

**Education Bureau**  
**Circular Memorandum No. 127/2017**

From : Permanent Secretary for Education      To : Supervisors of Kindergartens, Kindergarten-cum-Child Care Centres (i) joining Pre-primary Education Voucher Scheme and / or (ii) receiving (a) subsidies under Child Care Centre Subsidy Scheme and / or (b) rent reimbursement - For necessary action

Ref. : EDB(FINMS)/KG/555(16/17)      Date : 05 July 2017

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**Submission of 2016/17 Annual Audited Accounts  
by Kindergartens and Kindergarten-cum-Child Care Centres**

**Purpose**

This circular memorandum requests Supervisors of Kindergartens (KGs) / Kindergarten-cum-Child Care Centres (KG-cum-CCCs) (collectively referred as “KGs”) (i) joining the Pre-primary Education Voucher Scheme (PEVS) and / or (ii) receiving (a) subsidies under Child Care Centre Subsidy Scheme (CCCSS) and / or (b) rent reimbursement to submit their annual audited accounts for the 2016/17 school / financial year. The deadline for submission is **15 February 2018**.

**Background**

2. The abovesaid KGs are required by Education Bureau (EDB) Circular Nos. [6/2011](#), [3/2008](#) and [2/2004](#) to submit their annual accounts audited by Certified Public Accountants (practising) registered under the Professional Accountants Ordinance. EDB Circular No. [5/2014](#) sets out the guidelines on appointment of auditors.

**Submission Requirements**

3. The full set of annual audited accounts to be submitted to EDB should comprise –

- (i) the School Supervisor’s Certificate;
- (ii) the Auditor’s Report; and
- (iii) the statements as specified at **Annex 1**.

Templates for the annual audited accounts can be downloaded from the following address –

- (a) <https://kgac.edb.gov.hk> (for School Portal users), or

- (b) <http://www.edb.gov.hk/circular/adhocforme/2017fdkg-e.xls> (for non-School Portal users).

KGs are highly recommended to use the above templates for preparation of their annual accounts and submit to EDB the soft copy electronically (through the School Portal Account or in CD) in addition to the hard copy of the audited accounts. Procedures for uploading the soft copy through the School Portal Account are set out at **Annex 2**.

4. The full set of the annual audited accounts must be forwarded to the following address **on or before 15 February 2018** –

Management Services Section,  
Finance Division,  
Education Bureau,  
Room 1504, 15/F, Wu Chung House,  
213 Queen's Road East,  
Wanchai, Hong Kong.

5. All income & expenditure relating to (a) the One-off School Development Grant for KGs under the PEVS, and (b) the One-off Start-up Grant for KGs joining the Free Quality Kindergarten Education Scheme in the 2017/18 school year should be separately accounted for in Statement 4A and Statement 4B respectively at **Annex 1**. For detail terms and conditions of the two grants, please refer to EDB Circular Memorandum Nos. [101/2013](#) and [23/2017](#) respectively.

6. Schools joining PEVS which also receive CCCSS subsidy and / or rent reimbursement at the same time need only to submit **one** set of audited accounts and accounted for in Statement 3 and Statement 1 at **Annex 1** respectively. For schools joining PEVS with operating classes of both local and non-local curriculum, they should prepare Statement 1A instead of Statement 1 at **Annex 1**.

7. For closed schools, they should submit their final audited accounts (covering the period up to and including the last day of school operation) **no later than four months** from the date of cessation of operation.

### **Points for Special Attention**

8. In preparing the annual audited accounts, School Supervisors are requested to observe and comply with all relevant terms and conditions of the PEVS / reimbursement of rent / CCCSS as applicable to the KGs, including but not limited to the submission of annual audited accounts in prescribed formats to EDB for inspection. Schools' attention is particularly drawn to the following–

- (a) Schools are reminded to observe the list of items that are covered by school fees as set out in Appendix 1 of EDB Circular No. [16/2013](#), and not to charge parents for these items separately.
- (b) Schools should follow the guidelines and general principles on the collection of fees and trading operations as promulgated in EDB Circular No. [16/2013](#), properly report their school incomes (i.e. school fees, income from trading

operations <sup>Note 1</sup> and other income <sup>Note 2</sup>) in the annual audited accounts. Where necessary, schools and their Auditors may be called upon to provide supplementary information on the school incomes so reported.

- (c) Schools should observe the guiding principles on scope of expenditure at **Annex 3** in the use of resources from school fees (incl. the fee subsidy under PEVS) which should be basically devoted to supporting teaching and learning activities, the operation of KG and maintenance of the standard of education service.
- (d) Schools should not transfer any funds, including subsidies and surplus, in whatever form, to any organizations including their sponsoring bodies.
- (e) Schools should properly disclose all related party transactions and their outstanding balances as required in relevant EDB's circulars / directives in Note 4 of Statement 7 at **Annex 1**, including those related party transactions that had been reported in their 2016/17 fee revision application. Please refer to **Annex 4** for definition.
- (f) Schools should draw their Auditors' attention to the strict certification requirements as set out in the reference notes for Auditors at **Annex 5** prior to the commencement of audit.
- (g) Schools should note that as set out at **Annex 5**, Auditors are required to send to EDB a copy of the management letter, if any, they issued to their School Supervisors on the weaknesses they observed in the internal control of KGs. EDB may require KGs and their Auditors to provide supplementary information, if necessary.

## Enquiries

9. For enquiries, please contact Samson LI, Accounting Officer I (Management Services)1 at 2892 6269.

( Ms Clarice LI )  
for Permanent Secretary for Education

## Encl.

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### Notes :

1. All income and expenditure relating to trading operations that are collected under EDB Circular No. 16/2013 should be analyzed in Statement 5 at **Annex 1**.
2. For registration fees, application fees and meal charges, KGs should obtain the prior written approval of EDB before collection of or making adjustments to these fees in accordance with the Education Regulations. In addition, income generated from activities ancillary to school's operation **NOT** collected from students should be reported in Note 5 of Statement 7 at **Annex 1**.

Name of School : \_\_\_\_\_

School type : **\*KG / KG-cum-CCC**

[\*Please delete whichever is inappropriate]

**\*PEVS / Non-PEVS****\*CCCSS / Non-CCCSS****\*Rent Reimbursement / Non-Rent Reimbursement****ACCOUNTS FOR THE YEAR ENDED \_\_\_\_\_ 2017****CONTENTS**

Statement No.	Particulars	Page
-	School Supervisor's Certificate	2
-	Auditor's Report	3
1	Income and Expenditure Account (for KGs if Statement 1A below is inapplicable)	4-5
1A	Income and Expenditure Account (for KGs joining PEVS with operating classes of both local & non-local curriculum)	6-7
2	Balance Sheet	8-9
3	Statement of Child Care Centre Subsidy Scheme (if applicable)	10
4A	Statement of One-off School Development Grant for Kindergartens under the PEVS (if applicable)	11
4B	Statement of One-off Start-up Grant for Kindergartens joining the Free Quality Kindergarten Education Scheme in the 2017/18 School Year (if applicable)	12
5	Statement of Trading Operations	13
6	Statement of Donation Income	14
7	Notes to the Accounts	15-18

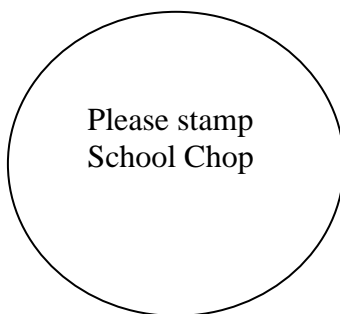
Name of School : \_\_\_\_\_

ACCOUNTS FOR THE YEAR ENDED \_\_\_\_\_ 2017

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**SCHOOL SUPERVISOR'S CERTIFICATE**

I hereby certify that the information and explanations given in  
\*Statements 1/1A, 2, 3, 4A, 4B, 5, 6 and 7 in the Accounts of the School for the year ended  
\_\_\_\_\_ 2017 are true and correct.



Signed : \_\_\_\_\_  
(School Supervisor)

Name of School Supervisor : \_\_\_\_\_

Date : \_\_\_\_\_

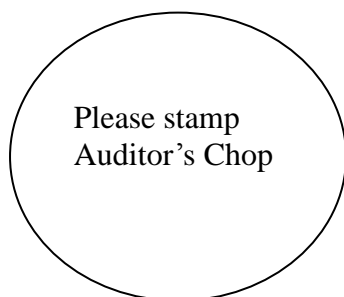
\* Please delete whichever is inappropriate

**Name of School :** \_\_\_\_\_

**ACCOUNTS FOR THE YEAR ENDED** \_\_\_\_\_ **2017**

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**AUDITOR'S REPORT**



Signed : \_\_\_\_\_  
(Auditor)

Name of Auditor : \_\_\_\_\_

Date : \_\_\_\_\_

**Statement 1**

(Page 1 of 2)

**For KGs/KG-cum-CCCs (i) joining PEVS and/or (ii) receiving (a) CCCSS and/or (b) Rent Reimbursement**

(For those KGs/KG-cum-CCCs joining PEVS with operating classes of both local and non-local curriculum, they should prepare Statement 1A instead.)

**Name of School :** \_\_\_\_\_**School type: \*KG/KG-cum-CCC**

[\*Please delete whichever is inappropriate.]

**\*PEVS/Non-PEVS****INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED \_\_\_\_\_ 2017**

	\$	Current Year \$	Previous Year \$	Remarks (or Notes)
<b>INCOME</b>				
School Fees				
- from parents				
- from PEVS				
- from Kindergarten and Child Care Centre Fee Remission Scheme				
Less : Fee Remission (financed by school)				
Subsidy received under the Child Care Centre Subsidy Scheme				Per Statement 3
Reimbursement of Government Rent				
Reimbursement of Rates				
Reimbursement of Rent				
Other Income ( <b>Note 1</b> )				Per Statement 7 (item 5)
<b>TOTAL INCOME (a)</b>				
<b>EXPENDITURE (<b>Note 2</b>)</b>				
Salaries				
- Teaching Staff (including Principal)				
- Non-teaching Staff				
Employer's Contribution to Provident Fund Scheme				
- Teaching Staff (including Principal)				
- Non-teaching Staff				
Severance Pay/Long-service Pay				
- Teaching Staff (including Principal)				
- Non-teaching Staff				
Supervisor's Remuneration				
Government Rent				
Rates				
Rent				
Depreciation				
- School Premises				Per Statement 7 (item 1)
- Furniture/Equipment/Fixtures/Fittings				
- Computer Hardware and Software				
- Others				

(to be continued)

**Statement 1**

(Page 2 of 2)

Name of School : \_\_\_\_\_

	\$	Current Year \$	Previous Year \$	Remarks (or Notes)
Major Repairs and Maintenance (for items costing \$8,000 or above each)				
Minor Repairs and Maintenance (for items costing below \$8,000 each)				
Audit Fee				
Other Expenditure ( <b>Note 3</b> )				Per Statement 7 (item 3)
<b>TOTAL EXPENDITURE (b)</b>				
Surplus/(Deficit) from the operation [(a) – (b)]				
Profit/(Loss) from Trading Operations ( <b>Note 4</b> )				Per Statement 5
Donation Income ( <b>Note 5</b> )				Per Statement 6
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>				
<b>ACCUMULATED SURPLUS/(DEFICIT) BROUGHT FORWARD FROM PREVIOUS YEAR</b>				
<b>PRIOR YEAR ADJUSTMENT</b> (Please specify the nature)				
<b>TRANSFER TO/(FROM) RESERVE (<b>Note 6</b>)</b>				Per Statement 7 (item 6)
<b>ACCUMULATED SURPLUS/(DEFICIT) CARRIED FORWARD TO NEXT YEAR</b>				

**Note**

1. Please provide breakdowns for “Other Income” in Statement 7.
2. Please observe the guiding principles on scope of expenditure at Annex 3.
3. Please provide breakdowns for “Other Expenditure” in Statement 7.
4. For KGs with trading operations such as sale of school items and provision of paid services, please provide details of such income and corresponding costs in Statement 5.
5. For KGs with donations received, please provide details of income from donation and corresponding expenditure in Statement 6.
6. Please specify the nature of surplus transfer to/(from) reserve e.g. school development for educational purpose in Statement 7.



# Statement 1A

(Page 1 of 2)

**For KGs/KG-cum-CCCs joining PEVS with operating classes of both local and non-local curriculum**

**Name of School :** \_\_\_\_\_

**School type:** \*KG/KG-cum-CCC

[\*Please delete whichever is inappropriate.]

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED \_\_\_\_\_ 2017

	Current Year \$			Previous Year \$	Remarks (or Notes)
	Local Curriculum Classes	Non-Local Curriculum Classes	Total	Total	
<b>INCOME</b>					
School Fees					
- from parents					
- from PEVS					
- from Kindergarten and Child Care Centre Fee Remission Scheme					
Less : Fee Remission (financed by school)					
Subsidy received under the Child Care Centre Subsidy Scheme					Per Statement 3
Reimbursement of Government Rent					
Reimbursement of Rates					
Reimbursement of Rent					
Other Income ( <b>Note 1</b> )					Per Statement 7 (item 5)
<b>TOTAL INCOME (a)</b>					
<b>EXPENDITURE (<b>Note 2</b>)</b>					
Salaries					
- Teaching Staff (including Principal)					
- Non-teaching Staff					
Employer's Contribution to Provident Fund Scheme					
- Teaching Staff (including Principal)					
- Non-teaching Staff					
Severance Pay/Long-service Pay					
- Teaching Staff (including Principal)					
- Non-teaching Staff					
Supervisor's Remuneration					
Government Rent					
Rates					
Rent					
Depreciation					
- School Premises					
- Furniture/Equipment/Fixtures/Fittings					
- Computer Hardware and Software					
- Others					Per Statement 7 (item 1)

(to be continued)

## Statement 1A

(Page 2 of 2)

Name of School : \_\_\_\_\_

	Current Year \$			Previous Year \$	Remarks (or Notes)
	Local Curriculum Classes	Non-Local Curriculum Classes	Total	Total	
Major Repairs and Maintenance (for items costing \$8,000 or above each)					Per Statement 7 (item 3)
Minor Repairs and Maintenance (for items costing below \$8,000 each)					
Audit Fee					
Other Expenditure ( <b>Note 3</b> )					
TOTAL EXPENDITURE (b)					Per Statement 5  Per Statement 6
Surplus/(Deficit) from the operation [(a) – (b)]					
Profit/(Loss) from Trading Operations ( <b>Note 4</b> )					
Donation Income ( <b>Note 5</b> )					
SURPLUS/(DEFICIT) FOR THE YEAR					Per Statement 7 (item 6)
ACCUMULATED SURPLUS/(DEFICIT) BROUGHT FORWARD FROM PREVIOUS YEAR					
PRIOR YEAR ADJUSTMENT (Please specify the nature)					
TRANSFER TO/(FROM) RESERVE ( <b>Note 6</b> )					
ACCUMULATED SURPLUS/(DEFICIT) CARRIED FORWARD TO NEXT YEAR					

### Note

1. Please provide breakdowns for “Other Income” in Statement 7.
2. Please observe the guiding principles on scope of expenditure at Annex 3.
3. Please provide breakdowns for “Other Expenditure” in Statement 7.
4. For KGs with trading operations such as sale of school items and provision of paid services, please provide details of such income and corresponding costs in Statement 5.
5. For KGs with donations received, please provide details of income from donation and corresponding expenditure in Statement 6.
6. Please specify the nature of surplus transfer to/(from) reserve e.g. school development for educational purpose in Statement 7.

**Statement 2**

(Page 1 of 2)

**For KGs/KG-cum-CCCs (i) joining PEVS and/or (ii) receiving (a) CCCSS and/or (b) Rent Reimbursement****Name of School :** \_\_\_\_\_**School type:**    **\*KG/KG-cum-CCC**  
                         **\*PEVS/Non-PEVS**

[\*Please delete whichever is inappropriate]

**BALANCE SHEET AS AT \_\_\_\_\_ 2017**

	\$	Current Year \$	Previous Year \$	Remarks (or Notes)
<b>NON-CURRENT ASSETS</b>				Per Statement 7 (item 1)
Fixed Assets				
Other Non-Current Assets (please specify)				
<b>TOTAL NON-CURRENT ASSETS</b>				
<b>CURRENT ASSETS</b>				Per Statement 5
Stock of Exercise Books, Stationery and Uniform etc.				
Sundry Debtors and Prepayments				
Rental & Utility Deposit				
Cash at bank and in hand				
Other Current Assets (please specify)				
<b>TOTAL CURRENT ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
School Fees Received in Advance				
Bank Overdraft				
Sundry Creditors and Accrual				
Other Current Liabilities (please specify)				
<b>TOTAL CURRENT LIABILITIES</b>				
<b>NET CURRENT ASSETS/(LIABILITIES)</b>				
<b>TOTAL ASSETS NET OF CURRENT LIABILITIES</b>				
<b>REPRESENTED BY :</b>				
<b>RESERVE (please specify)</b>				
<b>ACCUMULATED SURPLUS/(DEFICIT)</b>				
<b>SURPLUS OF GRANT/SUBSIDIES FROM GOVERNMENT</b>				Per Statement 1/1A
One-off School Development Grant for KGs under the PEVS				Per Statement 4A
One-off Start-up Grant for KGs joining the Free Quality Kindergarten Education Scheme in the 2017/18 School Year				Per Statement 4B

(to be continued)

**Statement 2**

(Page 2 of 2)

**Name of School :** \_\_\_\_\_

LONG TERM LIABILITIES Bank Loan Other Long Term Liabilities (please specify)				

**Statement 3**

**For KG-cum-CCCs receiving CCCSS**

**Name of School :** \_\_\_\_\_

**STATEMENT OF CHILD CARE CENTRE SUBSIDY SCHEME  
FOR THE YEAR ENDED \_\_\_\_\_ 2017**

	Current Year \$	Previous Year \$	Remarks (or Notes)
<b>INCOME</b>			
Subsidy Received Under the Child Care Centre Subsidy Scheme :			Per Statement *1/1A
<b>EXPENDITURE</b>			
Salary and Provident Fund			
Salaries excluding Allowances - Teaching Staff (including Principal)			
Employer's Contribution to Provident Fund Scheme - Teaching Staff (including Principal) serving groups or classes that count towards subsidy			
<b>TOTAL SALARY AND PROVIDENT FUND</b>			
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>			

\*Please delete whichever is inappropriate

**Statement 4A (Note 1)**

**For KGs/KG-cum-CCCs receiving One-off School Development Grant for Kindergartens under the PEVS**

**Name of School :** \_\_\_\_\_

**STATEMENT OF ONE-OFF SCHOOL DEVELOPMENT GRANT FOR  
KINDERGARTENS UNDER THE PEVS**

**FOR THE YEAR ENDED \_\_\_\_\_ 2017**

	Current Year \$	Previous Year \$	Remark (or Notes)
<b>INCOME</b>			
Grant Received			
<b>EXPENDITURE</b> (PLEASE SPECIFY)			
-			
-			
-			
-			
<b>TOTAL EXPENDITURE</b>			
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>			
<b>SURPLUS/(DEFICIT) BROUGHT FORWARD FROM PREVIOUS YEAR</b>			
<b>SURPLUS/(DEFICIT) CARRIED FORWARD TO NEXT YEAR</b>			Per Balance Sheet
<b>OR</b>			
<b>Amount to be clawed back by EDB (Note 2)</b>			

**Notes:**

1. This statement is for input by KGs/KG-cum-CCCs with audited accounts period ended on 31 March or 31 July.
2. Any unspent amount as at 31 August 2016 or the date of closure /withdrawal /exclusion of the KG from the PEVS, whichever is earlier, should be returned to the Government of the HKSAR.

### Statement 4B

**For KGs/KG-cum-CCCs receiving One-off Start-up Grant for Kindergartens joining the Free Quality Kindergarten Education Scheme in the 2017/18 School Year**

**Name of School :** \_\_\_\_\_

**STATEMENT OF ONE-OFF START-UP GRANT FOR KINDERGARTENS JOINING  
THE FREE QUALITY KINDERGARTEN EDUCATION SCHEME IN THE 2017/18 SCHOOL YEAR**

**FOR THE YEAR ENDED \_\_\_\_\_ 2017**

	Current Year \$	Previous Year \$	Remark (or Notes)
<b>INCOME</b>			
Grant Received			
<b>EXPENDITURE</b>			
For the implementation of Free Quality Kindergarten Education Scheme			
Additional staff salaries and related costs			
Hiring of services			
Furniture and equipment for additional teachers			
Small-scale renovations			
Others (please specify)			
TOTAL EXPENDITURE			
SURPLUS/(DEFICIT) FOR THE YEAR			
SURPLUS/(DEFICIT) BROUGHT FORWARD FROM PREVIOUS YEAR			
SURPLUS/(DEFICIT) CARRIED FORWARD TO NEXT YEAR			Per Balance Sheet
OR			
Amount to be returned to EDB ( <b>Note</b> )			

**Note**

Any unspent amount as at 31 July 2019 or the date of closure/revocation/voluntary withdrawal of the KG from the Scheme, whichever is earlier, should be returned to the Government of HKSAR.

**Statement 5**

**For KGs/KG-cum-CCCs (i) joining PEVS and/or (ii) receiving (a) CCCSS and/or (b) Rent Reimbursement**

**Name of School :** \_\_\_\_\_

**STATEMENT OF TRADING OPERATIONS  
FOR THE YEAR ENDED \_\_\_\_\_ 2017**

	School Bus	Text books	Exercise Books	School Uniform	School Bag(s)	Beddings	Activities outside regular school hours	Stationery	Teaching/Learning Materials	Snack/Food/Refreshment	Others (Please specify)	Total
	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	
Income (a)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Less: Cost of Sales (b)												
Opening Stock												
Add : Purchases												
Other Expenses (please specify)												
Less : Closing Stock												
Profit/(Loss) for the year (c) = (a) – (b) (Transfer to Income and Expenditure Account)												
Profit/(Loss) as a % of cost (c)/(b) (Notes 2 & 3)												

**Notes**

1. Please state the description of the trading operations and put each activity under **SEPARATE** columns. Sale of textbooks should be shown as a separate activity.
2. The profit from the sale of exercise books, schools uniforms, stationery, equipment and other school items (other than textbooks) / provision of paid services should be limited to 15% of the cost price / total cost involved according to EDBC No.16/2013.
3. No profit would be generated from sale of textbooks. For details, please refer to EDBC No. 16/2013.
4. Any discount or block sum of money received from trading operators / suppliers should be entered into school accounts as an item of income.



**Statement 6**

**For KGs/KG-cum-CCCs (i) joining PEVS and/or (ii) receiving (a) CCCSS and/or (b) Rent Reimbursement**

**Name of School :** \_\_\_\_\_

**STATEMENT OF DONATION INCOME  
FOR THE YEAR ENDED \_\_\_\_\_ 2017**

	Current Year \$	Previous Year \$	Remark (or Notes)
<b>DONATION INCOME</b>			
<b>EXPENDITURE</b> (PLEASE SPECIFY)			
-			
-			
-			
-			
-			
-			
-			
-			
-			
<b>TOTAL EXPENDITURE</b>			
<b>NET BALANCE</b> (Transfer to Income and Expenditure Account)			Per Statement *1/1A

\*Please delete whichever is inappropriate

**Statement 7**

(Page 1 of 4)

**For KGs/KG-cum-CCCs (i) joining PEVS and/or (ii) receiving (a) CCCSS and/or (b) Rent Reimbursement**

**Name of School :** \_\_\_\_\_

**NOTES TO THE ACCOUNTS**

**1. FIXED ASSETS**

	School Premises	Furniture / Equipment / Fixtures/Fittings	Computer Hardware and Software	Others (Please specify)	Total
	\$	\$	\$	\$	\$
<u>At Cost</u>					
Balance as at _____	_____	_____	_____	_____	_____
Add: Additions During the Year (Remark 1)	_____	_____	_____	_____	_____
Less: Disposal During the Year	_____	_____	_____	_____	_____
Balance as at _____	_____	_____	_____	_____	_____
	=====	=====	=====	=====	=====
<u>Accumulated Depreciation</u>					
Balance as at _____	_____	_____	_____	_____	_____
Add: Depreciation for the Year	_____	_____	_____	_____	_____
Less: Depreciation for Disposed Items for the year	_____	_____	_____	_____	_____
Balance as at _____	_____	_____	_____	_____	_____
	=====	=====	=====	=====	=====
<u>Net Book Value</u>					
Balance as at _____ (beginning of the year)	_____	_____	_____	_____	_____
	=====	=====	=====	=====	=====
Balance as at _____ (end of the year)	_____	_____	_____	_____	_____
	=====	=====	=====	=====	=====
Threshold amount (Remark 2)	_____	_____	_____	_____	
Depreciation rate (%)	_____	_____	_____	_____	
	=====	=====	=====	=====	

**Remarks**

- 1 For all KGs/KG-cum-CCCs joining PEVS, details must be provided in Note 2 to the Accounts.
- 2 Please provide the threshold amount (i.e. the amount where at or above which the relevant expenditure would be treated as fixed asset) for each type of assets.

(to be continued)

**Statement 7**

(Page 2 of 4)

Name of School : \_\_\_\_\_

**NOTES TO THE ACCOUNTS**

**2. DETAILS OF ADDITIONS OF FIXED ASSETS DURING 2016/17**

<b>List of fixed assets by nature and item</b>	<b>Purchase/ commission date</b>	<b>Cost</b>
1. School Premises (please specify) 1.1 1.2 :		\$
	Total:	
2. Furniture/equipment/fixtures/fittings (please specify) 2.1 2.2 :		
	Total:	
3. Computer hardware & software (please specify) 3.1 3.2 :		
	Total:	
4. Others (please specify) 4.1 4.2 :		
	Total:	

**(Per Note 1 to the Accounts)**

(to be continued)

**Statement 7**

(Page 3 of 4)

Name of School : \_\_\_\_\_

**NOTES TO THE ACCOUNTS****3. OTHER EXPENDITURE**

	Current Year		Previous Year
	\$		\$
	Local Curriculum Classes	Non-Local Curriculum Classes	Total
Expenses on meal preparation			
Furniture and equipment and teaching aids other than those included in the fixed assets			
Water			
Electricity			
Telephone, fax line and internet service charges			
Cleaning			
Printing and stationery			
Teaching consumables			
Insurance			
First aid and fire safety equipment			
Transportation fees for school administration purposes			
Expenses on regular learning activities for all students			
Postage			
Publications for school use			
Student handbook, profiles, graduation certificates and identity cards			
Advertisement			
Bank interest			
Bank charges			
Newspapers and magazines			
Others (please specify)			
	_____	_____	_____
	=====	=====	=====

**4. RELATED PARTY TRANSACTION(S)**

	Current Year	Previous Year
	\$	\$
Amount due from related party(ies) (please specify)		
-		
-		
Amount due to related party(ies) (please specify)		
-		
-		
Payment to related party(ies) (please specify)		
-		
-		
Receipt from related party(ies) (please specify)		
-		
-		

(to be continued)

**Statement 7**

(Page 4 of 4)

Name of School : \_\_\_\_\_

**NOTES TO THE ACCOUNTS****5. OTHER INCOME** (Remark 3)

	Current Year \$		Previous Year \$
	Local Curriculum Classes	Non-Local Curriculum Classes	Total
Meal Charges			
Application Fee / Registration Fee			
Subsidies from School Sponsoring Body			
Course Fee Refund to Teachers			
Receipt from Designated Grants (e.g. Subsidy from the Environment and Conservation Fund)			
Bank Interest Income			
Insurance Compensation			
Others (please specify)			
-			
-			
-			
	_____	_____	_____
	=====	=====	=====

**6. TRANSFER TO / (FROM) RESERVE (PLEASE SPECIFY)**

	Current Year \$		Previous Year \$
	Local Curriculum Classes	Non-Local Curriculum Classes	Total
-			
-			
-			
-			
	_____	_____	_____
	=====	=====	=====

**Remarks**

- 3 Income generated from trading operations, if any, should NOT be reported under "Other Income". The details of such income and corresponding costs should be provided in Statement 5.

**Procedures for Submission of Softcopy of Audited Accounts  
Through School Portal**

(1) Login using the School Portal Account



中華人民共和國香港特別行政區政府  
教育局  
Education Bureau  
The Government of the Hong Kong Special Administrative Region

**學校入門網站**  
**School Portal**

**Please log In**

登入名稱/Login  
Name: 密碼/Password:

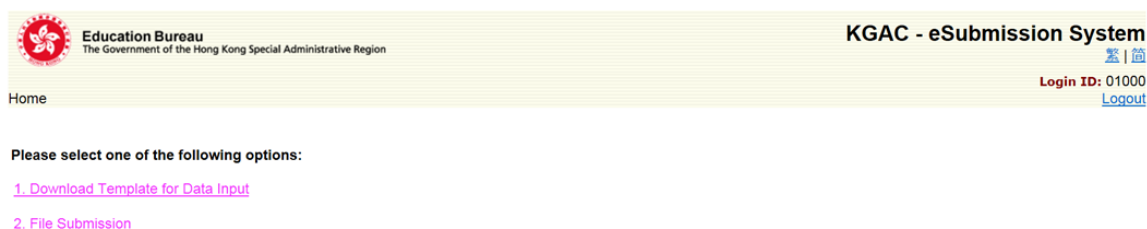
[更改學校入門網站密碼](#) [下載重設密碼表格](#)

[Change Password for School Portal](#) [Download form to reset password](#)

[Security Guideline \(安全指引\)](#)

Note: Since the School Portal has been upgraded in mid December 2015, if you encounter any problem on accessing your applications via your previous bookmark, please kindly click the link below to recreate your bookmark.

(2) Select the appropriate option from the menu



Education Bureau  
The Government of the Hong Kong Special Administrative Region

**KGAC - eSubmission System**  
[Home](#)  
**Login ID: 01000**  
[Logout](#)

Please select one of the following options:

[1. Download Template for Data Input](#)

[2. File Submission](#)

(to be continued)

## Procedures for Submission of Softcopy of Audited Accounts Through School Portal

- (3) Select Option 1 for downloading the template for the preparation of Audited Accounts.

Education Bureau  
The Government of the Hong Kong Special Administrative Region

KGAC - eSubmission System

Login ID: 01000  
[Logout](#)

[Home](#) > Download Template for Data Input

School Name: EDB\_Testing  
Please select a branch: A  
School Type: KG  
Stream: Local only

**Download Template for Data Input**

Please click on the Template Name to download the Excel template.

**Template for Fee Reivison**

Year	Language	Template	Modified Date
2017/18	Traditional chinese	<a href="#">schedules edbcm21-2017(c).xlsx</a>	2017-02-27 11:04:25
2017/18	English	<a href="#">schedules edbcm21-2017(e).xlsx</a>	2017-02-27 11:04:16

**Template for Audited Accounts**

Year	Language	Template	Modified Date
2015/16	Simplified chinese	<a href="#">2016_2016fdkg-sc.xls</a>	2017-02-27 11:05:15
2015/16	Traditional chinese	<a href="#">2016_2016fdkg-c.xls</a>	2017-02-27 11:05:10
2015/16	English	<a href="#">2016_2016fdkg-e.xls</a>	2017-02-27 11:05:05

BACK TO MENU

Click on the filename under “Template” to download the excel template.

- (4) Select Option 2 for the submission of file.

Education Bureau  
The Government of the Hong Kong Special Administrative Region

KGAC - eSubmission System

Login ID: 01000  
[Logout](#)

[Home](#) > File Submission

**File Submission**

School Name: EDB\_Testing  
Address: EDB\_Testing  
Please select a branch: A  
Template Type: Fee Application Template

(For schools with branch school under same school number, please select "B", "C", "D" etc. for each individual Branch School other than Main School. Please submit separate files for the Main School and the Branch School.)

Select Template file:

**Submission History:**

Year	Branch	Template Type	File Name	Submission Date	Submitted By	Status
2017/18	A	Fee Application Template	2017_FEE_01000_A_BE5E4.xlsx	2017-03-13 11:14:07	01000	Success

- (5) Click the “Browse” button to locate the softcopy of the audited accounts.
- (6) For schools having more than 1 branch under the same school number, please select different values (say "B", "C", "D" etc. for each individual Branch School other than Main School). Please submit separate files for the Main School and the Branch School.
- (7) Click “Submit” to send the file.

**(IMPORTANT: Please only use the Excel template provided by EDB. The submission file format should be “School No. + Branch ID (Default “A”) + date (ddmmyy). For example, 123456A050313.xls. Only file extension of “.xls” or “.xlsx” is allowed.)**

## **Guiding Principles on Scope of Expenditure for Kindergartens under the Pre-primary Education Voucher Scheme**

### **Aim**

The following paragraphs set out some guiding principles on the scope of expenditure for kindergartens (KGs) under the Pre-primary Education Voucher Scheme (PEVS).

### **Guiding Principles**

2. In the use of resources from school fees including the fee subsidy under PEVS, KGs should be prudent and always put students' interest as the first priority. KGs should have sound financial planning and good budgeting in deploying their resources and should ensure that expenditure incurred is reasonable and necessary. Expenditure of KGs should be basically devoted to supporting teaching and learning activities, the operation of the KG and maintenance of the standard of education service. Details of the scope of expenditure are listed below:

- (a) Salaries (including payment for supply teachers), provident fund, mandatory provident fund, severance or long service payment of teaching and non-teaching staff employed
- (b) The remuneration of school supervisors
- (c) Rent and management fees, rates and government rent for the KG/ KG-cum-CCC premises
- (d) Furniture and equipment for school and education purposes
- (e) Teaching aids such as library books, reference materials and worksheets for teachers and students
- (f) Expenses on repairs, maintenance and improvement works of the KG/ KG-cum-CCC premises including installation of air-conditioners, double-glaze windows and exhaust fans, maintenance contract, inspection fees for maintaining fire, gas, electrical installation and building safety
- (g) Water and electricity (including air-conditioning) charges, telephone line, fax line and internet service charges
- (h) Cleaning fees (including cleaning contract and the provision of cleaning facilities to students)
- (i) Expenses on printing, paper, teachers' stationery and other consumables for teaching activities
- (j) Postage charges and publications
- (k) Insurance premium and expenses on first aid and fire safety equipment
- (l) Audit fees and other service charges in connection with school administration

(to be continued)



- (m) Transportation fees for school administration purposes
- (n) Expenses on regular learning activities for all students, conducted either inside or outside the school premises (these should include expenses for birthday parties, graduation ceremony, school outing, picnics and visits.)
- (o) Items such as student handbooks, profiles, student portfolios, graduation certificates and identity cards, etc which are necessary for the operation of the school
- (p) Other expenses directly related to the teaching activities, school operation and maintenance of the standard of education service for educational purposes

3. Additional Points to Note:

- 3.1 Separate ledgers should be prepared to report all income and expenditure relating to the One-off School Development Grant for Kindergartens (if applicable).
- 3.2 For PEVS KGs operating classes of both local and non-local curriculum, separate ledgers should be prepared to report all income and expenditure in respect of the classes for each of the two curriculums.
- 3.3 All income and expenditure relating to trading operations such as sale of school items that are collected under **Education Bureau (EDB) Circular (C) No. 16/2013** should be analyzed as per the format in Statement 5 at **Annex 1**.
- 3.4 As stipulated in the terms and conditions of PEVS for NPM KGs, the PEVS NPM KGs shall not transfer the surplus, in whatever form, to any of their sponsoring bodies or other organizations. Expenditure items not related to paragraph 2 above or not basically devoted to teaching and learning activities should be disallowed.

**Definition of Related Party**

A *related party* is a person or entity that is related to the kindergarten preparing its financial statements.

- (a) A person or a close member of that person's family <sup>Note 1</sup> is related to a kindergarten if that person:
- (i) has control or joint control over the kindergarten;
  - (ii) has significant influence over the kindergarten; or
  - (iii) is a member of the key management personnel of the kindergarten or of a sponsoring body of the kindergarten.
- (b) An entity is related to a kindergarten if any of the following conditions applies:
- (i) The entity and the kindergarten are members of the same group (which means that each parent, subsidy and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third party and the other entity is an associate of the third party.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the kindergarten or an entity related to the kindergarten. If the kindergarten is itself such a plan, the sponsoring employers are also related to the kindergarten.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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Note:

1. Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:
- (a) that person's parents, children, spouse or domestic partner;
  - (b) children of that person's spouse or domestic partner; and
  - (c) dependants of that person or that person's spouse or domestic partner.

**Reference Notes**  
**for Auditors of Kindergartens (KGs) / Kindergarten-cum-Child Care Centres (KG-cum-CCCs) which**  
**joined Pre-primary Education Voucher Scheme (PEVS) and /or received subsidies under Child Care**  
**Centre Subsidy Scheme (CCCSS) and / or Rent Reimbursement**  
**in the 2016/17 School Year**

Education Bureau Circular (EDBC) No. [6/2011](#), No. [3/2008](#) and No. [2/2004](#) respectively require KGs/KG-cum-CCCs joining PEVS and/or in receipt of CCCSS and/or rent reimbursement to submit their audited accounts, with the subsidy duly reflected. The accounts must be audited by Certified Public Accountants (practising) registered under the Professional Accountants Ordinance.<sup>Note 1</sup> This requirement is laid down in order to enable the Permanent Secretary for Education to satisfy that the schools have properly applied the subsidies received from the government to the purposes for which they were paid.

2. Auditors should submit an Auditor's Report on the school accounts, and **EACH** statement to the accounts should be stamped with the identification chop of the Auditors. The Auditor's Report should state whether in the Auditor's opinion -

- (a) the accounts give a true and fair view of the state of the school's affairs as at the balance sheet date and of its results for the accounting year then ended; and
- (b) the school has used the government subsidies in accordance with the rules and ambits as promulgated in the EDBC No. [6/2011](#) (in particular all KGs/KG-cum-CCCs joining PEVS shall **NOT** transfer the surplus, in whatever form, to any of their sponsoring bodies or other organizations), EDBC No. [3/2008](#), EDBC No. [2/2004](#), relevant letters, circulars, circular memoranda and guidelines (in particular the guiding principles on scope of expenditure at **Annex 3**) issued by the Education Bureau.<sup>Note 2</sup>

3. The Auditors should draw the attention of the School Supervisors to weaknesses in internal controls discovered during the course of their audit and that they should report items which are considered material in a letter (i.e. management letter) with recommendations for improvement. The Auditors should also send a copy of the management letter to EDB for information.

4. If the Auditors are of the opinion that proper books of accounts have not been kept by the school, or if the balance sheet and income and expenditure account are not in agreement with the books of accounts, or if the Auditors are not able to obtain all the information and explanations which, to the best of their knowledge and belief, are necessary for the purpose of their audit, they should make appropriate qualifications in their reports.

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Notes:

- 1. This means "certified public accountants (practising)" with effect from the commencement of the Professional Accountants (Amendment) Ordinance 2004 on 8 September 2004. "Certified public accountant (practising)" means a certified public accountant holding a practising certificate.
- 2. Auditors should note that "Code of Aid" is not applicable to Kindergartens.