 358,692.00</b>	<b>98,553.26</b>	<b>135,630.95</b>
<b>Add: Cumulated Income b/f</b>	<b>(d) 311,100.00</b>	<b>732,306.70</b>	<b>-</b>
<b>Cumulated expenditure b/f</b>	<b>(e) 5,677.00</b>	<b>750,288.36</b>	<b>-</b>
<b>Cumulated surplus/(deficit) b/f (f) = (d) - (e)</b>	<b>(f) <u>305,423.00</u></b>	<b><u>(17,981.66)</u></b>	<b>-</b>
<b>Cumulated surplus c/f (g) = (c) + (f)</b>	<b>(g) <u>664,115.00</u></b>	<b><u>80,571.60</u></b>	<b><u>135,630.95</u></b>

We certify that all income and expenditure were received and incurred for the Lotteries Fund projects and in accordance with the Lotteries Fund Manual and the instructions issued by Social Welfare Department.



CHAIRMAN



CHIEF EXECUTIVE OFFICER

15 OCT 2021

15 OCT 2021

0066