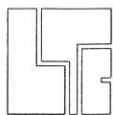


ASBURY METHODIST SOCIAL SERVICE

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH, 2013



**REVIEW REPORT
TO THE EXECUTIVE COMMITTEE OF ASBURY METHODIST SOCIAL SERVICE
("THE CENTRE")**

We have audited the financial statements of the Centre for the year ended 31st March, 2013 and have issued an unqualified auditor's report thereon dated 25 JAN 2014.

We conducted our review of the attached Annual Financial Report on pages 2 to 9 of the Centre for the year ended 31st March, 2013 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organisations" issued by the Hong Kong Institute of Certified Public Accountants. The review includes considering the procedures and records relevant to the preparation of the Annual Financial Report and performing procedures to satisfy ourselves that the Annual Financial Report has been properly prepared from the books and records of the Centre, on which the above audited financial statements of the Centre are based.

REVIEW CONCLUSIONS

On the basis of the results of our review and having regard to the audit procedures performed by us in relation to the audit of the financial statements of the Centre for the year ended 31st March, 2013;

- a) in our opinion the Annual Financial Report has been properly prepared from the books and records of the Centre; and
- b) no matters have come to our attention during the course of our review, which cause us to believe that the Centre has not:
 - i) properly accounted for the receipt of Lump Sum Grant, Provident Fund, Special One-off Grant and other social welfare subventions and expenditure in respect of Funding and Services Agreement activities and support services;
 - ii) kept separate Operating Income and Expenditure Account for each subvented service unit as required by the Lump Sum Grant Manual (LSG Manual) published by the Social Welfare Department of the Government of the HKSAR;
 - iii) prepared the Annual Financial Report in accordance with the format and requirements set out in the LSG Manual; and
 - iv) employed the staff quoted in the Special One-off Grant and Provident Fund arrangements during the year ended 31st March, 2013.

This report is intended for filing with the Social Welfare Department of the Government of the HKSAR and should not be used for any other purpose.

Li Tang Chen & Co.
Li, Tang, Chen & Co.
Certified Public Accountants (Practising)
10/F Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong
25 JAN 2014
RCMC/SMW8:vy

ASBURY METHODIST SOCIAL SERVICE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	2013 HK\$	2012 HK\$
A. INCOME			
1. Lump Sum Grant			
a) Lump sum grant (excluding provident fund)	1(b)	10,352,006.00	9,461,611.00
b) Provident fund	1(c)	784,249.00	736,691.00
		11,136,255.00	10,198,302.00
2. Special One-Off Grant		-	-
3. Fee income	2	57,980.00	56,988.00
4. Central items	3	2,810,533.00	2,766,929.00
5. Rent and rates	4	245,272.00	265,732.00
6. Other income	5	3,025,216.30	2,951,185.64
7. Interest received		149.23	150.10
TOTAL INCOME		17,275,405.53	16,239,286.74
		-----	-----
B. EXPENDITURE			
1. Personal Emoluments	6		
a) Salaries		9,901,000.61	9,094,502.77
b) Provident Fund	1(c)	578,923.69	533,770.96
c) Allowances		-	-
		10,479,924.30	9,628,273.73
2. Other charges	7	3,518,635.54	3,773,520.67
3. Central items	3	2,542,426.27	2,505,824.99
4. Rent and rates	4	274,504.00	271,272.00
5. Special One-off Grant Payments		-	-
TOTAL EXPENDITURE		16,815,490.11	16,178,891.39
		-----	-----
C. SURPLUS FOR THE YEAR	8	459,915.42	60,395.35
		=====	=====

The annual financial report on pages 2 to 9 were approved by the executive committee on 25 JAN 2014


.....
Rev. Wong Yuk Chee
CHAIRMAN

DATE: 25 JAN 2014


.....
Ms. Hau Yuet King
CHIEF EXECUTIVE

DATE: 25 JAN 2014

ASBURY METHODIST SOCIAL SERVICE

NOTES ON THE ANNUAL FINANCIAL REPORT

1. LUMP SUM GRANT

a) Basis of preparation:

The Annual Financial Report (AFR) is prepared on cash basis, that is, income is recognised upon receipt of cash and expenditure is recognised when expenses are paid. Non-cash items like depreciation, provision and accruals should not be included in the AFR. Certain comparative figures have been adjusted and restated due to prior year adjustments made as considered appropriate by the management of the Centre.

b) Lump Sum Grant (excluding Provident Fund):

This represents Lump Sum Grant (excluding Provident Fund) received for the year.

c) Provident Fund:

This is Provident Fund received and contributed during the year. Snapshot staffs are defined as those staff occupying recognised or holding against subvented posts as at 1st April, 2000. 6.8% and other posts represent those staff that are employed after 1st April, 2000.

Provident Fund received and contributed for staff under the central items are shown under note 3. In other words, such Provident Fund are not included here (paragraph 3.12 of LSG Manual).

Details are analysed below:

<u>Provident fund contribution</u>	<u>Snapshot staff</u> HK\$	<u>6.8% and other posts</u> HK\$	<u>Total</u> HK\$
Subvention received	168,145.00	616,104.00	784,249.00
Provident fund contribution during the year	<u>(129,556.50)</u>	<u>(449,367.19)</u>	<u>(578,923.69)</u>
Surplus for the year	38,588.50	166,736.81	205,325.31
Add: Surplus b/f			
As previously reported	677,607.09	948,516.87	1,626,123.96
(Less)/Add: Prior year adjustment	<u>(4,075.95)</u>	<u>26,516.57</u>	<u>22,440.62</u>
As restated	<u>673,531.14</u>	<u>975,033.44</u>	<u>1,648,564.58</u>
Surplus c/f	<u>712,119.64</u>	<u>1,141,770.25</u>	<u>1,853,889.89</u>

ASBURY METHODIST SOCIAL SERVICE

NOTES ON THE ANNUAL FINANCIAL REPORT

2. FEE INCOME

This represents social welfare fee income received for the year in respect of the fees and charges recognised for the purpose of subvention as set out in the Lump Sum Grant Manual.

3. CENTRAL ITEMS

These are subvented service activities which are not included in Lump Sum Grant and are subject to their own procedures as set out in other SWD's papers and correspondence with the Agency. The Provident Fund and contributed for staff under central items should be separately included as part of the income and expenditure of the relevant items (paragraph 3.13 of LSG Manual). The income and expenditure of each of the central items are as follows:

i) a. Income

	<u>2013</u> HK\$	<u>2012</u> HK\$
After School Care Programme	193,500.00	155,250.00
Care Assistants and Programme Assistants	258,889.00	253,535.00
Programme Workers	<u>2,358,144.00</u>	<u>2,358,144.00</u>
Total	<u><u>2,810,533.00</u></u>	<u><u>2,766,929.00</u></u>

b. Expenditure

	<u>2013</u> HK\$	<u>2012</u> HK\$
After School Care Programme	191,250.00	155,250.00
Care Assistant and Programme Assistants	100,852.50	226,375.06
Programme Workers	<u>2,250,323.77</u>	<u>2,124,199.93</u>
Total	<u><u>2,542,426.27</u></u>	<u><u>2,505,824.99</u></u>

ASBURY METHODIST SOCIAL SERVICE

NOTES ON THE ANNUAL FINANCIAL REPORT

3. CENTRAL ITEMS (CONT'D)

ii)

Unit code	Name	Subvented Element	Subvention Released	Actual Expenditure	Surplus (a)	Deficit (b)	Deficit transferred to LSG (c)	Adjusted deficit (d) = (b) - (c)	Surplus brought forward (e)	Subvention refund to SWD (f)	Surplus carried forward (g) = (e) + (a) - (d)
			HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
I.	Central items other than Programme Assistant Care Assistant for 2012-13										
1043	After School Care Project	After School Care Programmes	193,500.00	191,250.00	2,250.00	-	-	-	345,871.57	-	348,121.57
P028	Peer Counsellor	Peer Counsellor	-	-	-	-	-	-	5,589.00	-	5,589.00
	Youth Ambassador	Youth Ambassador	-	-	-	-	-	-	250.00	-	250.00
028P	Programme Workers	Programme Worker posts for 3 years from 2011-2013	2,358,144.00	2,250,323.77	107,820.23	-	-	-	233,944.07	-	341,764.30
	Sub-total for Central items other than PA/CA.....(A)		2,551,644.00	2,441,573.77	110,070.23	-	-	-	585,654.64	-	695,724.87

ASBURY METHODIST SOCIAL SERVICE

NOTES ON THE ANNUAL FINANCIAL REPORT

3. CENTRAL ITEMS (CONT'D)

ii) (cont'd)

Unit code	Name	Subvented Element	Subvention Released	Actual Expenditure	Surplus (a)	Deficit (b)	Deficit transferred to LSG (c)	Adjusted deficit (d) = (b) - (c)	Surplus brought forward (e)	Subvention refund to SWD (f)	Surplus/(deficit) carried forward (g) = (e) + (a) - (d)
			HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
II. Programme Assistant, Care Assistant for 2012-2013											
028S -	Care Assistant & Programme Assistant for Elderly	Programme Assistant/Care Assistant	161,721.00	63,000.00	98,721.00	-	-	-	22,738.02	-	121,458.02
Y028	Programme Assistant for Young People	Programme Assistant	97,168.00	37,852.50	59,315.50	-	-	-	4,421.92	-	63,737.42
	Sub-total for Central items other than PA/CA.....(B)		258,889.00	100,852.50	158,036.50	-	-	-	27,159.94	-	185,196.44
	GRANT TOTAL.....(A) + (B)		2,810,533.00	2,542,426.27	268,106.73	-	-	-	612,814.58	-	880,921.31

ASBURY METHODIST SOCIAL SERVICE

NOTES ON THE ANNUAL FINANCIAL REPORT

4. RENT AND RATES

This represents the amount paid by Social Welfare Department in respect of premises recognised by Social Welfare Department. Expenditure on rent and rates in respect of premises not recognised by Social Welfare Department should not be included in AFR. Details of subvention and expenditure are analysed below:

<u>Unit Code and Name</u>	<u>Subvention Element</u>	<u>Subvention Released</u> HK\$	<u>Actual Expenditure</u> HK\$	<u>Surplus refundable</u> HK\$	<u>(Deficit)</u> HK\$
1165 – Children and Youth Integrated Service Centre	Rent	138,344.00	159,627.96	-	(21,283.96)
	Rates	<u>28,341.00</u>	<u>33,610.08</u>	<u>-</u>	<u>(5,269.08)</u>
	Total	<u>166,685.00</u>	<u>193,238.04</u>	<u>-</u>	<u>(26,553.04)</u>
1050 – Social Centre for the Elderly	Rent	5,170.00	6,746.04	-	(1,576.04)
	Rates	<u>8,617.00</u>	<u>9,719.92</u>	<u>-</u>	<u>(1,102.92)</u>
	Total	<u>13,787.00</u>	<u>16,465.96</u>	<u>-</u>	<u>(2,678.96)</u>
1045 – School Social Work	Rent	64,800.00	64,800.00	-	-
	Rates	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total	<u>64,800.00</u>	<u>64,800.00</u>	<u>-</u>	<u>-</u>
Grant total		<u>245,272.00</u>	<u>274,504.00</u>	<u>-</u>	<u>(29,232.00)</u>

5. OTHER INCOME

This include programme income and all income other than recognised social welfare fee income received during the year. Non-SWD subventions and donations received need not be included as Other Income in AFR. However, treatment of fees and charges as specified under para.2.27 to 2.28 of the LSG Manual remains unchanged (paragraph 3.9 of the LSG Manual).

ASBURY METHODIST SOCIAL SERVICE

NOTES ON THE ANNUAL FINANCIAL REPORT

6. PERSONAL EMOLUMENTS

Personal Emoluments include salary, provident fund, salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over HK\$500,000.00 each is appended below:

<u>Analysis of personal emoluments</u>	<u>No. of posts</u>	<u>2013</u> <u>HK\$</u>
HK\$500,001 – HK\$600,000 p.a.	–	–
HK\$600,001 – HK\$700,000 p.a.	–	–
HK\$700,001 – HK\$800,000 p.a.	–	–
HK\$800,001 – HK\$900,000 p.a.	1	804,973
HK\$900,001 – HK\$1,000,000 p.a.	–	–
> HK\$1,000,000 p.a.	–	–

7. OTHER CHARGES

The breakdown on Other Charges is as follows:

	<u>2012/13</u> <u>HK\$</u>	<u>2011/12</u> <u>HK\$</u>
<u>Other Charges</u>		
a) Utilities	279,980.91	209,254.32
b) Food	–	–
c) Administrative expenses	229,164.57	213,526.36
d) Stores and equipment	282,716.05	259,101.50
e) Repair and maintenance	185,279.60	191,049.00
f) Special Allowances	–	–
g) Programme expenses	2,305,867.96	2,401,283.84
h) Transportation and travelling	21,156.00	14,305.80
i) Insurance	8,446.05	65,022.24
j) Miscellaneous	109,175.40	113,280.31
Total	<u>3,518,635.54</u>	<u>3,773,520.67</u>

7a. SPECIAL ONE-OFF GRANT PAYMENTS

Details of Special One-off Grant Payments are as follows:

	<u>2012/13</u> <u>HK\$</u>	<u>2011/12</u> <u>HK\$</u>
<u>Special One-off Grant Payments</u>		
a) Voluntary Retirement Scheme	–	–
b) Compensation Scheme	–	–
c) Staff training and Development	–	–
d) Other Staff-related Initiatives	–	–
Total	<u>–</u>	<u>–</u>

NOTES ON THE ANNUAL FINANCIAL REPORT

8. ANALYSIS OF RESERVE FUND

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$
INCOME					
Lump Sum Grant	11,136,255.00	-	-	-	11,136,255.00
Special One-off Grant	-	-	-	-	-
Fee Income	57,980.00	-	-	-	57,980.00
Other Income	3,025,216.30	-	-	-	3,025,216.30
Interest Received (Note (1))	149.23	-	-	-	149.23
Rent and Rates	-	-	245,272.00	-	245,272.00
Central Items	-	-	-	2,810,533.00	2,810,533.00
Total Income (a)	14,219,600.53	-	245,272.00	2,810,533.00	17,275,405.53
EXPENDITURE					
Personal Emoluments	10,479,924.30	-	-	-	10,479,924.30
Other Charges	3,518,635.54	-	-	-	3,518,635.54
Rent and Rates	-	-	274,504.00	-	274,504.00
Central Items	-	-	-	2,542,426.27	2,542,426.27
Special One-off Grant	-	-	-	-	-
Total Expenditure (b)	13,998,559.84	-	274,504.00	2,542,426.27	16,815,490.11
(Deficit)/surplus for the year (a)-(b)	221,040.69	-	(29,232.00)	268,106.73	459,915.42
Less: Surplus of provident fund	(205,325.31)	-	-	-	(205,325.31)
	15,715.38	-	(29,232.00)	268,106.73	254,590.11
Surplus/(deficit) b/f (Note (2))	4,317,204.68	-	(5,360.00)	612,814.58	4,924,659.26
Adjustment: Clerical error made on surplus brought forward for the year ended 31.3.2012 (Note (5))	(76,456.07)	-	-	-	(76,456.07)
Surplus/(deficit) b/f (restated)	4,240,748.61	-	(5,360.00)	612,814.58	4,848,203.19
	4,256,463.99	-	(34,592.00)	880,921.31	5,102,793.30
Less: Refund to Government	(99,931.90)	-	(2,824.76)	-	(102,756.66)
SURPLUS/(DEFICIT) CARRIED FORWARD	4,156,532.09	-	(37,416.76)	880,921.31	5,000,036.64

Notes:

- (1) Interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant should all be included as one item under LSG; and the item is considered as part of LSG reserve.
- (2) Accumulated balance Lump Sum Grant Surplus b/f from previous years and all interest received in previous years should be included in the surplus b/f under LSG.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Programme Assistants, Care Assistants, dementia Supplement and Infr Care Supplement, if any, as per Schedule of Central Items (Annex 1).
- (4) The level of LSG cumulative reserve will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.
- (5) Adjustment to Lump Sum Grant Surplus b/f refer to SWD's letter (Ref.: (44) in SWD SF/SAS/4-65111 (028) dated 19th March, 2013.

SCHEDULE FOR INVESTMENT**ANALYSIS OF INVESTMENT AS AT 31ST MARCH, 2013****AGENCY: ASBURY METHODIST SOCIAL SERVICE**

	<u>2013</u> HK\$	<u>2012</u> HK\$
LSG Reserve as at 31st March	4,156,532.09	4,317,204.68
Represented by:		
INVESTMENTS:		
a. HKD Bank Account Balances	4,156,532.09	4,317,204.68
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	-
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	4,156,532.09	4,317,204.68

Note: The investments should be reported as historical cost.

Confirmed by:-



Rev. Wong Yuk Chee
CHAIRMAN

DATE: 25 JAN 2014



Ms. Hau Yuet King
CHIEF EXECUTIVE

DATE: 25 JAN 2014