

Anti-epidemic Fund

Financial statements for the period from 21 February 2020
(date of establishment) to 31 March 2021

Report of the Director of Audit



Audit Commission

The Government of the Hong Kong Special Administrative Region

Independent Auditor's Report

To the Chief Executive of the Hong Kong Special Administrative Region

Opinion

I certify that I have audited the financial statements of the Anti-epidemic Fund set out on pages 4 to 14, which comprise the statement of assets and liabilities as at 31 March 2021, and the statement of receipts and payments for the period from 21 February 2020 (date of establishment) to 31 March 2021, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of the Anti-epidemic Fund are prepared, in all material respects, in accordance with Clause 14.1 of the Declaration of Trust made by The Financial Secretary Incorporated on 21 February 2020 and the cash basis of accounting as described in note 2 to the financial statements.

Basis for opinion

I conducted my audit in accordance with section 15(1) of the Audit Ordinance (Cap. 122) and the Audit Commission auditing standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report. I am independent of the Anti-epidemic Fund in accordance with those standards, and I have fulfilled my other ethical responsibilities in accordance with those standards. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Director of Accounting Services' responsibilities for the financial statements

The Director of Accounting Services is responsible for the preparation of the financial statements in accordance with Clause 14.1 of the Declaration of Trust, and for such internal control as the Director of Accounting Services 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 Director of Accounting Services is responsible for assessing the Anti-epidemic Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with the Audit Commission auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 Anti-epidemic Fund's internal control;

- evaluate the appropriateness of accounting policies used by the Director of Accounting Services; and
- conclude on the appropriateness of the Director of Accounting Services' 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 Anti-epidemic Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Anti-epidemic Fund to cease to continue as a going concern.



John Chu
Director of Audit

22 October 2021

Audit Commission
26th Floor
Immigration Tower
7 Gloucester Road
Wanchai, Hong Kong

ANTI-EPIDEMIC FUND

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2021

(Expressed in Hong Kong dollars)

	Note	2021 \$'000
ASSETS		
Deposits with banks	3	15,129,498
Cash and bank balances		3,202,258
		<u>18,331,756</u>
REPRESENTING:		
Accumulated Fund	4	<u>18,331,756</u>

The accompanying notes 1 to 7 form part of these financial statements.



Ms Susanna CHEUNG

Director of Accounting Services

22 October 2021

ANTI-EPIDEMIC FUND

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD FROM 21 FEBRUARY 2020 (DATE OF ESTABLISHMENT) TO 31 MARCH 2021

(Expressed in Hong Kong dollars)

	Note	2021 \$'000
Cash and bank balances at beginning of period		—
Revenue	5	162,452,321
Expenditure	6	(144,120,565)
Surplus for the period		18,331,756
Other transactions relating to movement of funds:		
Net increase in deposits with banks		(15,129,498)
Cash and bank balances at end of period		<u>3,202,258</u>

The accompanying notes 1 to 7 form part of these financial statements.

ANTI-EPIDEMIC FUND

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars, unless otherwise stated)

1. GENERAL

The Anti-epidemic Fund (the Fund) was established on 21 February 2020 by a Declaration of Trust made by The Financial Secretary Incorporated (the Trustee). The objective of the Fund is to enhance the capability of the Government of the Hong Kong Special Administrative Region as well as other relevant parties in combating the coronavirus disease 2019 (COVID-19) and to provide assistance or relief to enterprises and members of the public hard hit by the epidemic or affected by the anti-epidemic measures.

The Anti-epidemic Fund Steering Committee (the Steering Committee) has been established to assist the Trustee on all policies and procedures governing the operation of the Fund and on all matters relating to the administration of the Fund. For this purpose, the Trustee has delegated to the Steering Committee all of the trusts, powers and discretions vested in it as Trustee.

2. ACCOUNTING POLICY

The financial statements are prepared on a cash basis. Transactions are recorded when moneys are received or paid.

3. DEPOSITS WITH BANKS

These are Hong Kong dollar deposits placed with licensed banks in Hong Kong.

4. ACCUMULATED FUND

	2021
	\$'000
Balance at beginning of period	—
Surplus for the period	18,331,756
Balance at end of period	<u>18,331,756</u>

5. REVENUE

	2021
	\$'000
Government grants	162,300,000
Interest on deposits and bank balances	152,321
	<u>162,452,321</u>

During the period, the Fund obtained government grants of \$162.3 billion as approved by the Finance Committee of the Legislative Council.

6. EXPENDITURE

Payments for grants and subsidies (including administrative expenses) in respect of measures approved by the Steering Committee:

	2021
	\$'000
First round measures	
Enhancing support to the Hospital Authority in combating the epidemic	4,700,000
Support local mask production	357,482
Global procurement of personal protective equipment	907,804
Support property management sector in anti-epidemic efforts	1,114,000
Technology applications to enable reusability of masks	181,324
Support construction sector in anti-epidemic efforts	813,246

	2021
First round measures (continued)	\$'000
Support cleansing and security staff engaged by Government and Hong Kong Housing Authority service contractors in anti-epidemic efforts	545,707
Installation of emergency alert system	149,688
Home quarantine support	100,438
Ex-gratia payment to eligible public rental housing applicants who have accepted the advance allocation offers of Fai Ming Estate and Chun Yeung Estate	76,632
Retail Sector Subsidy Scheme	5,513,107
Food Licence Holders Subsidy Scheme	3,745,120
Subsidy for the transport sector	2,247,234
Convention and Exhibition Industry Subsidy Scheme	40,650
Special allowance for eligible Working Family Allowance and Student Financial Assistance households	888,124
Additional student grant for 2019/20 school year	874,828
Rental waivers for tenants at the Hong Kong Science Park, industrial estates and Cyberport	337,806
Subsidies for live marine fish wholesale traders, fishing vessels with Mainland deckhands and fresh marine fish / vegetable / freshwater fish / hen egg / fresh fruit wholesalers	279,760
Support to child care centres	245,824
Arts and Culture Sector Subsidy Scheme	134,554
Licensed Guesthouses Subsidy Scheme	124,020
Travel Agents Subsidy Scheme	137,440
Support to training bodies of Employees Retraining Board	87,814
Licensed Hawkers Subsidy Scheme	26,425
Second round measures	
Employment Support Scheme	90,416,554

	2021
Second round measures (continued)	\$'000
Job creation	1,225,119
LAWTECH Fund	24,298
COVID-19 Online Dispute Resolution Scheme	70,000
Subsidy for encouraging early deployment of 5G	18,208
Distance Business Programme	300,000
Training subsidies for consultants in the construction sector	22,450
Matching Grant Scheme for Skills Upgrading	529
Registered operators of private schools offering non-formal curriculum	96,810
School-related service providers (including catering, interest groups and school bus services)	348,613
One-off grant to registered sports coaches	63,540
Relief grants for freelance workers hired by subvented non-governmental welfare organisations to provide training and coaching for service users	31,050
Subsidy for the refuse transfer station account holders for transporting municipal solid waste	6,416
Subsidies for local primary producers	71,290
Special subsidy to exchange participants and Securities and Futures Commission licensees	94,014
Cash subsidy for individual licensees in the estate agency sector	127,000
Subsidy for the passenger transport sector	2,922,954
Providing relief to creative industries	52,500
Tourism Industry Support Schemes	737,918
Relief measures for construction sector	5,497,500
Subsidy to operators of Revitalising Historic Buildings Through Partnership Scheme, PMQ and Fly the Flyover Operation	36,000
Subsidy for the aviation sector	343,000

	2021
Second round measures (continued)	\$'000
Catering Business (Social Distancing) Subsidy Scheme	4,380,986
Amusement Game Centres Subsidy Scheme	20,700
Commercial Bathhouses Subsidy Scheme	4,800
Fitness Centre Subsidy Scheme	166,370
Places of Amusement Licence Holders Subsidy Scheme	5,600
Places of Public Entertainment Licence Holder Subsidy Scheme	24,200
Mahjong / Tin Kau Licence Holder Subsidy Scheme	6,500
Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms	646,187
Club-house Subsidy Scheme	56,400
Sports and Recreational Sites Subsidy Scheme	7,400
A 20% fare concession of MTR and temporary relaxation of the monthly threshold of the Public Transport Fare Subsidy Scheme	443,541
Third round measures	
Quarantine centres for residents of residential care homes for the elderly and residential care homes for persons with disabilities	565,742
Quarantine facilities	226,160
Subsidy Scheme for the Promotion of Contactless Payment in Public Markets	15,460
Catering Business Subsidy Scheme	1,415,180
Tourism Industry Support Scheme	355,961
Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms	228,159
Subsidy Scheme for the Transport and Aviation Sector	241,550
One-off relief grant to providers of catering services for schools and post-secondary education institutions and providers of interest classes and school bus services for schools	214,483

	2021
	\$'000
Third round measures (continued)	
Support for child care centres	122,651
Fitness Centre Subsidy Scheme	76,625
One-off grant to kindergartens and private schools	66,110
One-off grant to private schools offering non-formal curriculum	45,740
One-off grant to registered sports coaches	47,790
Club-house Subsidy Scheme	32,900
Sports Premises Subsidy Scheme	2,815
Scheme on Relief Grants for Interest Class Instructors Hired by Subvented Non-governmental Welfare Organisations	17,220
Arts and Culture Sector Subsidy Scheme - Subsidy to individual arts practitioners and freelancers	20,930
Places of Public Entertainment Licence Holder Subsidy Scheme	10,830
Amusement Game Centres Subsidy Scheme	11,600
Cinemas Subsidy Scheme	9,650
Provision of subsidy to companies in the performing industry which organise pop concerts	7,000
Arts and Culture Sector Subsidy Scheme - Rental support for tenants of Arts Spaces and Jockey Club Creative Arts Centre	5,925
Sports and Recreational Sites Subsidy Scheme	3,650
Mahjong / Tin Kau Licence Holder Subsidy Scheme	3,250
Places of Amusement Licence Holders Subsidy Scheme	2,850
Further subsidy to commercial bathhouses	2,300
Fourth round measures	
Catering Business Subsidy Scheme	2,967,520
Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms	506,174

	2021
Fourth round measures (continued)	\$'000
One-off relief grant to providers of catering services for schools as well as post-secondary education institutions, interest classes, and school bus services for schools	337,595
Support for child care centres	183,873
Fitness Centre and Sports Premises Subsidy Scheme	164,100
One-off grant to kindergartens and private schools	133,060
One-off grant to private schools offering non-formal curriculum	98,480
Club-house Subsidy Scheme	65,850
One-off grant to registered sports coaches	29,400
Scheme on Relief Grants for Interest Class Instructors Hired by Subvented Non-governmental Welfare Organisations	19,328
Arts and Culture Sector Subsidy Scheme - Subsidy to individual arts practitioners and freelancers	33,088
Ex-gratia payment to part-time instructors / staff / personnel affected by cancellation of sports & recreation and culture programmes organised by the Leisure and Cultural Services Department	21,986
Places of Public Entertainment Licence Holder Subsidy Scheme	20,940
Amusement Game Centres Subsidy Scheme	24,000
Cinemas Subsidy Scheme	20,400
Sports and Recreational Sites Subsidy Scheme	7,700
Mahjong / Tin Kau Licence Holder Subsidy Scheme	6,500
Places of Amusement Licence Holders Subsidy Scheme	5,600
Further subsidy to commercial bathhouses	4,500

	2021
Additional measures approved by the Steering Committee	\$'000
Application of anti-virus coating for residential care homes for the elderly and residential care homes for persons with disabilities	65,143
Enhancing support for testing service on COVID-19	126,396
Training subsidies for employers of engineering graduates	7,909
Anti-epidemic Subsidy Scheme for the Laundry Trade	84,740
Subsidy Scheme for Employment Agencies	102,620
100% Credit Limit Top-Up Scheme	300,000
Subsidy to vehicle maintenance workshops	143,950
One-off Subsidy Scheme for the Dishware Washing Trade	2,870
Special subsidy to Chinese Gold and Silver Exchange (CGSE) members and practitioners registered with CGSE	2,509
Further subsidy to cooked food tenants operating in public housing developments with hawker licences	1,710
Procurement of private COVID-19 testing services	430,616
Funding for provision of about 2,000 quarantine units at Penny's Bay	1,403,524
Relocation and expansion of test and hold facilities of Department of Health	189,615
Universal Community Testing Programme	440,351
Pyrotechnics and Special Effects Operators Subsidy Scheme	990
Tourism Industry Additional Support Scheme	516,646
Greater Bay Area Youth Employment Scheme	877
Total	<u>144,120,565</u>

7. COMMITMENTS

2021
\$'000

As at 31 March 2021, the approved financial
commitments that were unpaid

16,691,237