

**ASBURY METHODIST SOCIAL SERVICE**  
**AUDITORS' REVIEW REPORT AND**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

麥永建、何麗賢會計師行有限公司  
**W. K. MAK & STELLA HO CPA LIMITED**  
CERTIFIED PUBLIC ACCOUNTANTS  
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麥永建、何麗賢會計師行有限公司

**REVIEW REPORT ON THE ANNUAL FINANCIAL REPORT OF  
ASBURY METHODIST SOCIAL SERVICE**

**Review Report to the Management Committee of Asbury Methodist Social Service (“the Centre”)**

We have audited the financial statements of the Centre for the year ended 31 March 2015 and have issued an unqualified independent auditor’s report thereon dated - 4 FEB 2016

We conducted our review of the attached Annual Financial Report on pages 2 to 10 of the Centre for the year ended 31 March 2015 in accordance with Practice Note 851 “Review of the Annual Financial Reports of Non-governmental Organizations” 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 31 March 2015:

- 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 31 March 2015.

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

W. K. MAK & STELLA HO CPA LIMITED  
Certified Public Accountants

Hong Kong, - 4 FEB 2016

**ANNUAL FINANCIAL REPORT**  
**NGO : ASBURY METHODIST SOCIAL SERVICE (028)**  
**1 APRIL 2014 TO 31 MARCH 2015**

	Note	2014 - 2015	2013 - 2014
		\$	\$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	12,835,234.00	10,748,302.00
b. Provident Fund	1c	909,432.00	769,029.00
2. Special One-off grant		-	-
3. Fee Income	2	39,578.00	50,370.00
4. Central Items	3	353,509.00	2,694,601.00
5. Rent and Rates	4	257,896.00	275,096.00
6. Other Income	5	2,928,195.61	3,458,810.37
7. Interest Received		821.83	148.57
<b>TOTAL INCOME</b>		<u>17,324,666.44</u>	<u>17,996,356.94</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		11,289,510.35	9,991,500.22
b. Provident Fund	1c	658,474.92	616,769.16
c. Allowances		-	-
Sub-total	6	<u>11,947,985.27</u>	<u>10,608,269.38</u>
2. Other Charges	7	3,334,582.32	4,380,236.48
3. Central Items	3	343,833.00	1,998,328.47
4. Rent and Rates	4	386,156.64	334,411.86
5. Special One-off Grant Payments	7a	-	-
<b>TOTAL EXPENDITURE</b>		<u>16,012,557.23</u>	<u>17,321,246.19</u>
<b>C. SURPLUS/(DEFICIT) FOR THE YEAR</b>	8	<u>1,312,109.21</u>	<u>675,110.75</u>

The annual financial report on pages 2 to 10 were approved by the executive committee on - 4 FEB 2016



Rev. Wong Yuk Chee  
CHAIRMAN

DATE: - 4 FEB 2016



Ms. Chun Yuk Yu  
CHIEF EXECUTIVE

DATE: - 4 FEB 2016

## 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 receipts of cash and expenditure is recognised when expense are paid. Non-cash items like depreciation, provisions and accruals have not be included in the AFR.

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

**b. 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 post as at 1 April 2000.

6.8% and other posts represent those staff that are employed after 1 April 2000.

Please note that the PF received and contributed for staff under the Central Items should be shown under 3.

Details are analysed below :

<u>Provident Fund Contribution</u>	<b>Snapshot Staff</b>	<b>6.8% and Other Posts</b>	<b>Total</b>
	\$	\$	\$
Subvention Received	121,535.00	787,897.00	909,432.00
Provident Fund Contribution Paid during the Year	88,505.00	569,969.92	658,474.92
Surplus/ (Deficit) for the Year	33,030.00	217,927.08	250,957.08
<u>Add</u> : Surplus/(Deficit) b/f	700,690.64	1,305,459.09	2,006,149.73
<b>Surplus/(Deficit) c/f</b>	<b>733,720.64</b>	<b>1,523,386.17</b>	<b>2,257,106.81</b>

**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 LSG 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 PF received and contributed for staff under the Central Items should be separately included as part of 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:

**Central items (continued)**

	<u>2014 - 2015</u>	<u>2013 - 2014</u>
<u>a. Income</u>	\$	\$
Dementia Supplement for Elderly with Disabilities	-	-
Infirmiry Care Supplement for the Aged Blind Person	-	-
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 Assistant	-	-
After School Care Programme	168,750.00	189,000.00
Permanent and/or Time-defined Programme Assistants/ Care Assistants for Elderly Services and Rehabilitation Medical and Social Services	-	-
Temporary Financial Aid	-	-
Emergency Fund	-	-
Time-defined Subsidy Scheme for Extended Hours Child Care Services	-	-
Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential CCC	-	-
Training Subsidy under for Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Programme Work posts extended for one year in 2013-14	-	2,229,984.00
Regularized Programme Assistant (PA)/ Care Assistants (CA)	184,759.00	275,617.00
Subsidy under Home Environment Improvement Scheme for the Elderly	-	-
Short-term Rental Assistance to Newly Discharged Prisoners	-	-
One-off Supplementary Grant for Service Re-engineering Plan of the Factory for The Blind	-	-
Allowances doe Specific Services Arising from the Implementation of the Minimum Wages Ordinance (Overnight On-site-on-call Allowances)	-	-
Neighborhood Service Child Care Project (NSCCP) - Contract Subsidy	-	-
NSCCP - Subsidy for Fee Reduction/waiving	-	-
Time-defined Supplementary Grant to Operator of Wing Lung Bank Golden Jubilee Sheltered Workshop & Hostel / Hang Ngai Workshop & Hostel	-	-
Time-defined Subsidy Scheme for Occasional Child care Services	-	-
Financial Incentive Shame for Mentors of Employees With Disabilities	-	-
Cluster-based Foster Home Pool	-	-
<b>Total</b>	<u>353,509.00</u>	<u>2,694,601.00</u>

**Central items (continued)**

	<u>2014 - 2015</u>	<u>2013 - 2014</u>
<u>b. Expenditure</u>	\$	\$
Dementia Supplement for Elderly with Disabilities	-	-
Infirmiry Care Supplement for the Aged Blind Person	-	-
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 Assistant	-	-
After School Care Programme	160,125.00	136,750.00
Permanent and Time-defined Programme Assistants/ Care Assistants for Elderly Services and Rehabilitation Medical and Social Services	-	-
Temporary Financial Aid	-	-
Emergency Fund	-	-
Time-defined Subsidy Scheme for Extended Hours Child Care Services	-	-
Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential CCC	-	-
Training Subsidy under for Training Scheme for Child Care Supversiors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Programme Work posts extended for one year in 2013-14	-	1,861,578.47
Regularized Programme Assistant (PA)/ Care Assistants (CA)	183,708.00	-
Subsidy under Home Environment Improvement Scheme for the Elderly	-	-
Short-term Rental Assistance to Newly Discharged Prisoners	-	-
One-off Supplementary Grant for Service Re-engineering Plan of the Factory for The Blind	-	-
Allowances doe Specific Services Arising from the Implementation of the Minimum Wages Ordinance (Overnight On-site-on-call Allowances)	-	-
Neighborhood Service Child Care Project (NSCCP) - Contract Subsidy	-	-
NSCCP - Subsidy for Fee Reduction/waiving	-	-
Time-defined Supplementary Grant to Operator of Wing Lung Bank Golden Jubilee Sheltered Workshop & Hostel / Hang Ngai Workshop & Hostel	-	-
Time-defined Sidsidy Scheme for Occasional Child care Services	-	-
Financial Incentive Shame for Mentors of Employees With Disabilities	-	-
Cluste-based Foster Home Pool	-	-
<b>Total</b>	<u>343,833.00</u>	<u>1,998,328.47</u>

- 4. Rent and Rates** This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditure on rent and rated in respect of premises not recognised by SWD have not been included in AFR.
- 5. Other Income** These 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.
- 6. Personal Emoluments** Personal Emoluments include salary, Provident fund and salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over \$500,000 each is appended below:

<u>Analysis of Personal Emoluments</u>	<u>No of Posts</u>	<u>\$</u>
HK\$500,001 - HK\$600,000 p.a.	1	608,195.50
HK\$600,001 - HK\$700,000 p.a.	0	-
HK\$700,001 - HK\$800,000 p.a.	0	-
HK\$800,001 - HK\$900,000 p.a.	0	-
HK\$900,001 - HK\$1,000,000 p.a.	0	-
>HK\$1,000,000 p.a.	0	-

**7. Other Charges**

The breakdown on Other Charges is as follows:

<u>Other Charges</u>	<u>2014 - 2015</u>	<u>2013 - 2014</u>
	<u>\$</u>	<u>\$</u>
(a) Utilities	262,464.85	289,848.51
(b) Minor Purchases	92,234.80	186,462.40
(c) Administrative Expenses	273,638.70	277,649.40
(d) Stores and Equipment	100,795.92	291,713.69
(e) Repair and Maintenance	129,959.00	253,730.00
(f) Special Allowances	-	-
(g) Programme Expenses	2,333,518.00	2,731,230.35
(h) Transportation and Travelling	13,054.20	15,798.20
(i) Insurance	52,512.00	64,730.19
(l) Staff Training and Development	-	-
(m) Miscellaneous	76,404.85	269,073.74
<b>Total</b>	<u>3,334,582.32</u>	<u>4,380,236.48</u>

**7a . Special One-off Grant Payments**

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

<u>Special one-off Grant Payments</u>	<u>2014 - 2015</u>	<u>2013 - 2014</u>
	<u>\$</u>	<u>\$</u>
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
	<u>-</u>	<u>-</u>

8 **Analysis of Reserve Fund**

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$
<b>Income</b>					
Lump Sum Grant	13,744,666.00	-	-	-	13,744,666.00
Special One-off Grant	-	-	-	-	-
Fee Income	39,578.00	-	-	-	39,578.00
Other Income	2,928,195.61	-	-	-	2,928,195.61
Interest Received (Note (1))	821.83	-	-	-	821.83
Rent and Rates	-	-	257,896.00	-	257,896.00
Central Items	-	-	-	353,509.00	353,509.00
<b>Total Income (a)</b>	<b>16,713,261.44</b>	<b>-</b>	<b>257,896.00</b>	<b>353,509.00</b>	<b>17,324,666.44</b>
<b>Expenditure</b>					
Personal Emoluments	11,947,985.27	-	-	-	11,947,985.27
Other Charges	3,334,582.32	-	-	-	3,334,582.32
Rent and Rates	-	-	386,156.64	-	386,156.64
Central Items	-	-	-	343,833.00	343,833.00
Special One-off Grant Payments	-	-	-	-	-
<b>Total Expenditure (b)</b>	<b>15,282,567.59</b>	<b>-</b>	<b>386,156.64</b>	<b>343,833.00</b>	<b>16,012,557.23</b>
<b>Surplus/(Deficit) for the Year (a) - (b)</b>	<b>1,430,693.85</b>	<b>-</b>	<b>(128,260.64)</b>	<b>9,676.00</b>	<b>1,312,109.21</b>
Less : Surplus/(Deficit) of Provident Fund	250,957.08	-	-	-	250,957.08
	1,179,736.77	-	(128,260.64)	9,676.00	1,061,152.13
<b>Surplus/(Deficit) b/f (Note (2))</b>	<b>4,043,076.09</b>	<b>-</b>	<b>(101,532.62)</b>	<b>1,316,089.83</b>	<b>5,257,633.30</b>
	5,222,812.86	-	(229,793.26)	1,325,765.83	6,318,785.43
<u>Add:</u> Transfer of cumulative unspent balance of permanent/time-defined Programme Assistant/ Care Assistant as at 30.11.2014 upon the change of funding mode from Central Item to Lump Sum Grant with effect from 1.12.2014 (Note (3))	-	-	-	-	-
Less : Refund to Government	-	-	615.00	-	-
Transfer from LSG Reserve to cover the salary adjustment for Programme Assistants, Care Assistants, Dementia Supplement and Infirmiry Care Supplementary (Note (4))	-	-	-	-	-
Add : SWD Audit Adjustment Ref: SWD SF/SAS/4-65/11(028) II	155,927.71	-	-	-	-
<b>Surplus/(Deficit) c/f (Note 5)</b>	<b>5,378,740.57</b>	<b>-</b>	<b>(229,178.26)</b>	<b>1,325,765.83</b>	<b>6,318,785.43</b>

**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 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 cumulative unspent balance as at 30.11.2014 (i.e. amount of surplus c/f) for permanent/time-defined Care Assistant and Programme Assistant posts, if any, as per Schedule for Central Items.
- (4) Amount of LSG Reserve used to cover the salary adjustment for Programme Assistants, Care Assistants, Dementia Supplement and Infirmiry Care Supplement, if any, as per Schedule of Central Items.
- (5) The level of LSG cumulative reserves (i.e. S) 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 31 March, 2015**

Name of Agency : Asbury Methodist Social Service (028)

	<b>2015</b>	<b>2014</b>
	<b>HKS</b>	<b>HKS</b>
<b>LSG Reserve as at 31 March</b>	<b>5,378,740.57</b>	<b>4,043,076.09</b>
<b>Represented by :</b>		
Investments		
a. HKD Bank Account Balances	5,378,740.57	4,043,076.09
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	-
d. HKD Certificate of Deposits	-	-
e. HKD Bonds ( see appendix for breakdown)	-	-
	<b>5,378,740.57</b>	<b>4,043,076.09</b>

Note : The investments should be reported at historical cost.

Confirmed By: -



Rev. Wong Yuk Chee  
CHAIRMAN

Date : - 4 FEB 2016



Ms. Chun Yuk Yu  
CHIEF EXECUTIVE

Date : - 4 FEB 2016

**Schedule for Central Items**  
**Analysis of Subvention and Expenditure for the Period from 1 April 2014 to 31 March 2015**

**Name of Agency : Asbury Methodist Social Service (028)**

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the Year			Surplus b/f (Note 4) (c)	Surplus clawback by SWD (f)	Surplus c/f (Note 5) (g)=(a)-(d)-(f)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d) = (b)-(c)			
1043 After School Care Project	After School Care Programmes	\$ 168,750.00	\$ 160,125.00	\$ 8,625.00	\$ -	N.A.	-	\$ 400,371.57	-	\$ 408,996.57
028P PW Post for extended 1 year in 1.4.2013-31.3.2014	Programme Workers	-	-	-	-	N.A.	-	476,225.76	107,820.23 SWD SF/SA/4-65/(028)	368,405.53
028S CA/PA Posts	Programme Assistants	184,759.00	183,708.00	1,051.00	-	N.A.	-	433,653.50	158,036.50 SWD SF/SA/4-65/(028)	276,668.00
P028 Peer Counsellor	Peer Counsellor	-	-	-	-	N.A.	-	5,589.00	-	5,589.00
P02S Youth Ambassador	Youth Ambassador	-	-	-	-	N.A.	-	250.00	-	250.00
<b>Total</b>		<b>353,509.00</b>	<b>343,833.00</b>	<b>9,676.00</b>	<b>-</b>	<b>N.A.</b>	<b>-</b>	<b>1,316,089.83</b>	<b>265,856.73</b>	<b>1,059,909.10</b>

**Notes:**

1. The figures for the whole financial year can be extracted from the payroll for March (Final) of the financial year.
2. Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
3. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
4. Deficit i.r.o. the following central items arising from salary adjustment can be transferred to the Lump Sum Grant Reserve as stated in our letter ref.(16) in SWD/S/104/2 Pt. 12 dated 17 July 2013.
  - (i) Dementia Supplement for Elderly with Disabilities
  - (ii) Infirmary Care Supplement for the Aged Blind Persons
  - (iii) dementia Supplement for Residential Elderly Services
  - (iv) infirmary Care Supplement for Residential Elderly
  - (v) Regularized Programme Assistant (PA) / Care Assistant (CA)
5. "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
6. "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
7. Unit Codes and name are extracted from the payroll from SWD.

**Schedule for Rent and Rates**  
**Analysis of Subvention and Expenditure for the Period**  
**from 1 April 2014 to 31 March 2015**

Name of Agency : Asbury Methodist Social Service (028)

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
1165 Kwai Chung ICYSC	PHE Rent (Note 3)	\$ 138,984.00	\$ 154,644.00	\$ -	\$ (15,660.00)
	Government Rent (Note3)	11,984.00	19,608.48	-	(7,624.48)
	Rates	28,341.00	47,902.80	-	(19,561.80)
	Total :	179,309.00	222,155.28	-	(42,846.28)
1050 Neighbourhood Elderly Centre (NECs)	PHE Rent (Note 3)	-	68,208.00	-	(68,208.00)
	Government Rent (Note3)	5,170.00	6,719.76	-	(1,549.76)
	Rates	8,617.00	16,653.60	-	(8,036.60)
	Total :	13,787.00	91,581.36	-	(77,794.36)
1045 School Social Work	PHE Rent (Note 3)	64,800.00	70,560.00	-	(5,760.00)
	Rates	-	1,860.00	-	(1,860.00)
	Total :	64,800.00	72,420.00	-	(7,620.00)
	Grand Total :	257,896.00	386,156.64	-	(128,260.64)

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.

