

# Briefing on 2013/14 DSS Audited Accounts

18 Nov 2014

Management Accounts Section  
Finance Division

# 2013/14 DSS Audited Accounts Call Circulars

- Issued on: 31.10.2014
- Deadline for return: 31.3.2015
- 3 EDBCMs
  - No. 145/2014: Non-IMC
  - No. 146/2014: New IMC
  - No. 147/2014: Existing IMC

# Recapitulation of Designated Reserves

*(incorporated in templates from 2012/13 audited accounts)*

- Fee Remission and Scholarship
- Long Service Payment
- Donations with Specific Purposes
- Construction, Maintenance and Upgrading of Above-standard Facilities

# Fee Remission and Scholarship Reserve

<b>14. School Fee Remission And Scholarship Reserve</b>							
(Please refer to paragraphs 6 - 11 of EDBC No. 16/2012 "Delineation of Reserves and Reserve Ceiling for the Operating Reserve of DSS Schools" for detail requirements)							
						2013/14	2012/13
						Non- government funds \$	Non-government funds \$
Balance as at 1 September 2013							
Add :	Provision for the year (per Note 13) <sup>Note a</sup>						
Less :	Payment for the year / period						
Balance <sup>Note b</sup> as at (per Statement 2)							
<u>Notes</u>							
<i>a</i>	<i>Only funding from the current year's school fee is allowed.</i>						
<i>b</i>	<i>For through-train secondary and primary schools approved to transfer School Fee Remission and Scholarship Reserve between the linked schools, the transfer of funds should be reflected in the closing balance (as shown above) and the amount of the funds transferred should be stated.</i>						

# Long Service Payment Reserve

6. Long Service Payment Reserve		2013/14						2012/13		
		Government funds	Non-government funds	Total	Government funds	Non-government funds	Total			
		\$	\$	\$	\$	\$	\$			
Balance as at 1 September 2013										
Add :	(i) Provision for the year									
	(ii) Transfer from operating reserve <sup>Note</sup>									
Less :	(i) Payment for the year									
	(ii) Transfer back to operating reserve									
Balance as at 31 August 2014 (per Statement 2)										

**Note:** The transfer from operating reserve to long service payment reserve at \$ \_\_\_\_\_ is / is not \* equivalent to the amount required to meet the level of minimum requirements under the Employment Ordinance after taking into account the employees' Mandatory Provident Fund / retirement scheme benefits already provided as stipulated in EDBC No. 16/2012.  
For transfer above the level of the minimum requirements under the Employment Ordinance, the corresponding long service payment policy should be endorsed by SMC / IMC.

# Reserve for Donations with Specific Purposes

7. Reserve for Donations with Specific Purposes		2013/14	2012/13
(Please refer to paras. 17 - 19 of EDBC No. 16/2012 "Delineation of Reserves and Reserve Ceiling for the Operating Reserve of DSS Schools" for detail requirements)		Non-government funds	Non-government funds
		\$	\$
Balance as at 1 September 2013			
Add : Donations received in the year (Statement 3 - Note 23)			
Less : (i) Depreciation charged for the year, if any <sup>Note a</sup>			
(ii) Repairs and maintenance			
(iii) Other expenditure for the year <sup>Note b</sup>			
Total expenditure for the year (Statement 4)			
Balance as at 31 August 2014 (per Statement 2)			
<u>Notes:</u>			
a	<i>For the purchase of fixed assets under this reserve, the relevant assets should be capitalised while the depreciation for the relevant fixed assets should be charged to this reserve.</i>		
b	<i>Other expenditure excludes the purchase of fixed assets.</i>		

# Reserve for Construction, Maintenance and Upgrading of Above-standard Facilities

<b>8. Reserve for Construction, Maintenance and Upgrading of Above-Standard Facilities</b>			
(Please refer to paras. 20 - 23 of EDBC No. 16/2012 "Delineation of Reserves and Reserve Ceiling for the Operating Reserve of DSS Schools" for detail requirements)			
		2013/14	2012/13
		Non-government funds	Non-government funds
		\$	\$
	Balance as at 1 September 2013		
Add :	Transfer from school fee income <i>Note a</i>		
Less :	(i) Depreciation charged for the year, if any <i>Note b</i>		
	(ii) Repairs and maintenance		
	(iii) Other expenditure for the year <i>Note c</i>		
	Total expenditure for the year (Statement 4)		
	Balance as at 31 August 2014 (per Statement 2)		
<p><b>The transfer from school fee income to reserve for construction, maintenance and upgrading of above-standard facilities at \$ _____ is / is not * within 10 % of the school fee income as stipulated in EDBC No. 16/2012. For transfer of more than 10% of the school fee income to the reserve, it is required to seek prior approval from the EDB. (* Delete as appropriate)</b></p>			
<i>Notes:</i>			
<i>a</i>	The percentage of school fee income transferred to reserve for construction, maintenance and upgrading of above-standard facilities is calculated as follows:		
	Amount transfer from school fee income to the reserve:	\$	(a)
	Total school fee income per Statement 1:	\$	(b)
	Percentage of school fee income transferred:	%	(a)/(b)
<i>b</i>	For the purchase of fixed assets under this reserve, the relevant assets should be capitalised while the depreciation for the relevant fixed assets should be charged to this reserve.		
<i>c</i>	Other expenditure excludes the purchase of fixed assets.		

# 2013/14 New Features

*(introduced in templates for 2013/14 audited accounts)*

## Reserve Ceiling

### (i) Statement 4

- Attached to the account template
- Illustration [2013-14 dss\\_template \(Statement 4\).xls](#)

### (ii) Option Form

- Download link attached in CM
- Only applicable to schools with “Surplus of Operating reserve” in excess of Reserve Ceiling



# Points for attention

## 1. Reserve balances

- Balances brought forward for 2013/14 should tally with last year (2012/13) & the reserve balances in the Balance Sheet
- Any discrepancies should be disclosed in notes

## 2. Operating Reserve - Income / expenditure

- Should be recorded under the Income and Expenditure Account (Statement 1) of Operating Reserve

# Points for attention (Continue)

3. Separate grants - Income / expenditure
  - Should be recorded in Appendices
  - Only the deficit of grants should be reflected in Income & Expenditure Account (Statement 1)
  - "Prior year adjustments" recorded in Appendices
  
4. Other reserves relating to Non-DSS Operation
  - Shown in the Balance Sheet (Statement 2)
  - Profit /loss for boarding section/ private class should be recorded under these reserves

## Points for attention (Continue)

5. School fee remission & scholarship reserve
  - Include non-local students
6. Fees collected from students
  - Should follow EDBC No. 1/2011 (Annex)
7. Expenses under the designated reserve
  - Directly charged to the designated reserve
8. Use EDB templates
  - For items not applicable, please mark N/A

**Thank You**