

TAI HANG RESIDENTS' WELFARE ASSOCIATION

TAI HANG YOUTH CENTRE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2019

Date : 25 October 2019

V CPA LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
文森會計師有限公司
TEL : 3709 3334 FAX : 3020 9346

These ANNUAL FINANCIAL REPORT are for the exclusive use of its Management committees only. The auditors and other professionals, if any involved, do not assume responsibility towards or accept liability to any other person for the contents of this set of the financial statements.



**REVIEW REPORT
TO THE MANAGEMENT COMMITTEE OF
TAI HANG RESIDENTS' WELFARE ASSOCIATION - TAI HANG YOUTH CENTRE**

We have audited the financial statements of Tai Hang Residents' Welfare Association - Tai Hang Youth Centre (the 'Centre') for the year ended 31 March 2019, and have issued an unqualified auditor's report thereon Date : 25 October 2019.

We conducted our review of the attached Annual Financial Report on pages 4 to 11 of the Centre for the year ended 31 March 2019 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 included 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 31 March 2019:

- 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, Tide-over 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 Tide-over Grant and Provident Fund arrangements during the year ended 31 March 2019.



V CPA LIMITED

CERTIFIED PUBLIC ACCOUNTANTS | 文森會計師有限公司

文森會計師有限公司
V CPA Limited
Certified Public Accountants
Est. Vincent Choi

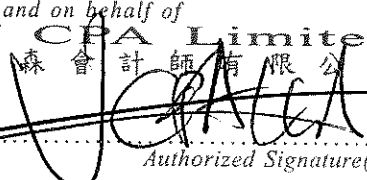
Room 1802, 18/F, Billion Plaza,
8 Cheung Yue Street, Cheung Sha Wan,
Hong Kong
香港長沙灣長裕街8號億京廣場18樓1802室
Tel : + (852) 3709 3334
Fax : + (852) 3020 9346
Email : info@hkvcpa.com
Website: www.v-cpa.com

REVIEW REPORT (CONT'D)
TO THE MANAGEMENT COMMITTEE OF
TAI HANG RESIDENTS' WELFARE ASSOCIATION - TAI HANG YOUTH CENTRE

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. Our responsibility is to express an opinion on these financial statements based on our review and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

For and on behalf of

For and on behalf of
V CPA Limited
文森會計師有限公司


Authorized Signature(s)

V CPA Limited

Certified Public Accountants, Hong Kong

Practising Certificate Number S0655

Director - Choi Pak Kei

Certified Public Accountants, Hong Kong


Practising Certificate Number P05603

25 October 2019

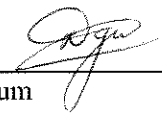
TAI HANG RESIDENTS' WELFARE ASSOCIATION
 TAI HANG YOUTH CENTRE
 ANNUAL FINANCIAL REPORT
 FOR THE PERIOD FROM 1ST APRIL 2018 TO 31ST MARCH 2019

	<u>Note</u>	2018-19 HKD	2017-18 HKD
A. INCOME			
1 Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	2,963,269	2,840,216
b. Provident Fund.	1c	234,254	224,186
2 Fee Income	2	1,245	8,085
4 Central Items.	3	-	-
5 Rent and Rates.	4	44,193	44,750
6 Other Income	5	-	-
7 Interest Received		564	27
TOTAL INCOME		<u>3,243,525</u>	<u>3,117,264</u>
B. EXPENDITURE			
1 Personal Emoluments			
a. Salaries		2,546,720	2,354,617
b. Provident Fund	1c	212,661	198,271
c. Allowances		-	-
Sub-total	6	<u>2,759,381</u>	<u>2,552,888</u>
2 Other Charges	7	504,850	715,152
3 Central Items	3	-	-
4 Rent and Rates	4	56,946	60,292
TOTAL EXPENDITURE		<u>3,321,177</u>	<u>3,328,332</u>
C. SURPLUS (DEFICIT) FOR THE YEAR	8	<u>(77,652)</u>	<u>(211,068)</u>

The Annual Financial Report from pages 3 to 11 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.


 Lee Hon Man, Nicholas
 Chairman

Date : 25 October 2019


 Ngai Yat Sum
 Vice-Chairman

Date : 25 October 2019

TAI HANG RESIDENTS' WELFARE ASSOCIATION
 TAI HANG YOUTH CENTRE
NOTES ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant (LSG)

a) Basis of preparation

The Annual Financial Report (AFR) is prepared in respect of all Funding and Service Agreement (FSA) activities (including support services to FSA activities) funded by the Social Welfare Department under the Lump Sum Grant Subvention System. 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** such as depreciation, provisions 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.

The Provident Fund received and contributed for staff under the Central Items have been shown under 3.

Details are analysed below:

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u> HK\$	<u>6.8% and Other</u> <u>Posts</u> HK\$	<u>Total</u> HK\$
Subvention Received	68,814	165,440	234,254
Provident Fund Contribution Paid during the year	(69,158)	(143,503)	(212,661)
Surplus/(deficit) for the year	(344)	21,937	21,593
Add: Surplus/(deficit) b/f before SWD adj	125,383	490,833	616,216
Additional subvention received for previous year(s)	-	-	-
SWD adjustment	(131,917)	38,427	(93,490)
Add: Surplus/(deficit) b/f after SWD adj	(6,534)	529,260	522,726
Less: Refund to government	-	-	-
Surplus/(deficit) c/f	<u>(6,878)</u>	<u>551,197</u>	<u>544,319</u>

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 LSG and are subject to their own procedures as set out in other SWD's papers and correspondence with the NGOs. The Provident Fund received and contributed for staff under the Central Items have been separately included as part of the income and expenditure of the relevant items (paragraph 3.14 of the LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

a) <u>Income</u>	2018-19 HK\$	2017-18 HK\$
Dementia Supplement for Elderly with Disabilities	-	-
Infirmiry Care Supplement for the Aged Blind Persons	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmiry Care Supplement for Residential Elderly Services	-	-
Dementia Supplement for Day Care Centres/units for the Elderly	-	-
Foster Care Allowance/Emergency Foster Care Allowance	-	-
After School Care Programme	-	-
Temporary Financial Aid	-	-
Emergency Fund	-	-
Time-defined Subsidy Scheme for Extended Hours Service Users	-	-
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Short-term Rental Assistance	-	-
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	-	-
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy	-	-
NSCCP – Subsidy for Fee Reduction/waiving	-	-
NSCCP – Rent and Rates	-	-
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	-	-
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
Enhanced After School Care Programme	-	-
Navigation Scheme for Young Persons in Care Services - Operating Expenses	-	-
Navigation Scheme for Young Persons in Care Services - Training Cost	-	-
Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services	-	-
One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly	-	-
One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	-	-
Total	-	-

b) Expenditure	2018-19 HK\$	2017-18 HK\$
Dementia Supplement for Elderly with Disabilities	-	-
Infirmity Care Supplement for the Aged Blind Persons	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmity Care Supplement for Residential Elderly Services	-	-
Dementia Supplement for Day Care Centres/units for the Elderly	-	-
Foster Care Allowance/Emergency Foster Care Allowance	-	-
After School Care Programme	-	-
Temporary Financial Aid	-	-
Emergency Fund	-	-
Time-defined Subsidy Scheme for Extended Hours Service Users	-	-
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Short-term Rental Assistance	-	-
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	-	-
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy	-	-
NSCCP – Subsidy for Fee Reduction/waiving	-	-
NSCCP – Rent and Rates	-	-
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	-	-
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
Enhanced After School Care Programme	-	-
Navigation Scheme for Young Persons in Care Services - Operating Expenses	-	-
Navigation Scheme for Young Persons in Care Services - Training Cost	-	-
Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services	-	-
One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly	-	-
One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	-	-
Total	<u>-</u>	<u>-</u>

4. Rent And Rates

This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditure on rent and rates in respect of premises not recognised by SWD have not been included in AFR.

5. Other Income

This includes 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. In this respect, donations have been included if it is used to finance expenditure reflected in the AFR.

The breakdown on Other Income (paragraph 2.29 of LSG Manual (October 2016)) is as follows:

Other Income	2018-19 HK\$	2017-18 HK\$
(a) Fees and charges for services incidental to the operation of subvented services	-	-
(b) Others	-	-
Total	<u>-</u>	<u>-</u>

6. Personal Emoluments

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

The analysis on number of posts with annual Personal Emoluments over \$700,000 each paid under LSG is appended below:

Analyses of Personal Emoluments

	<u>No. of Posts</u>	2018-19 HK\$	2017-18 HK\$
HK\$700,001 - HK\$800,000 p.a.	/	-	-
HK\$800,001 - HK\$900,000 p.a.	/	-	-
HK\$900,001 - HK\$1,000,000 p.a.	/	-	-
HK\$1,000,001 - HK\$1,100,000 p.a.	/	-	-
HK\$1,100,001 - HK\$1,200,000 p.a.	/	-	-
>HK\$1,200,001 p.a.	/	-	-
		<u>-</u>	<u>-</u>

7. Other Charges

The breakdown on Other Charges is as follows:

	2018-19 HK\$	2017-18 HK\$
a) Utilities	38,327	39,924
b) Food	-	-
c) Administrative Expenses	98,325	106,750
d) Stores and Equipment	-	-
e) Repairs and Maintenance	5,025	9,595
f) Special Allowances	-	-
g) Programme Expenses	267,130	418,624
h) Transportation and Travelling	2,293	2,534
i) Insurance	56,386	97,144
j) Miscellaneous	37,364	40,582
Total	<u>504,850</u>	<u>715,153</u>

7a. Special One-off Grant Payments

Details of Special One-off Grant as follows:

	2018-19 HK\$	2017-18 HK\$
Special One-off Grant Payments		
a) Voluntary Retirement Scheme	-	-
b) Compensation Scheme	-	-
c) Staff Training and Development	-	-
d) Other Staff-related Initiatives	-	-
Total	<u>-</u>	<u>-</u>

TAI HANG RESIDENTS' WELFARE ASSOCIATION
 TAI HANG YOUTH CENTRE
 NOTES ON THE ANNUAL FINANCIAL REPORT

8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
Income					
Lump Sum Grant	3,197,523	-	-	-	3,197,523
Special One-off Grant	-	-	-	-	-
Fee Income	1,245	-	-	-	1,245
Other Income	-	-	-	-	-
Interest Received (Note 1)	564	-	-	-	564
Rent and Rates	-	-	44,193	-	44,193
Central Items	-	-	-	-	-
Total Income (a)	3,199,332	-	44,193	-	3,243,525
Expenditure					
Personal Emoluments	2,759,381	-	-	-	2,759,381
Other Charges	504,850	-	-	-	504,850
Rent and Rates	-	-	56,946	-	56,946
Central Items	-	-	-	-	-
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	3,264,231	-	56,946	-	3,321,177
Surplus/(Deficit) for the year (a) - (b)	(64,899)	-	(12,753)	-	(77,652)
Less: Surplus/ (Deficit) of Provident Fund	21,593	-	-	-	21,593
Surplus/(Deficit) for the year excluding Provident Fund	(86,492)	-	(12,753)	-	(99,245)
Surplus/(deficit) b/f before SWD adj	211,275	-	(68,856)	(29,741)	112,678
Add/(Less):SWD adjustment	152,099	-	-	(20,411)	131,688
Surplus/(deficit) b/f after SWD adj (Note (2))	363,374	-	(68,856)	(50,152)	244,366
Less: Refund to Government	276,882	-	(81,609)	(50,152)	145,121
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplementary(Note(3))	-	-	-	-	-
	-	-	-	-	-
Surplus/(Deficit) c/f (Note 4)	276,882	-	(81,609)	(50,152)	145,121

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 Dementia Supplement and Infirmity Care Supplement, if any, as per Schedule of Central Items.
- (4) The level of LSG cumulative reserve (i.e. S), less LSG Reserve kept in the holding account, will be capped at 25% of the NGO's operating expenditure (excluding Provident Fund expenditure) for the year.

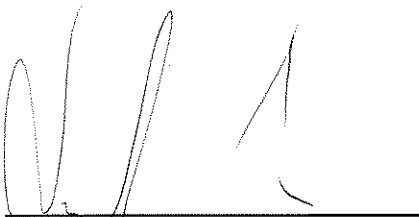
TAI HANG RESIDENTS' WELFARE ASSOCIATION
 TAI HANG YOUTH CENTRE
SCHEDULE FOR INVESTMENT
 ANALYSIS OF INVESTMENT
 as at 31 March 2019

NAME OF NGO: TAI HANG YOUTH CENTRE

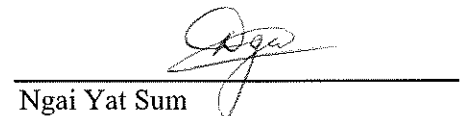
	<u>2019</u> HK\$	<u>2018</u> HK\$
LSG Reserve as at 31st March	276,882	363,374
	<hr/>	<hr/>
	<u>276,882</u>	<u>363,374</u>
Represented by:		
Investments		
a. HKD Bank Account Balances	276,882	363,374
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	-
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	<hr/>	<hr/>
	<u>276,882</u>	<u>363,374</u>

Note: The investments should be reported as historical cost.

Confirmed by: -



Lee Hon Man, Nicholas
 Chairman
 Date : 25 October 2019



Ngai Yat Sum
 Vice-Chairman
 Date : 25 October 2019

Schedule for Central Items

Annex 1

Analysis of Subvention and Expenditure for the Period from 1/4/2018 to 31/3/2019

Name of Agency : Tai Hang Residents' Welfare Association - Tai Hang Youth Centre

Unit Code and Name (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the Year			Surplus b/f (Note 5) (e)	Refund to Government (f)	Surplus c/f (Note 6) (f)-(e)+(a)-(d)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d) = (b) - (c)			
		\$	\$	\$	\$	\$	\$			
	Dementia Supplement for Elderly with Disabilities (Note 8)	-	-	-	-	-	-	-	-	-
	Infirmary Care Supplement for the Aged Blind Persons (Note 8)	-	-	-	-	-	-	-	-	-
	Dementia Supplement for Residential Elderly Services (Note 8)	-	-	-	-	-	-	-	-	-
	Infirmary Care Supplement for Residential Elderly Services (Note 8)	-	-	-	-	-	-	-	-	-
	Dementia Supplement for Day Care Centres/Units for the Elderly	-	-	-	-	-	-	-	-	-
	Foster Care Allowance / Emergency Foster Care Allowance	-	-	-	-	-	-	-	-	-
	After School Care Programme	-	-	-	-	-	-	-	-	-
	Temporary Financial Aid	-	-	-	-	-	-	-	-	-
	Emergency Fund	-	-	-	-	-	-	-	-	-
	Time-defined Subsidy Scheme for Extended Hours Service Users	-	-	-	-	-	-	-	-	-
	Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-	-	-	-	-	-	-	-
	Short-term Rental Assistance	-	-	-	-	-	-	-	-	-
	Overnight On-site-on-call Allowance	-	-	-	-	-	-	-	-	-
	Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy	-	-	-	-	-	-	-	-	-
	NSCCP - Subsidy for Fee Reduction/Waiving	-	-	-	-	-	-	-	-	-
	NSCCP - Rent and Rates	-	-	-	-	-	-	-	-	-
	Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	-	-	-	-	-	-	-	-	-
	Time-defined Subsidy Scheme for Occasional Child Care Service	-	-	-	-	-	-	-	-	-
	Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	-	-	-	-	-	-	-	-	-
	Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-	-	-	-	-	-	-	-
	Cash Subsidy for Integrated Support Service for Persons with Severe Physical Disabilities	-	-	-	-	-	-	-	-	-
	Enhanced After School Care Programme	-	-	-	-	-	-	-	-	-
	Navigation Scheme for Young Persons in Care Services - Operating Expenses	-	-	-	-	-	-	-	-	-
	Navigation Scheme for Young Persons in Care Services - Training Cost	-	-	-	-	-	-	-	-	-
	Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services	-	-	-	-	-	-	-	-	-
	One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly	-	-	-	-	-	-	-	-	-
	One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	-	-	-	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-	-	-	-

/...Notes

Notes :

- The figures for the whole financial year are extracted from the payroll for March (Final) of the financial year.
- Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
- Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
- Deficit i.e. the following central items arising from salary adjustment are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref. (9) in SWD/S/104/2 Pt.16 dated 20 July 2016
 - Dementia Supplement for Elderly with Disabilities
 - Infirmary Care Supplement for the Aged Blind Persons
 - Dementia Supplement for Residential Elderly Services
 - Infirmary Care Supplement for Residential Elderly services
- "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
- "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
- Unit code and name are extracted from the payroll from SWD.
- The income and expenditure for the Special one-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmary Care as allocated via SWD's letter ref SWD/S/E/RC/3 Pt. 6 dated 4 February 2016 should also be included in the income/expenditure of the respective items.
- The central items as listed above may not be exhaustive and any relevant details of central items released and/or expended during the year, where appropriate, should also be included.

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the Period from 1/4/2018 to 31/3/2019

Name of Agency: Tai Hang Residents' Welfare Association - Tai Hang Youth Centre

Unit Code and Name	Subvented Element	Subvented Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 3)
7500 Tai Hang Youth Centre	Rent(Note 3)	346	346	-	-
	Rates	43,847	56,600	-	(12,753)
	Total	44,193	56,946	-	(12,753)
	Grant Total:				

Notes :

- 1 The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year.
- 2 Surplus/ Deficit for each element represents the difference between subvention released and actual expenditure.
- 3 Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.