

ASBURY METHODIST SOCIAL SERVICE

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH, 2014

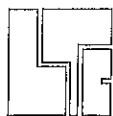


李 湯 陳 會 計 師 事 務 所

LI, TANG, CHEN & CO.

Certified Public Accountants (Practising)

Hong Kong



**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, 2014 and have issued an unqualified auditor's report thereon dated **11 DEC 2014**

We conducted our review of the attached Annual Financial Report on pages 2 to 10 of the Centre for the year ended 31st March, 2014 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, 2014;

- 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, 2014.

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


11 DEC 2014

RCMC/SMW8:pn

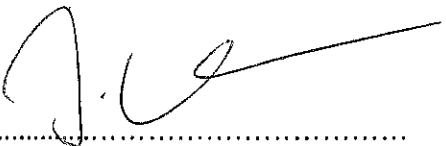
ASBURY METHODIST SOCIAL SERVICE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH, 2014

	Note	2014 HK\$	2013 HK\$
A. INCOME			
1. Lump Sum Grant			
a) Lump sum grant (excluding provident fund)	1(b)	10,748,302.00	10,352,006.00
b) Provident fund	1(c)	769,029.00	784,249.00
		11,517,331.00	11,136,255.00
2. Special One-Off Grant		-	-
3. Fee income	2	50,370.00	57,980.00
4. Central items	3	2,694,601.00	2,810,533.00
5. Rent and rates	4	275,096.00	245,272.00
6. Other income	5	3,458,810.37	3,025,216.30
7. Interest received		148.57	149.23
TOTAL INCOME		17,996,356.94	17,275,405.53
B. EXPENDITURE			
1. Personal Emoluments	6		
a) Salaries		9,991,500.22	9,901,000.61
b) Provident Fund	1(c)	616,769.16	578,923.69
c) Allowances		-	-
Sub-total		10,608,269.38	10,479,924.30
2. Other charges	7	4,380,236.48	3,518,635.54
3. Central items	3	1,998,328.47	2,542,426.27
4. Rent and rates	4	334,411.86	274,504.00
5. Special One-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		17,321,246.19	16,815,490.11
C. SURPLUS FOR THE YEAR	8	675,110.75	459,915.42

The annual financial report on pages 2 to 10 were approved by the executive committee on **11 DEC 2014**



 Rev. Wong Yuk Chee
 CHAIRMAN



 Ms. Chun Yuk Yu
 CHIEF EXECUTIVE

DATE: **11 DEC 2014**

DATE: **11 DEC 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 have not been included in the AFR.

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 staff 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 HK\$</u>	<u>6.8% and other posts HK\$</u>	<u>Total HK\$</u>
Subvention received	113,104.00	655,925.00	769,029.00
Provident fund contribution paid during the year	<u>(124,533.00)</u>	<u>(492,236.16)</u>	<u>(616,769.16)</u>
(Deficit)/surplus for the year	(11,429.00)	163,688.84	152,259.84
Add: Surplus b/f	<u>712,119.64</u>	<u>1,141,770.25</u>	<u>1,853,889.89</u>
Surplus c/f	<u><u>700,690.64</u></u>	<u><u>1,305,459.09</u></u>	<u><u>2,006,149.73</u></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 received and contributed for staff under central items have been 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>2014</u> HK\$	<u>2013</u> HK\$
After School Care Programme	189,000.00	193,500.00
Regularised Programme Assistants and Care Assistants	275,617.00	258,889.00
Programme Workers posts extended for one year in 2013/14	<u>2,229,984.00</u>	<u>2,358,144.00</u>
Total	<u>2,694,601.00</u>	<u>2,810,533.00</u>

b. Expenditure

	<u>2014</u> HK\$	<u>2013</u> HK\$
After School Care Programme	136,750.00	191,250.00
Regularised Programme Assistants and Care Assistant	-	100,852.50
Programme Workers posts extended for one year in 2013/14	<u>1,861,578.47</u>	<u>2,250,323.77</u>
Total	<u>1,998,328.47</u>	<u>2,542,426.27</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 2013-14										
1043	After School Care Project	After School Care Programmes	189,000.00	136,750.00	52,250.00	-	-	-	348,121.57	-	400,371.57
P028	Peer Counsellor	Peer Counsellor	-	-	-	-	-	-	5,589.00	-	5,589.00
	Youth Ambassador	Youth Ambassador	-	-	-	-	-	-	250.00	-	250.00
028P	PW post for extended 1 year in 1.4.2013-31.3.2014	Programme Worker	2,229,984.00	1,861,578.47	368,405.53	-	-	-	341,764.30	233,944.07	476,225.76
	Sub-total for Central items other than PA/CA.....(A)		2,418,984.00	1,998,328.47	420,655.53	-	-	-	695,724.87	233,944.07	882,436.33

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	Regularised Programme Assistant and Care Assistant for 2013-2014										
028S	Care Assistant & Programme Assistant for Elderly & Youth	Programme Assistant/Care Assistant	275,617.00	-	275,617.00	-	-	-	185,196.44	27,159.94	433,653.50
	Sub-total for Central items other than PA/CA.....(B)		275,617.00	-	275,617.00	-	-	-	185,196.44	27,159.94	433,653.50
	GRANT TOTAL.....(A) + (B)		2,694,601.00	1,998,328.47	696,272.53	-	-	-	880,921.31	261,104.01	1,316,089.83

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 have not been 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</u> HK\$	<u>(Deficit)</u> HK\$
1165 – Children and Youth Integrated Service Centre	Rent	168,168.00	174,392.68	-	(6,224.68)
	Rates	<u>28,341.00</u>	<u>41,240.00</u>	<u>-</u>	<u>(12,899.00)</u>
	Total	<u>196,509.00</u>	<u>215,632.68</u>	<u>-</u>	<u>(19,123.68)</u>
1050 – Social Centre for the Elderly	Rent	5,170.00	37,555.98	-	(32,385.98)
	Rates	<u>8,617.00</u>	<u>10,663.20</u>	<u>-</u>	<u>(2,046.20)</u>
	Total	<u>13,787.00</u>	<u>48,219.18</u>	<u>-</u>	<u>(34,432.18)</u>
1045 – School Social Work	Rent	64,800.00	70,560.00	-	(5,760.00)
	Rates	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total	<u>64,800.00</u>	<u>70,560.00</u>	<u>-</u>	<u>(5,760.00)</u>
Grant total		<u>275,096.00</u>	<u>334,411.86</u>	<u>-</u>	<u>(59,315.86)</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 have not been included as Other Income in AFR.

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>HK\$</u>
HK\$500,001 – HK\$600,000 p.a.	1	522,633.68
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	825,147.82
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>2013/14</u>	<u>2012/13</u>
	<u>HK\$</u>	<u>HK\$</u>
<u>Other Charges</u>		
a) Utilities	289,848.51	279,980.91
b) Minor purchases	186,462.40	96,849.00
c) Administrative expenses	277,649.40	229,164.57
d) Stores and equipment	291,713.69	282,716.05
e) Repair and maintenance	253,730.00	185,279.60
f) Programme expenses	2,731,230.35	2,305,867.96
g) Transportation and travelling	15,798.20	21,156.00
h) Insurance	64,730.19	8,446.05
i) Miscellaneous	269,073.74	109,175.40
Total	<u>4,380,236.48</u>	<u>3,518,635.54</u>

7a. SPECIAL ONE-OFF GRANT PAYMENTS

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

	<u>2013/14</u>	<u>2012/13</u>
	<u>HK\$</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>

ASBURY METHODIST SOCIAL SERVICE

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	11,517,331.00	-	-	-	11,517,331.00
Special One-off Grant	-	-	-	-	-
Fee Income	50,370.00	-	-	-	50,370.00
Other Income	3,458,810.37	-	-	-	3,458,810.37
Interest Received (Note (1))	148.57	-	-	-	148.57
Rent and Rates	-	-	275,096.00	-	275,096.00
Central Items	-	-	-	2,694,601.00	2,694,601.00
Total Income (a)	15,026,659.94	-	275,096.00	2,694,601.00	17,996,356.94
EXPENDITURE					
Personal Emoluments	10,608,269.38	-	-	-	10,608,269.38
Other Charges	4,380,236.48	-	-	-	4,380,236.48
Rent and Rates	-	-	334,411.86	-	334,411.86
Central Items	-	-	-	1,998,328.47	1,998,328.47
Special One-off Grant	-	-	-	-	-
Total Expenditure (b)	14,988,505.86	-	334,411.86	1,998,328.47	17,321,246.19
Surplus/(deficit) for the year (a)-(b)	38,154.08	-	(59,315.86)	696,272.53	675,110.75
Less: Surplus of provident fund	(152,259.84)	-	-	-	(152,259.84)
	(114,105.76)	-	(59,315.86)	696,272.53	522,850.91
Surplus/(deficit) b/f (Note (2))	4,156,532.09	-	(37,416.76)	880,921.31	5,000,036.64
Adjustment:					
Amount transferred from subvention interest and Social Welfare Subvention Surplus	649.76	-	-	-	649.76
Surplus/(deficit) b/f (restated)	4,157,181.85	-	(37,416.76)	880,921.31	5,000,686.40
Less: Refund to Government	4,043,076.09	-	(96,732.62)	1,577,193.84	5,523,537.31
	-	-	(4,800.00)	(261,104.01)	(265,904.01)
SURPLUS/(DEFICIT) CARRIED FORWARD	4,043,076.09	-	(101,532.62)	1,316,089.83	5,257,633.30

ASBURY METHODIST SOCIAL SERVICE

NOTES ON THE ANNUAL FINANCIAL REPORT

8. ANALYSIS OF RESERVE FUND (CONT'D)

Notes:

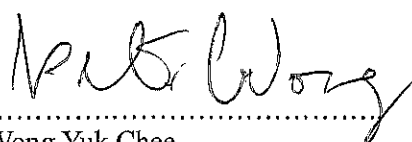
- (1) All the interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant is included as one item under LSG; and the item is considered as part of LSG reserve.
- (2) Accumulated balance of Lump Sum Grant Surplus b/f from previous years and all interest received in previous years are 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 infirmary Care Supplement, if any, as per Schedule of Central Items.
- (4) The level of LSG cumulative reserve will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.

SCHEDULE FOR INVESTMENT**ANALYSIS OF INVESTMENT AS AT 31ST MARCH, 2014****AGENCY: ASBURY METHODIST SOCIAL SERVICE**

	<u>2014</u> HK\$	<u>2013</u> HK\$
LSG Reserve as at 31st March	<u>4,043,076.09</u>	<u>4,156,532.09</u>
Represented by:		
INVESTMENTS:		
a. HKD Bank Account Balances	4,043,076.09	4,156,532.09
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	-
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	<u>4,043,076.09</u>	<u>4,156,532.09</u>

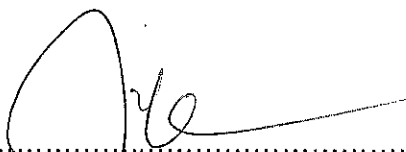
Note: The investments are reported as historical cost.

Confirmed by:-



 Rev. Wong Yuk Chee
 CHAIRMAN

DATE: 11 DEC 2014



 Ms. Chun Yuk Yu
 CHIEF EXECUTIVE

DATE: 11 DEC 2014