

(1) School Number :	564559
Branch ID :	A
(2) Name of School :	LUTHERAN PHILIP HOUSE OF LUN NURSERY SCHOOL
(3) Name of Sponsoring Body :	Lutheran Philip House Ltd.
(4) School type :	
First year joining KGES	No
With / Without non-local classes :	Without
(5) Total number of pages of auditor's report (i.e. 5th item in the contents) :	3
(6) Starting date of school year :	
KG Section - Local classes (dd/mm/yyyy) : (KGES)	01/09/2019
CCC Section (dd/mm/yyyy) :	01/09/2019
(7) Period covered by annual accounts :	
<i>For this submission</i>	
From (dd/mm/yyyy) :	01/09/2019
To (dd/mm/yyyy) :	31/08/2020
Only part of the period under KGES	No
<i>For last submission</i>	
From (dd/mm/yyyy) :	01/09/2018
To (dd/mm/yyyy) :	31/08/2019

Please read "Procedures/Guidelines For Filling Annual Audited Accounts Electronic Template" in the worksheet "Guide" before filling in the statements.

Note :

Editable cells (mandatory items)

Editable cells (optional items)

Not applicable cells

Non-editable cells

**LUTHERAN PHILIP HOUSE OI LUN
NURSERY SCHOOL
AUDITED ACCOUNTS
FOR THE YEAR ENDED 31ST AUG, 2020**

CONTENTS

	Page
School Information	1
Cover Page	2
Contents	3
School Supervisor's Certificate	4
Auditor's Report	5 - 7
Statement 1: Income and Expenditure Account (Remark 1)	8 - 9
Statement 2: Balance Sheet	10 - 11
Statement 3: Statement of Child Care Centre Subsidy Scheme and Other Subsidies for Child Care Services	12
Statement 4: (Remark 1)	
Statement 4A: Statement of One-off Start-up Grant	13
Statement 4B: Statement of Grants provided based on Actual Expenditure	14
Statement 4C: Statement of Other Grants not under the KG Education Scheme which are subject to Claw Back Provision by EDB	15
Statement 5: Statement of Trading Operations	16
Statement 6: Statement of Donation Income	17
Statement 7: Notes to the Accounts	18-28

Remarks:

1. Subsidies / grants under KG Education Scheme should be reported under respective Statements according to their natures as below -

a. Subsidies / grants under KG Education Scheme

- Statement 1 : Recurrent subsidies / grants (deficit can be covered by surplus under Other Operating Expenses Related Subsidy)
- Statement 4A : Non-recurrent subsidies / grants
- Statement 4B : Grants disbursed based on actual expenditure of the KG

b. Other subsidies / grants not under KG Education Scheme

- Statement 3 : Subsidies under the Child Care Centre Subsidy Scheme and from SWD
- Statement 4C : Other grants provided by EDB which are subject to claw back provision

c. Subsidies / grants from other government departments / quasi-government bodies

- Balance Sheet : Balances of the subsidies / grants should be recorded as 'Accounts Payable', if no separate ledgers and bank accounts are maintained for reporting to these bodies.

SCHOOL SUPERVISOR'S CERTIFICATE

I hereby certify that information and explanation given in Statement 1 to Statement 7 in the Audited Accounts of the school for the accounting year ended 31st Aug, 2020 are true and correct.



Signed by School Supervisor:

Wu Oi Kuen

Please stamp
School Chop

Name of School Supervisor:

Wu Oi Kuen

Name of School:

**LUTHERAN PHILIP HOUSE
OI LUN NURSERY SCHOOL**

Date:

29 March 2021



Tam Cheung Lai Sheung & Co.

Certified Public Accountants - Practising

譚 張 麗 嫦 會 計 師 事 務 所

Telephone 電話: (852) 2789-1671 Fax 傳真: (852) 2789-1567

E-mail 電子郵件: tamcls@tamcls.com.hk / alicetamcls5@gmail.com

INDEPENDENT AUDITOR'S REPORT

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST, 2020

TO THE SCHOOL MANAGEMENT COMMITTEE OF LUTHERAN PHILIP HOUSE LIMITED

RE: OI LUN NURSERY SCHOOL

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lutheran Philip House Limited – Oi Lun Nursery School (the “NURSERY”) set out on pages 8 to 28 from statement 1 to 7, which comprise the Income and Expenditure Account, Balance sheet as at 31 August 2020, Statement of Child Care Centre Subsidy Scheme and Subsidy for Manpower Enhancement, Statement of One-off Start-up Grant, Statement of Trading Operations and Statement of Donation Income, if any, and Notes to the Accounts.

Compliance with Hong Kong Financial Reporting Standards – Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion on Compliance with Hong Kong Financial Reporting Standards* section of our report, we do not express an opinion on the financial statements as to whether they give a true and fair view of the financial transactions of the Nursery during the year ended 31 August 2020 in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Compliance with accounting requirements of the Education Bureau, EDB

In our opinion:

- (i) the financial statements are prepared, in all material respect, in accordance with the accounting requirements of the Education Bureau Circular No. 7/2016 Free Quality Kindergarten Education (Ref.: EDB/(KGSD)/KE/1/24(C)), relevant letters, circulars and guidelines issued by the EDB and such instructions as may be given by the Permanent Secretary for Education and reflect the financial transactions of the School during the year ended 31 August, 2020 and the financial position of the Nursery as at 31 August, 2020.
- (ii) during the year ended 31 August, 2020, the Nursery has used the government subventions in accordance with the rules and ambits of the government grants as promulgated in the relevant letters, circulars and guidelines issued by the EDB; and
- (iii) the balances of individual grant accounts as at 31 August 2020 are, in all material respects, correct.

Basis for Opinion

Basis for disclaimer of Opinion on Compliance with Hong Kong Financial Reporting Standards

In accordance with the agreed terms of engagement, our responsibility is to consider whether the financial statements have been properly prepared in accordance with the EDB's related accounting instructions. The School Management Committee, SMC has referred to the EDB's accounting requirements rather than HKFRSs when preparing the financial statements, and has not quantified the departures of these financial statements, and has not quantified the departures of these financial statements from HKFRSs. As it is not practicable for us to quantify the departures, we are unable to fulfil our other responsibility to opine as to whether the financial statements give a true and fair view of the financial transactions of the Nursery.



Tam Cheung Lai Sheung & Co.

Certified Public Accountants - Practising

譚張麗嫦會計師事務所

Telephone 電話: (852) 2789-1671 Fax 傳真: (852) 2789-1567

E-mail 電子郵件: tamcls@tamcls.com.hk / alicetamcls5@gmail.com

INDEPENDENT AUDITOR'S REPORT (CONT'D)

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST, 2020

TO THE SCHOOL MANAGEMENT COMMITTEE OF LUTHERAN PHILIP HOUSE LIMITED

RE: OI LUN NURSERY SCHOOL

Basis for Opinion (cont'd)

Basis for Opinion on Compliance with the accounting requirements of the EDB

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 School 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 audit opinion on compliance with the accounting requirements of the EDB.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial statements, which describes the basis of accounting which has been designed to meet the requirements of the EDB and accordingly is not intended to give a true and fair view of the financial transactions of the School in accordance with HKFRSs, or any other framework designed to provide fair presentation. The financial statements are prepared to assist the Nursery to meet the requirements of the EDB. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of School Management Committee and Those Charged with Governance for the financial statements

The SMC of the Nursery is responsible for the preparation of the financial statements in accordance with the accounting requirements of the EDB, which require the financial statements to be prepared in accordance with its Education Bureau Circular No. 7/2016 and related circulars on the Scheme related accounting instructions, and for such internal control as the SMC determines 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 SMC is responsible for assessing the Nursery's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the SMC either intends to liquidate the Nursery or to cease operations, or has no realistic alternative but to do so.

In addition, the SMC is responsible to ensure the Nursery has used the government subventions in accordance with the applicable rules issued by the EDB and the correctness of the balances of individual grant accounts. Those charged with governance are responsible for overseeing the School's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Compliance with Hong Kong Financial Reporting Standards

Our responsibility is to conduct an audit of the Nursery's financial statements in accordance with HKSAs issued by the HKICPA and to issue an auditor's report. However, because of the matter described in the *Basis for Disclaimer of Opinion on Compliance with Hong Kong Financial Reporting Standards* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements on compliance with Hong Kong Financial Reporting Standards.



Tam Cheung Lai Sheung & Co.

Certified Public Accountants - Practising

譚張麗嫦會計師事務所

Telephone 電話: (852) 2789-1671 Fax 傳真: (852) 2789-1567

E-mail 電子郵件: tamcls@tamcls.com.hk / alicetamcls5@gmail.com

INDEPENDENT AUDITOR'S REPORT (CONT'D)

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST, 2020

TO THE SCHOOL MANAGEMENT COMMITTEE OF LUTHERAN PHILIP HOUSE LIMITED

RE: OI LUN NURSERY SCHOOL

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

Compliance with the accounting requirements of the EDB

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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. In addition, we are also engaged to report as to whether the Nursery has used the government subvention in accordance with the applicable rules issued by the EDB and whether the balances of individual grant accounts are, in all material respects, correct.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess then 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 Nursery's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the SMC.
- Conclude on the appropriateness of the SMC's 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 Nursery 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 Nursery to cease to continue as going concern.

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.

In forming our opinion on the use of government subventions, our opinion thereon was based on the evidence obtained during the course of our audit of the financial statements, and when reporting on the balances of individual grant accounts, we report as to whether they are, in all material respects, correct in so far as the balances agree to the books and records made available to us.

Tam Cheung Lai Sheung & Co

Tam Cheung Lai Sheung & Co.

Certified Public Accountants, Practising

Hong Kong, 30 March, 2021

Income (Remark 3)

Total Income

Total Expenditure

- 8 -

INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD FROM 1ST SEP, 2019 TO 31ST AUG, 2020

		KG Scheme Funds (under Kindergarten Education Scheme (KGES)) (Remark 1)												School Funds (Remark 1)				Total		
		Local Kindergarten Section												-----Optional (Remark 2)-----						
		Teacher Salary Related Subsidy		Premises Related Subsidy (Premises Maintenance Grant related)		Premises Related Subsidy (Others) (Remark 4)		Other Operating Expenses Related Subsidy		Grant for Support to Non -Chinese Speaking (NCS) Students		Grant for a Cook	Promotion of Reading Grant for Kindergartens	Sub-total	Local Kindergarten Section	Child Care Centre Section	Non-local Kindergarten Section	Sub-total	2019/20	2018/19
Statement		Half-day session	Whole-day / Long whole- day session	Half-day session	Whole-day / Long whole- day session	Half-day session	Whole-day / Long whole- day session	Half-day session	Whole-day / Long whole- day session	Half-day session	Whole-day / Long whole- day session	Half-day session	Whole-day / Long whole- day session	Sub-total	\$	\$	\$	\$	\$	\$
Surplus / (Deficit) from operation		-	(1,003,324)	-	-	-	-	-	456,677	-	42,833	-	(503,814)	5,490	261,229	-	266,719	(237,095)	298,280	
Profit / (Loss) from trading operations 5															-	15,649	-	15,649	15,649	12,034
Surplus / (Deficit) from FiT Scheme 7 - Note 10															-	-	-	-	-	
Donation income 6															-	-	-	-	-	-
Surplus / (Deficit) for the year		-	(1,003,324)	-	-	-	-	-	456,677	-	42,833	-	(503,814)	5,490	276,878	-	282,368	(221,446)	310,314	
Accumulated surplus / (deficit) brought forward from previous year		-	-	-	-	-	-	-	443,273	-	134,336	-	577,609	(41,220)	909,267	-	868,047	1,445,656	1,047,973	
Prior year(s) adjustment																				
(Please specify the reason)																				87,369
(Please specify the reason)																			-	
(Please specify the reason)																			-	
(Please specify the reason)																			-	
Deficit for the year transferred to : (Remark 5)																				
Other Operating Expenses Related Subsidy			899,950						(899,950)					-					-	
School Funds		-	103,374	-	-	-	-	-	-	-	-	-	103,374	(103,374)	-	-	-	(103,374)	-	
Deficit from One-off Start-up Grant 4A															-	-	-	-	-	-
Deficit from other grants not under the KG Education Scheme																				
which are subject to claw back provision by EDB, if applicable																				
Pilot Scheme on the Promotion of Reading Grant for Kindergartens 4C														-	-	-	-	-	-	-
Special Anti-epidemic Grant 4C														-	-	-	-	-	-	-
Support Grant 4C														-	-	-	-	-	-	-
Others (Please specify) 4C														-	-	-	-	-	-	-
Transfer from / (to) other reserves 7 - Note 7															-	-	-	-	-	-
Surplus / (Deficit) for the year after transfer		-	-	-	-	-	-	-	-	-	177,169	-	177,169	(139,104)	1,186,145	-	1,047,041	1,224,210	1,445,656	
Amount to be clawed back by Education Bureau for the year 7 - Note 8																			-	-
Surplus / (Deficit) carried forward to next year 2		-	-	-	-	-	-	-	-	-	177,169	-	177,169	(139,104)	1,186,145	-	1,047,041	1,224,210	1,445,656	

Remarks:

1. KG Scheme Funds and School Funds mean "income from government subsidies/grants" and "non-government funds" respectively as stated in the Education Bureau Circular No. 7/2016 and related circulars on the Scheme.

2. It is optional for schools to further apportion the income and expenditure items under School Funds to local kindergarten section, non-local kindergarten section and child care centre section.

3. Please input the correct disbursement and adjustment amounts of subsidies/ grants with correct apportionment of these subsidies/ grants into related sessions under KGES according to the Annual Statement on Subsidies/ Grants issued by EDB through the Common Log-On System.

4. Any rental cost exceeding the market rent as assessed by the Rating and Valuation Department, which will be made known to KGs in due course, should not be charged to the subsidies under the Scheme. It should be borne by school funds (other than school fees).

5. Deficit of respective subsidies/ grants under KGES should be borne by the surplus (if any) from other operating expenses related subsidy (i.e. 40% of the basic unit subsidy) and then by School Funds.

BALANCE SHEET

		2019/20	2018/19
	Statement	As at 31st Aug, 2020	As at 31st Aug, 2019
		\$	\$
Non-current Assets			
Fixed assets (including FiT Scheme assets)	7 - Note 3	13,800	26,529
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
		13,800	26,529
Current Assets			
Stocks	5	65,596	98,108
Accounts receivable and prepayments		247,855	37,884
Bank deposits with original maturities over three months		-	
Cash and cash equivalents		1,292,921	1,436,355
Others (Please specify)		16,000	16,000
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
		1,622,372	1,588,347
Current Liabilities			
School fees received in advance		119,338	96,000
Accounts payable and accruals		108,665	49,787
Amount payable to Education Bureau	7 - Note 8	23,433	23,433
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
		251,436	169,220
Net Current Assets / (Liabilities)		1,370,936	1,419,127
Non-current Liabilities			
Bank loan			
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
Others (Please specify)			
		-	-
Total Assets net of Total Liabilities		1,384,736	1,445,656

BALANCE SHEET

		2019/20	2018/19
	Statement	As at 31st Aug, 2020	As at 31st Aug, 2019
		\$	\$
Reserves			
Accumulated surplus / (deficit) - non-FiT Scheme # (Remark 1)		1,047,041	868,047
Accumulated surplus from FiT Scheme * (Remark 1)	7 - Note 10	-	-
Other reserves (Please specify)	7 - Note 7	-	-
Other reserves (Please specify)	7 - Note 7	-	-
Other reserves (Please specify)	7 - Note 7	-	-
Other reserves (Please specify)	7 - Note 7	-	-
Other reserves (Please specify)	7 - Note 7	-	-
		<u>1,047,041</u>	<u>868,047</u>
Retained Surplus			
Subsidies / grants from Education Bureau			
Subsidies / grants under KG Education Scheme	1	177,169	577,609
One-off Start-up Grant	4A	-	-
Special Grant on Typhoon Disturbance (Kindergarten)	4B	-	-
Staff Relief Grant for Staff Taking Paid Maternity Leave	4B	-	-
Supply Teacher Grant	4B	-	-
Other grants not under the KG Education Scheme which are subject to claw back provision by EDB			
Pilot Scheme on the Promotion of Reading Grant for Kindergartens	4C	-	-
Special Anti-epidemic Grant	4C	526	-
Support Grant	4C	160,000	-
Others (Please specify)	4C	-	-
		<u>337,695</u>	<u>577,609</u>
Total Reserves and Retained Surplus		<u><u>1,384,736</u></u>	<u><u>1,445,656</u></u>

Remark:

1. For reconciliation purpose:

	Statement	2019/20	2018/19
Accumulated surplus / (deficit) - non-FiT Scheme #		1,047,041	868,047
Accumulated surplus from FiT Scheme *	7 - Note 10	-	-
School Funds - Accumulated surplus / (deficit)	1	<u>1,047,041</u>	<u>868,047</u>

STATEMENT OF CHILD CARE CENTRE SUBSIDY SCHEME AND OTHER SUBSIDIES FOR CHILD CARE SERVICES

	<i>Statement</i>	From 1st Sep, 2019 to 31st Aug, 2020 \$	From 1st Sep, 2018 to 31st Aug, 2019 \$
Income			
Subsidy received under the Child Care Centre Subsidy Scheme (<i>Remark 1</i>)	1	89,400	87,050
Other Subsidies for Child Care Services (<i>Remark 2</i>)	1	388,485	106,998
Child Care Centre Special Grant (<i>Remark 3</i>)	1	233,376	
Total Income		711,261	194,048
Expenditure			
Salary and Provident Fund / Mandatory Provident Fund (<i>Remarks 1 and 2</i>)			
Child care supervisor's ("CCS's") salaries		32,305	28,440
Child care workers' ("CCW's") salaries		457,224	654,600
Employer's contribution to Provident Fund Scheme / Mandatory Provident Fund Scheme for CCSs and CCWs		31,126	31,719
Related expenses on supervisory support and administrative support of CCCs		240,834	
Related expenses on Child Care Centre Special Grant (<i>Remark 3</i>)	1	233,376	
Total Expenditure		994,865	714,759
Surplus / (Deficit) for the period		(283,604)	(520,711)
Surplus (<i>Remark 4</i>)			
Surplus refundable to Education Bureau ("EDB") for the period	7 - Note 8	-	-
Surplus refundable to Social Welfare Department ("SWD") for the period		-	-
Surplus of Child Care Centre Special Grant carried forward to next period		-	
Total surplus		-	-

Remarks:

- According to EDBC No. 3/2008, the subsidy under the Child Care Centre Subsidy Scheme (CCCSS) should be spent solely on CCS's / CCW's salaries and Provident Fund / Mandatory Provident Fund expenses.
- According to SWD's notification letter issued to aided child care centres (CCCs) dated 16 March 2020, the Subsidy for Manpower Enhancement (including Subsidy for Further Manpower Enhancement) should be spent solely on CCS's / CCW's salaries and Provident Fund / Mandatory Provident Fund expenses and it has to be spent in the school year to which it is granted. The Subsidy for Operation Enhancement should be spent solely on supervisory support and administrative support of the child care centres.
- According to SWD's letter issued to aided CCCs dated 27 February 2020, the Child Care Centre Special Grant was provided to tide over the financial difficulties faced by CCCs due to suspension of service and ease the financial burden of parents during the epidemic period. The unspent special grant, if any, will be regarded as surplus and to be carried forward to the next period.
- Except for the Child Care Centre Special Grant, any unspent amount of the allocation will be clawed back by the Government of the Hong Kong Special Administrative Region ("the Government") after the review of the annual audited accounts. If the CCC service of the aided KG-cum-CCC is terminated, the entire unspent subsidy based on the audited accounts as at the date of closure will be clawed back by the Government. The surplus from CCCSS and other subsidies for child care services will be calculated on pro-rata basis and returned to EDB and SWD accordingly.

STATEMENT OF ONE-OFF START-UP GRANT

	<i>Statement</i>	From 1st Sep, 2019 to 31st Aug, 2020 \$	From 1st Sep, 2018 to 31st Aug, 2019 \$
Income			
Grant received		-	-
Expenditure			
For implementation of KG Education Scheme			
Additional staff salaries and related expenses		-	186,605
Hiring of services		-	-
Furniture and equipment for additional teachers		-	14,381
Small-scale renovations		-	800
Others (Please specify)		-	-
Others (Please specify)		-	-
Others (Please specify)		-	-
Others (Please specify)		-	-
Others (Please specify)		-	-
Others (Please specify)		-	-
Others (Please specify)		-	-
Others (Please specify)		-	-
Others (Please specify)		-	-
Others (Please specify)		-	-
Total Expenditure		-	201,786
Surplus / (Deficit) for the period		-	(201,786)
Surplus brought forward from previous period	2	-	225,219
Deficit transferred to Income and Expenditure Account (Remark 1)	1	-	-
Surplus for the period after transfer		-	23,433
Amount refundable to Education Bureau (Remark 2)	7 - Note 8	-	23,433
Surplus carried forward to next period	2	-	-

Remarks:

1. Deficit should be borne by the surplus (if any) from other operating expenses related subsidy (i.e. 40% of the basic unit subsidy) and then by School Funds.
2. Any surplus as at 31 July 2019 or the date of closure / withdrawal / exclusion of the KG from the Scheme, whichever is earlier, should be returned to Education Bureau.

**STATEMENT OF GRANTS
PROVIDED BASED ON ACTUAL EXPENDITURE
FOR THE PERIOD FROM 1ST SEP, 2019 TO 31ST AUG, 2020**

		Special Grant on Typhoon Disturbance (Kindergarten) <i>(Remark 1)</i>	Staff Relief Grant for Staff Taking Paid Maternity Leave <i>(Remark 2)</i>	Supply Teacher Grant <i>(Remark 3)</i>
	<i>Statement</i>	\$	\$	\$
Income				
Grant received		-	-	-
Expenditure				
Expenditure incurred and covered by the grant <i>(Remark 4)</i>		-	-	-
Balance for the period <i>(Remark 5)</i>		-	-	-
Balance brought forward from previous period	2	-	-	-
Balance carried forward to next period <i>(Remark 5)</i>	2	-	-	-

Remarks:

1. According to EDBCM No. 167/2018, the grant will be disbursed according to the actual expenses of KG, with a basic ceiling of \$50,000 per KG (counted by registered location). Expenses related to the non-school portion, child care centre section and non-local KG stream are not included.
2. According to EDBC No. 17/2018, the grant will be provided to reimburse the relevant expenses incurred by the KGs joining the Scheme for employing substitute staff to temporarily take up the duties of the staff taking paid maternity leave under Employment Ordinance (Cap. 57) and for 14 weeks. Expenses related to the non-school portion, child care centre section and non-local KG stream are not included.
3. According to EDBC No. 8/2018, the grant will be provided to reimburse the relevant expenses incurred by the KG section joining the Scheme for employing supply teacher to temporarily take up the duties of the teacher attending the specified training courses on catering for students with developmental needs and specified training courses on supporting NCS students. Expenses related to the non-school portion, child care centre section and non-local KG stream are not included.
4. Only expenditure covered by the grant, i.e. the reimbursement, should be included. Expenditure not approved by EDB should not be charged to this statement.
5. In general, deficit may exist as a result of timing difference between expenditure incurred and the subsequent receipt of grant. Such deficit may be carried forward and made good by the grant received in next accounting period.

**STATEMENT OF OTHER GRANTS NOT UNDER THE KG EDUCATION SCHEME
WHICH ARE SUBJECT TO CLAW BACK PROVISION BY EDB
FOR THE PERIOD FROM 1ST SEP, 2019 TO 31ST AUG, 2020**

		Pilot Scheme on the Promotion of Reading Grant for Kindergartens (Remark 1)	Special Anti- epidemic Grant (Remark 2)	Support Grant (Remark 3)	Others (Please specify)
	<i>Statement</i>	\$	\$	\$	\$
Income					
Grant received		-	15,000	160,000	-
Expenditure					
(空氣淨化機)			4,418		
(清潔用品)			10,056	-	
(Please specify)					
(Please specify)					
(Please specify)					
(Please specify)					
(Please specify)					
(Please specify)					
(Please specify)					
Total Expenditure		-	14,474	-	-
Surplus / (Deficit) for the period		-	526	160,000	-
Surplus brought forward from previous period	2				
Prior year(s) adjustments (Remark 4)					
Deficit transferred to Scheme Funds (Remark 5)	1				
Deficit transferred to School Funds (Remark 5)	1	-	-	-	-
Amount to be clawed back by Education Bureau	7 - Note 8	-			
Surplus carried forward to next period	2		526	160,000	-

Remarks:

- According to EDBCM No. 162/2018, the one-off grant was provided to KGs joining the Pilot Scheme on the Promotion of Reading Grant for Kindergartens to further promote reading. Schools should use the grant on or before 31 August 2019.
- According to EDBCM No. 37/2020, the one-off grant was provided to help schools replenish their epidemic prevention equipment, clean the school premises and pay for the other expenses related to epidemic prevention. Schools should use the grant on or before 31 August 2021.
- According to the EDB letter (Ref.: EDB(KGA)ADM/90/1) to KGs, the one-off grant was provided to assist KGs in tackling operational difficulties caused by the novel coronavirus epidemic. KGs must ensure that the grant is used for operating the KG and for education purposes. The ambit of this grant covers expenditure items chargeable to government funds in general. Schools should use the grant on or before 31 August 2021.
- Please state the adjustments notified by EDB and not yet reflected in previous year's audited accounts in this row.
- Deficit should be borne by the surplus (if any) from other relevant government subvention (if applicable) or schools' own fund.

STATEMENT OF TRADING OPERATIONS
FOR THE PERIOD FROM 1ST SEP, 2019 TO 31ST AUG, 2020

Statement	Textbook \$	Exercise book \$	School bus \$	School uniform \$	School Bag \$	Bedding \$	Activity outside regular school hours \$	Stationery \$	Teaching/ Learning material \$	Snack/Food/ Refreshment \$	Lable etc. \$	Publication \$	BB & Others \$	Total \$
Income (Remark 1)	51,017	71,823	-	40,658	4,215	-	3,124	1,688	10,712	-	661	5,967	3,510	193,375
Cost of Sales														
Opening stock	2	-	11,092	-	55,043	22,304	-	383	-	-	-	-	9,286	98,108
Add : Purchases		51,039	62,227	-	12,420	-	2,737	1,101	9,657	-	633	5,400	-	145,214
Others (Please specify)														-
Others (Please specify)														-
Others (Please specify)														-
Others (Please specify)														-
Others (Please specify)														-
Less: Closing stock	2	-	9,427	-	31,568	18,625	-	-	-	-	-	-	5,976	65,596
Total Cost of Sales		51,039	63,892	-	35,895	3,679	2,737	1,484	9,657	-	633	5,400	3,310	177,726
Profit/ (Loss) for the year	1	(22)	7,931	-	4,763	536	387	204	1,055	-	28	567	200	15,649
Profit / (Loss) as a % of total cost of sales (Remark 2)		-0.04%	12.41%	0.00%	13.27%	14.57%	0.00%	14.14%	13.75%	10.92%	0.00%	4.42%	10.50%	8.81%

Remarks:

- Any discount or block sum of money received from trading operators / suppliers should be entered into school accounts as income. Parents should be notified in advance of such sum.
- According to EDBC No. 16/2013, no profit should be generated from sale of textbooks. The profit from the sale of other school items and provision of paid services should be limited to 15% of total costs involved.

STATEMENT OF DONATION INCOME

	<i>Statement</i>	From 1st Sep, 2019 to 31st Aug, 2020 \$	From 1st Sep, 2018 to 31st Aug, 2019 \$
Donation Income		-	-
Expenditure <i>(Remark 1)</i>			
Extra-curricular activities		-	-
Purchase of teaching equipment		-	-
Repairs and maintenance		-	-
Scholarship		-	-
Others <i>(Please specify)</i>		-	-
Others <i>(Please specify)</i>		-	-
Others <i>(Please specify)</i>		-	-
Others <i>(Please specify)</i>		-	-
Others <i>(Please specify)</i>		-	-
Others <i>(Please specify)</i>		-	-
Others <i>(Please specify)</i>		-	-
Others <i>(Please specify)</i>		-	-
Others <i>(Please specify)</i>		-	-
Others <i>(Please specify)</i>		-	-
Total Expenditure		-	-
Unspent balance <i>(Remark 2)</i>	<i>1</i>	-	-

Remarks:

- Expenditure which cannot be fully covered by donation should be recognised in the Income and Expenditure Account (Statement 1).
- Unspent balance should be transferred to the Income and Expenditure Account.

NOTES TO THE ACCOUNTS

1. General Information

The principal activity of the school is to provide kindergarten and nursery educational services.

The school has joined the Kindergarten Education Scheme (“the Scheme”) of the Education Bureau since 2017/18 school year and has undertaken to fulfil the terms and conditions of the Scheme. The school is a non-profit-making kindergarten by being either an approved organisation exempt from taxes under Section 88 of the Inland Revenue Ordinance (Cap. 112) (“IRO”) or an approved subsidiary to an organisation exempt from taxes as recognised by the Inland Revenue Department (“IRD”) under the IRO as proved by a certificate or confirmation letter issued by the IRD.

2. Basis of Preparation

This set of accounts has been prepared in accordance with the requirements set out in relevant letters, circulars and guidelines issued by the Education Bureau for the Scheme. All amounts are presented in Hong Kong dollars.

The school has maintained separate books of accounts to record the income, expenditure and transactions of each type of subsidies and grants received under the Scheme (named as KG Scheme Funds (“KGSF”)), as well as those of the kindergarten and nursery (if applicable) operation but not covered by the scheme (named as School Funds (“SF”)). The statements included in this set of accounts are prepared on the basis of these books of accounts and where applicable, report separately the income, expenditure and operating surplus / deficit for different sections (kindergarten and child care centre), streams (local and non-local curriculum) and sessions (half-day, whole-day and long whole-day) as specified by the Education Bureau.

In preparing the statements, the school has strictly followed the principles below :

- (i) All direct expenses which can be separately attributable to KGSF or SF are fully taken up and borne by such fund, and recorded directly in the accounts for the related sections, streams and sessions;
- (ii) Identifiable local kindergarten expenses which are not allowable in / chargeable to KGSF are fully borne by SF;
- (iii) Salaries and related expenses of principal and teaching staff are allocated to KGSF and SF according to their relative duties in different sections and streams as designated by the school. The apportionment ratio adopted by the school during the year was :

Child Care Centre (if applicable)		Local Kindergarten Classes		Non-Local Kindergarten Classes (if applicable)
20%	:	80%	:	0%

- (iv) Expenses incurred on a school basis are allocated to KGSF and SF based on yearly from 1st September, 2019 to 31st August, 2020 average student enrolments of respective sections and
- (v) All expenses allocated to local kindergarten section are further allocated, if applicable, to different sessions based on respective yearly average student enrolments and the ratio of half-day to whole-day / long whole-day expenditure per student. The ratio adopted by the school during the year was:

Half-day		Whole-day/ Long whole-day
	:	Not applicable (1.6 to 2 , please specify)

NOTES TO THE ACCOUNTS

2. Basis of Preparation (Cont'd)

2.1 Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Nursery and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Furniture, fixtures, equipment and decoration	25% - 33.33% per annum
Computer hardware and software	33.33% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.2 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposited held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.4 Employee benefits

Employee benefits represent short term employee benefits and contributions to defined contribution retirement plans.

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 payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

NOTES TO THE ACCOUNTS

3. Fixed Assets

	School premises	Leasehold improvements	Furniture/ Equipment/ Fixtures/ Fittings	Computer hardware and software	Renewable energy (RE) facilities under FiT Scheme (Remark 2)	Total
	\$	\$	\$	\$	\$	\$
Cost						
As at 1st Sep, 2019	-	-	407,095	68,655	-	475,750
Additions	-	-	4,590	4,319	-	8,909
Transfer (Remark 1)	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Written off	-	-	25,240	28,122	-	53,362
As at 31st Aug, 2020	-	-	386,445	44,852	-	431,297
Accumulated Depreciation						
As at 1st Sep, 2019	-	-	384,426	64,795	-	449,221
Depreciation						
For assets not under FiT Scheme:						
Charged to KG Scheme Funds #	-	-	12,106	4,240	-	16,346
Charged to School Funds #	-	-	4,232	1,060	-	5,292
For RE facilities under FiT Scheme:						
Charged to KG Scheme Funds # (Remark 2)	-	-	-	-	-	-
Charged to School Funds @ (Remark 2)	-	-	-	-	-	-
	-	-	16,338	5,300	-	21,638
Transfer (Remark 1)	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Written off	-	-	25,240	28,122	-	53,362
As at 31st Aug, 2020	-	-	375,524	41,973	-	417,497
Net Book Value						
As at 1st Sep, 2019	-	-	22,669	3,860	-	26,529
As at 31st Aug, 2020	-	-	10,921	2,879	-	13,800
Threshold amount (Remark 3)	-	-	3,000	3,000	-	-
Depreciation Rate (%)	-	-	33.3%	33.3%	-	-

Remarks :

- This category is only applicable for new join Scheme KGs.
From 2017/18 school year onwards, except for schools participating in the FiT Scheme, fixed assets (including items brought forward or newly acquired items) must be grouped under 4 categories, namely School premises, Leasehold improvements, Furniture/ Equipment/ Fixtures/ Fittings, and Computer hardware and software. Therefore, any items brought forward under the category of "Others" must be transferred to these 4 categories.
 - Only applicable to schools participating in FiT Scheme. Please refer to Note 10 of Statement 7.
 - Please provide the threshold amount (i.e. if the relevant expenditure is up to or in excess of that amount, the item acquired would be treated as fixed assets) for each type of assets.
- # Depreciation reflected in Statement 1.
- @ For the purchase of fixed assets and capital expenditure under FiT Scheme, the relevant assets should be capitalised in Note 3 of Statement 7, while the for the relevant fixed assets should be charged to the account of FiT Scheme (Note 10 of Statement 7). The depreciation should NOT be reflected in Statement 1.

NOTES TO THE ACCOUNTS

4. Details of Additions of Fixed Assets

	Date of purchase/ commission	From 1st Sep, 2019 to 31st Aug, 2020 Cost \$
(i) School premises		
(Please specify)		
(Please specify)		
(Please specify)		
(Please specify)		
(Please specify)		
		-
(ii) Leasehold improvements		
(Please specify)		
(Please specify)		
(Please specify)		
(Please specify)		
(Please specify)		
		-
(iii) Furniture/ Equipment/ Fixtures/ Fittings		
雪櫃 -1PC	11/6/2020	4,590
(Please specify)		
(Please specify)		
(Please specify)		
(Please specify)		
(Please specify)		
(Please specify)		
(Please specify)		
(Please specify)		
(Please specify)		
		4,590
(iv) Computer hardware and software		
桌上電腦 -1PC	24/6/2020	4,319
(Please specify)		
(Please specify)		
(Please specify)		
(Please specify)		
(Please specify)		
(Please specify)		
(Please specify)		
(Please specify)		
(Please specify)		
		4,319

4. Details of Additions of Fixed Assets

Total

1. Only for schools participating in FiT Scheme.

2. This category is only applicable for new join Scheme KGs.

From 2017/18 school year onwards, except for schools participating in the FiT Scheme, fixed assets (including items brought forward or newly acquired items) must be grouped under 4 categories, namely School premises, Leasehold improvements, Furniture/ Equipment/ Fixtures/ Fittings, and Computer hardware and software. Therefore, any items brought forward under the category of "Others" must be transferred to these 4 categories.

5. Other Income

6. Other Expenditure

Ref:564559 A DC555

6. Other Expenditure (Cont'd)

Ref:564559 A DC555

NOTES TO THE ACCOUNTS

7. Other Reserves

As at 1st Sep, 2019

Transfer from/(to) Income and Expenditure Statement (Statement 1)

*(Please specify the nature)**(Please specify the nature)**(Please specify the nature)**(Please specify the nature)*

As at 31st Aug, 2020

Other reserves (Please specify)	Other reserves (Please specify)	Other reserves (Please specify)	Other reserves (Please specify)	Other reserves (Please specify)	Total
\$	\$	\$	\$	\$	\$
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

NOTES TO THE ACCOUNTS

8. Amount Refundable to Education Bureau

	KG Scheme Funds (under Kindergarten Education Scheme (KGES))												Other Statements					Total
	Teacher Salary Related Subsidy		Premises Related Subsidy (Premises Maintenance Grant related)		Premises Related Subsidy (Others)		Other Operating Expenses Related Subsidy		Grant for Support to Non-Chinese Speaking (NCS) Students	Grant for a Cook	Promotion of Reading Grant for Kindergartens	One-off Start-up Grant	Child Care Centre Subsidy Scheme	Pilot Scheme on the Promotion of Reading Grant for Kindergartens	Special Anti-epidemic Grant	Support Grant	Others (Please specify)	
	Half-day session	Whole-day / Long whole-day session	Half-day session	Whole-day / Long whole-day session	Half-day session	Whole-day / Long whole-day session	Half-day session	Whole-day / Long whole-day session										
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
As at 1st Sep, 2019	-	-	-	-	-	-	-	-	-	-	-	23,433	-	-	-	-	-	23,433
Amount refundable to Education Bureau	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount refunded to Education Bureau	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st Aug, 2020	-	-	-	-	-	-	-	-	-	-	-	23,433	-	-	-	-	-	23,433

NOTES TO THE ACCOUNTS

9. Related Party Transactions

	From 1st Sep, 2019 to 31st Aug, 2020	From 1st Sep, 2018 to 31st Aug, 2019
	\$	\$
(i) Amount due from related parties		
School sponsoring body <i>(Please specify its name and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
	-	-
	-	-
(ii) Amount due to related parties		
School sponsoring body <i>(Please specify its name and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
	-	-
	-	-
(iii) Receipt from related parties during the year		
School sponsoring body <i>(Please specify its name and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
	-	-
	-	-
(iv) Payment to related parties during the year		
School sponsoring body <i>(Please specify its name and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
Others <i>(Please specify name of the party and nature of transaction)</i>	-	-
	-	-
	-	-

NOTES TO THE ACCOUNTS

10. Participation in the Feed-in Tariff (FiT) Scheme (Remarks 1 and 2)

	From 1st Sep, 2019 to 31st Aug, 2020	
	\$	\$
Income		
- Income from FiT Scheme	-	
- Grant / donations / sponsorships received for FiT Scheme	-	
- Others (<i>Please specify</i>)	-	
		-
Expenditure		
- Depreciation of renewable energy (RE) facilities under FiT Scheme @ (Remark 3)	-	
- Recurrent costs of RE facilities, e.g. repairs and maintenance	-	
- Expenditure on purposes directly benefiting the students	-	
- Others (<i>Please specify</i>)	-	
		-
Surplus / (Deficit) (per Statement 1)		-
Surplus brought forward		-
Transfer from non-government funds (for deficit only)		-
Surplus carried forward		-
		(per Statement 2)

@ For the purchase of fixed assets and capital expenditure under FiT Scheme, the relevant assets should be capitalised in Note 3 of Statement 7, while the depreciation for the relevant fixed assets should be charged to this account of FiT Scheme. The depreciation should NOT be reflected in Statement 1.

Remarks:

- Schools should refer to the relevant requirements laid down in the EDB Circular Memorandum No. 168/2019 on "Participation of Schools in Feed-in Tariff (FiT) Scheme".
- For participation in the FiT Scheme, SMC's approval has been obtained on *2019/2020*.
- Depreciation charges of RE facilities recorded under different funds
(for reconciliation purpose)

-KG Scheme Funds - FiT Scheme assets (Statement 1 - under Other Operating Expense Related Subsidy)
-School Funds - FiT Scheme assets (@ per above)

Total depreciation charges of renewable energy facilities

2019/20
\$
-
-
-
(per Note 3 under Statement 7)