

Anti-epidemic Fund

Financial statements for the year ended 31 March 2024

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 17, which comprise the statement of assets and liabilities as at 31 March 2024, and the statement of receipts and payments for the year then ended, and notes to the financial statements, including material accounting policy information.

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.

Responsibilities of the Anti-epidemic Fund Steering Committee and the Director of Accounting Services 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.

The Anti-epidemic Fund Steering Committee is responsible for overseeing the financial reporting process.

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.

I communicate with the Anti-epidemic Fund Steering Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Prof. LAM Chi Yuen Nelson
Director of Audit

22 November 2024

Audit Commission
6th Floor, High Block
Queensway Government Offices
66 Queensway
Hong Kong

ANTI-EPIDEMIC FUND

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2024

(Expressed in Hong Kong dollars)

	Note	2024 \$'000	2023 \$'000
ASSETS			
Deposits with banks	3	17,769,759	21,863,060
Cash and bank balances		551,085	1,054,493
		<u>18,320,844</u>	<u>22,917,553</u>
REPRESENTING:			
Accumulated Fund	4	<u>18,320,844</u>	<u>22,917,553</u>

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



Ms Susanna CHEUNG
Director of Accounting Services
22 November 2024

ANTI-EPIDEMIC FUND

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2024

(Expressed in Hong Kong dollars)

	Note	2024 \$'000	2023 \$'000
Cash and bank balances at beginning of year		1,054,493	3,349,835
Revenue	5	719,394	55,080,533
Expenditure	6	(5,316,103)	(66,678,134)
Deficit for the year		(4,596,709)	(11,597,601)
Other transactions relating to movement of funds:			
Net decrease in deposits with banks		4,093,301	9,302,259
Cash and bank balances at end of year		551,085	1,054,493

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

	2024	2023
	\$'000	\$'000
Balance at beginning of year	22,917,553	34,515,154
Deficit for the year	(4,596,709)	(11,597,601)
Balance at end of year	<u>18,320,844</u>	<u>22,917,553</u>

5. REVENUE

	2024	2023
	\$'000	\$'000
Government grants	—	55,000,000
Interest on deposits and bank balances	719,394	80,533
	<u>719,394</u>	<u>55,080,533</u>

Since its establishment on 21 February 2020 and up to 31 March 2024, the Fund had obtained government grants of \$250.9 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:

First round measures	2024	2023
	\$'000	\$'000
Support local mask production	(116)	—
Global procurement of personal protective equipment	—	47,899
Support property management sector in anti-epidemic efforts	(92)	—

First round measures (continued)	2024 \$'000	2023 \$'000
Technology applications to enable reusability of masks	—	(322)
Ex-gratia payment to eligible public rental housing applicants who have accepted the advance allocation offers of Fai Ming Estate and Chun Yeung Estate	—	(12)
Retail Sector Subsidy Scheme	(160)	(340)
Food Licence Holders Subsidy Scheme	80	(800)
Subsidy for the transport sector	—	(11)
Convention and Exhibition Industry Subsidy Scheme	501,926	378,191
Special allowance for eligible Working Family Allowance and Student Financial Assistance households	(56)	(116)
Additional student grant for 2019/20 school year	(1)	(2)
Subsidies for live marine fish wholesale traders, fishing vessels with Mainland deckhands and fresh marine fish /vegetable/freshwater fish/hen egg/fresh fruit wholesalers	—	320
Licensed Hawkers Subsidy Scheme	—	5
Second round measures		
2020 Employment Support Scheme	(1,197)	6,140
Job Creation	765,267	3,496,638
LAWTECH Fund	(392)	—
COVID-19 Online Dispute Resolution Scheme	(20,000)	—
Subsidy for encouraging early deployment of 5G	17,610	18,076
Distance Business Programme	—	200,000

Second round measures (continued)	2024	2023
	\$'000	\$'000
Matching Grant Scheme for Skills Upgrading	62	2,462
Registered operators of private schools offering non-formal curriculum	—	(40)
School-related service providers (including catering, interest groups, school bus services)	20	8
One-off grant to registered sports coaches	8	(15)
Relief grants for freelance workers hired by subvented non-governmental welfare organisations to provide training and coaching for service users	15	(23)
Subsidies for local primary producers	—	520
Subsidy for the passenger transport sector	15	(15)
Tourism Industry Support Schemes	2,066	1,986
Relief measures for construction sector	1,041	(15,155)
Catering Business (Social Distancing) Subsidy Scheme	(417)	853
Places of Amusement Licence Holders Subsidy Scheme	200	(200)
Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms	(60)	(250)
Third round measures		
Quarantine facilities	—	6
Subsidy Scheme for the Promotion of Contactless Payment in Public Markets	(5)	(10)
Catering Business Subsidy Scheme	(75)	50
Tourism Industry Support Scheme	(25)	—
Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms	(30)	(90)

Third round measures (continued)	2024 \$'000	2023 \$'000
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	18	10
Fitness Centre Subsidy Scheme	—	200
One-off grant to registered sports coaches	—	(20)
Scheme on Relief Grants for Interest Class Instructors Hired by Subvented Non-governmental Welfare Organisations	—	(5)
Places of Public Entertainment Licence Holder Subsidy Scheme	—	(10)
Fourth round measures		
Catering Business Subsidy Scheme	(200)	(450)
Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms	58	(113)
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	10	38
Fitness Centre and Sports Premises Subsidy Scheme	—	800
One-off grant to registered sports coaches	8	68
Scheme on Relief Grants for Interest Class Instructors Hired by Subvented Non-governmental Welfare Organisations	—	(8)
Fifth round measures		
Catering Business Subsidy Scheme	(831)	51,921
Further subsidy to commercial bathhouses	—	50
Ex-gratia payment for the cancellation of 2022 Lunar New Year Fairs, Fong Ma Po Traditional Festival Fair and Che Kung Festival Fair under the Food and Environmental Hygiene Department	—	(4)

Fifth round measures (continued)	2024 \$'000	2023 \$'000
Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms 2022	—	190,520
Fitness Centre and Sports Premises Subsidy Scheme	(50)	45,095
Club-house Subsidy Scheme	—	350
Places of Public Entertainment Licence Holder Subsidy Scheme	(10)	320
Amusement Game Centres Subsidy Scheme	—	50
Ex-gratia payment to part-time instructors /staff/personnel affected by cancellation of sport & recreation and culture programmes organised/subvented by the Leisure and Cultural Services Department	—	738
One-off grant to registered sports coaches	(15)	53,065
Arts and Culture Sector Subsidy Scheme - Subsidy to individual arts practitioners and freelancers	—	2,695
Provision of subsidy to companies in the performing industry which organise pop concerts	(650)	390
Scheme on Relief Grants for Interest Class Instructors Hired by Subvented Non-governmental Welfare Organisations	50	15,875
One-off relief grant for private schools offering non-formal curriculum	—	28,040
One-off grant to kindergartens and private day schools	—	80
One-off relief grant to providers of catering services, providers of interest group and school bus services for schools	32	102,086
Tourism Industry Additional Support Scheme (additional round of further assistance)	—	266

Fifth round measures (continued)	2024 \$'000	2023 \$'000
Extension of the Green Lifestyle Local Tour Incentive Scheme	42,596	257,404
Additional support for the cross-boundary passenger transport trade	660	31,350
Sixth round measures		
Catering Business Subsidy Scheme	(1,950)	1,535,780
Commercial Bathhouse Licence Holders Subsidy Scheme	(100)	3,300
Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms 2022	—	409,921
Subsidy Scheme for Hair Salons and Barber Shops	(50)	132,307
Sports Premises Subsidy Scheme	—	7,500
Fitness Centre Subsidy Scheme	—	138,124
Club-house Subsidy Scheme	—	3,650
Places of Public Entertainment Licence Holder Subsidy Scheme	—	12,560
Amusement Game Centres Subsidy Scheme	—	100
Places of Amusement Licence Holders Subsidy Scheme	—	700
Provision of subsidy to companies in the performing industry which organise pop concerts	(1,400)	7,900
One-off grant for private schools offering non-formal curriculum	—	99,840
One-off grant to kindergartens and private day schools	—	160
One-off relief grant to providers of catering services for schools as well as post-secondary education institutions	80	560

Sixth round measures (continued)	2024 \$'000	2023 \$'000
Tourism Industry Additional Support Scheme (financial assistance to travel agents and hotels, and resources to Hong Kong Tourism Board to operate a “spend-to-redeem” programme for cruise-to-nowhere itineraries)	—	4,870
Licensed Guesthouses Subsidy Scheme	—	29,490
Subsidy to non-profit-making organisations running projects under the Revitalising Historic Buildings Through Partnership Scheme, PMQ and the Fly the Flyover Operation	—	12,000
Support for the creative industries (rental support to tenants of PMQ)	(1,518)	7,000
Arts and Culture Sector Subsidy Scheme - Rental support for tenants of Arts Spaces and Jockey Club Creative Arts Centre	—	5,967
Rental support for tenants at the Hong Kong Science Park, InnoParks and Cyberport	148,446	61,714
Fuel and one-off non-accountable subsidy to local passenger transport sector	122,408	1,821,592
Additional support for the cross-boundary passenger transport trade	1,110	74,110
Support to shipyards providing repair services to cross-boundary ferries	—	2,000
Subsidies for fresh food wholesalers	(60)	15,500
Subsidies for local primary producers	50	85,690
Dishware Washing Trade Subsidy Scheme	—	620
Anti-epidemic Subsidy Scheme for the Laundry Trade	—	75,490
Subsidy Scheme for Employment Agencies	—	111,990
Support cleansing and security staff engaged by Government, Hong Kong Housing Authority and Hong Kong Housing Society service contractors in anti-epidemic efforts	539	732,366

Sixth round measures (continued)	2024 \$'000	2023 \$'000
Anti-epidemic Support Scheme for Environmental Hygiene and Security Staff in Property Management Sector	—	1,548,384
Support for airport staff in targeted groups	—	92,195
Special allowance for staff of residential care homes for the elderly and residential care homes for persons with disabilities	(2,156)	342,596
One-off grant to registered sports coaches	(20)	121,360
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	—	9,871
Scheme on Relief Grants for Interest Class Instructors Hired by Subvented Non-governmental Welfare Organisations	50	35,400
One-off relief grant to providers of interest classes and school bus services for schools	70	279,354
Arts and Culture Sector Subsidy Scheme - Subsidy to individual arts practitioners and freelancers	—	8,190
Support for the creative industries (financial assistance to licensed pyrotechnics and special effects operators and self-employed/freelance film practitioners)	—	20,174
Tourism Industry Additional Support Scheme (financial assistance to travel agents' staff, freelance accredited practitioners whose main occupations are/were tourist guides or tour escorts, and tour service coach drivers)	(8)	2,660
Support for Hong Kong cross-boundary goods vehicle drivers	140	96,600
Temporary Unemployment Relief	(452)	3,610,691
Job Creation	2,427,157	1,526,534

Additional measures approved by the Steering Committee	2024 \$'000	2023 \$'000
Training subsidies for employers of engineering graduates	—	18,828
100% Credit Limit Top-Up Scheme	(160,000)	(100,000)
Procurement of private COVID-19 testing services	113,609	45,841
Funding for provision of about 2 000 quarantine units at Penny's Bay	362	29,004
Universal Community Testing Programme	—	(2,461)
Tourism Industry Additional Support Scheme	—	(15)
Designated Quarantine Hotel Scheme	—	218,022
Greater Bay Area Youth Employment Scheme	14,617	72,711
Club-house Subsidy Scheme	—	150
Territory-wide sewage surveillance for COVID-19	79,752	135,426
Tourism Industry Additional Support Scheme (special further subsidies) and additional support for the cross-boundary passenger transport trade	600	3,687
Designated quarantine facilities for foreign domestic helpers	—	1,032
Providing special financial assistance to the Travel Industry Council of Hong Kong	—	3,089
Special allowance for staff of residential service units operated by non-governmental organisations	(26)	20,946
One-off relief grant to operators of light refreshment kiosks, fast food kiosks and retail outlets under the Leisure and Cultural Services Department	—	3,720
Support cleansing and security staff in the local public transport sector	(192)	39,190
Support for cleansing and security staff working at Hong Kong International Airport	(193)	34,297

Additional measures approved by the Steering Committee (continued)	2024 \$'000	2023 \$'000
Cleansing and Security Service Provider Subsidy Scheme for Post-secondary Education Institutions, Non-government Schools and Kindergartens	(2)	225,586
Support cleansing and security staff engaged by the power companies in anti-epidemic efforts	—	5,644
Support cleansing and security workers engaged by welfare service units operated by non-governmental organisations through their service contractors	(36)	2,328
Special allowance to frontline cleansing staff who are drivers and assistants of drivers of waste/sewage collection vehicles	(10)	12,264
Support cleansing and security workers engaged by non-government works contractors for working in construction sites in anti-epidemic efforts	—	20,000
Designated transport services for carrying COVID-19 patients to designated clinics and community isolation facilities, and for transporting inbound travellers from the airport to designated quarantine hotels	(133)	401,394
Funding for provision of isolation, treatment and related facilities	916,229	10,452,911
Support for implementation of cargo transfer proposal in Hong Kong in maintaining a stable supply of goods from the Mainland	7,430	15,259
2022 Employment Support Scheme	84,834	36,487,503
Ex-gratia allowance for affected households of transitional housing project converted into community isolation facility	—	4,160
Reimbursement of repair and maintenance costs to public transport operators	250,735	—
Anti-epidemic Support Scheme for Environmental Hygiene and Security Staff for Premises under the Home and Youth Affairs Bureau's Purview	—	11,682

Additional measures approved by the Steering Committee (continued)	2024 \$'000	2023 \$'000
Conversion of two transitional housing projects into community isolation facilities	8,199	—
Home support supplies delivery services for persons under home quarantine	—	87,676
Support for Hong Kong cross-boundary goods vehicle owners	—	105,930
Support cleansing and security workers engaged by The Prince Philip Dental Hospital service contractors in anti-epidemic efforts	—	649
Support frontline cleansing and security staff engaged by Fish Marketing Organisation, Vegetable Marketing Organisation and their service contractors in anti-epidemic efforts	(8)	704
Support cleansing and security workers working at private cemeteries and licensed funeral parlours	—	2,699
Support for provision of rapid polymerase chain reaction test service for cross-boundary goods vehicle drivers at land boundary control points in Hong Kong	—	204,834
Subsidies for local fishing vessels and fish collector vessels with Mainland deckhands	640	110,080
Total	5,316,103	66,678,134

Note: Negative balances represent excess of adjustments (mainly included refunds of grants paid in the prior year) over payments for grant under the relevant measure during the year.

7. COMMITMENTS

	2024 \$'000	2023 \$'000
As at 31 March, the approved financial commitments that were unpaid	<u>1,590,033</u>	<u>20,724,935</u>