



**HONG KONG FEDERATION OF  
HANDICAPPED YOUTH**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

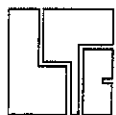


李 湯 陳 會 計 師 事 務 所

**LI, TANG, CHEN & CO.**

Certified Public Accountants (Practising)

Hong Kong



**REVIEW REPORT  
TO THE EXECUTIVE COMMITTEE OF HONG KONG FEDERATION OF HANDICAPPED  
YOUTH ("THE FEDERATION")**

We have audited the financial statements of the Federation for the year ended 31<sup>st</sup> March, 2016 and have issued an unqualified auditors' report thereon dated 26<sup>th</sup> August, 2016.

We conducted our review of the attached Annual Financial Report on pages 2 to 6 of the Federation for the year ended 31<sup>st</sup> March, 2016 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 Federation, on which the above audited financial statements of the Federation 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 Federation for the year ended 31<sup>st</sup> March, 2016:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Federation; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Federation has not:
  - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund 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 Provident Fund arrangements during the year ended 31<sup>st</sup> March, 2016.

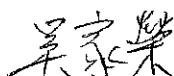
This report is intended for filing with the Social Welfare Department of the Government of the HKSAR and should not be used for any other purpose.

*Li Tang Chen & Co.*  
Li, Tang, Chen & Co.  
Certified Public Accountants (Practising)

Hong Kong, 26 AUG 2016  
RCMC/TKYY:vy

**HONG KONG FEDERATION OF HANDICAPPED YOUTH**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE PERIOD FROM 1<sup>ST</sup> APRIL, 2015 TO 31<sup>ST</sup> MARCH, 2016**

	<u>Note</u>	<u>2016</u> HK\$	<u>2015</u> HK\$
<b>INCOME</b>			
Lump Sum Grant		3,890,295	3,476,008
a) Lump Sum Grant (excluding Provident Fund)	1b	3,682,143	3,292,593
b) Provident fund	1c	208,152	183,415
Special One-off Grant		-	-
Fee income	2	300	600
Central items	3	-	265,559
Rent and rates	4	189,236	188,508
Other income	5	1,281,965	2,476,547
Interest received		7	12
<b>TOTAL INCOME</b>		5,361,803	6,407,234
<b>EXPENDITURE</b>			
Personal emoluments	6	2,826,440	2,870,862
a) Salaries	1b	2,698,540	2,741,032
b) Provident Fund	1c	127,900	129,830
c) Allowances		-	-
Other charges	7	1,977,316	2,909,995
Central items	3	-	235,559
Rent and rates	4	209,155	209,814
Special One-off Grant Payments	7a	-	-
<b>TOTAL EXPENDITURE</b>		5,012,911	6,226,230
<b>SURPLUS FOR THE YEAR</b>	8	348,892	181,004



Chairperson

Date: 26 AUG 2016



Honorary Treasurer

Date: 26 AUG 2016



Executive Director

Date: 26 AUG 2016

**HONG KONG FEDERATION OF HANDICAPPED YOUTH**  
**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, 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 1<sup>st</sup> April, 2000.

6.8% and other posts represent those staff that are employed after 1<sup>st</sup> April, 2000.

The PF received and contributed for staff under the Central Items have been shown under note 3.

Details are analysed below:

	<u>Snapshot Staff</u> HK\$	<u>6.8% and other Posts</u> HK\$	<u>Total</u> HK\$
Subvention received	-	208,152	208,152
Provident Fund contributions paid during the year	-	(127,900)	(127,900)
Surplus for the year	-	80,252	80,252
Add: Surplus b/f	37,860	363,484	401,344
Transfer from snapshot staff to 6.8% and other posts	(24,572)	24,572	-
Refund to Government	(13,288)	-	(13,288)
Surplus c/f	-	468,308	468,308

**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.



## HONG KONG FEDERATION OF HANDICAPPED YOUTH

### NOTES ON THE ANNUAL FINANCIAL REPORT

#### 3. CENTRAL ITEMS: MENTOR

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 NGOs. The PF 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 3.13 of LSG Manual). The income and expenditure of each of the Central Items are as follows:

	<u>2016</u> HK\$	<u>2015</u> HK\$
a) Income		
Regularised Programme Assistants (PA)	-	235,559
Financial Incentive Scheme for Mentors of Employees with Disabilities	<u>-</u>	<u>30,000</u>
Total	<u>-</u>	<u>265,559</u>
b) Expenditure		
Regularised Programme Assistants (PA)	-	235,559
Financial Incentive Scheme for Mentors of Employees with Disabilities	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>235,559</u>

Subvented service activities of Central Items:

Please refer to Appendix 1.

#### 4. RENT AND RATES

This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditures on rent and rates in respect of premises not recognised by SWD have not been included in AFR. Please refer to Appendix 2.

#### 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.

**HONG KONG FEDERATION OF HANDICAPPED YOUTH**  
**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 each is appended below:

<u>Analysis of personal emoluments</u>	<u>No. of posts</u>	<u>HK\$</u>
HK\$500,001 per annum or above	Nil	Nil

**7. OTHER CHARGES**

The breakdown on other charges is as follows:

	<u>2016</u> <u>HK\$</u>	<u>2015</u> <u>HK\$</u>
a) Utilities	65,076	67,867
b) Food	-	-
c) Administrative expenses	205,434	209,930
d) Stores and equipment	94,434	52,258
e) Repair and maintenance	45,936	28,687
f) Special allowances	-	-
g) Programme expenses	1,393,556	2,330,046
h) Transportation and travelling	130,638	177,496
i) Insurance	37,435	38,694
j) Miscellaneous	4,808	5,017
Total	<u>1,977,317</u>	<u>2,909,995</u>

**7a. SPECIAL ONE-OFF GRANT PAYMENTS**

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

	<u>2016</u> <u>HK\$</u>	<u>2015</u> <u>HK\$</u>
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>

## HONG KONG FEDERATION OF HANDICAPPED YOUTH

### NOTES ON THE ANNUAL FINANCIAL REPORT

#### 8. ANALYSIS OF RESERVE FUND

	Lump Sum Grant	Rent and Rates	Central Items Mentor	Total
	HK\$	HK\$	HK\$	HK\$
<b>INCOME</b>				
Lump Sum Grant	3,890,295	-	-	3,890,295
Fee Income	300	-	-	300
Other Income (FSA)	1,281,965	-	-	1,281,965
Interest Received (Note 1)	7	-	-	7
Rent and Rates	-	189,236	-	189,236
<u>Central Items:</u>				
- Mentor of Employees Disabilities	-	-	-	-
Total Income (a)	5,172,567	189,236	-	5,361,803
<b>EXPENDITURE</b>				
Personal Emoluments	(2,826,440)	-	-	(2,826,440)
Other Charges	(1,977,316)	-	-	(1,977,316)
Rent and Rates	-	(209,155)	-	(209,155)
<u>Central Items:</u>				
- Mentor of Employees Disabilities	-	-	-	-
Total Expenditure (b)	(4,803,756)	(209,155)	-	(5,012,911)
Surplus/(Deficit) for the year (a) – (b)	368,811	(19,919)	-	348,892
Less: Deficit of Provident Fund	(80,252)	-	-	(80,252)
	288,559	(19,919)	-	268,640
Surplus/(Deficit) b/f (Note 2)	116,997	(90,244)	61,250	88,003
	405,556	(110,163)	61,250	356,643
Less: Refund to Government	-	-	-	-
Transfer from LSG Reserve to cover salary adjustment for Program Assistant (Note 3)	-	-	-	-
Surplus/(Deficit) c/f (Note 4)	405,556	(110,163)	61,250	356,643

#### Notes:

- 1) All the interest 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 (i.e. S) will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.

**SCHEDULE FOR CENTRAL ITEMS**  
**ANALYSIS OF SUBVENTION AND EXPENDITURE**  
**FOR THE PERIOD FROM 1<sup>ST</sup> APRIL, 2015 TO 31<sup>ST</sup> MARCH, 2016**  
**AGENCY: HONG KONG FEDERATION OF HANDICAPPED YOUTH**

Unit Code and Name (Note 7)	Subvention element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the Year			Surplus b/f (Note 5) (e)	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)		
nnnn - xxxxxxxxxxxxxx	Dementia Supplement for Elderly with Disabilities (Note 8)	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	N.A.
nnnn - xxxxxxxxxxxxxx	Infirmary Care Supplement for the aged Blind Persons (Note 8)								N.A.
nnnn - xxxxxxxxxxxxxx	Dementia Supplement for Residential Elderly Services (Note 8)								N.A.
nnnn - xxxxxxxxxxxxxx	Infirmary Care Supplement for Residential Elderly Services (Note 8)								N.A.
nnnn - xxxxxxxxxxxxxx	Dementia Supplement for Day Care Centres/Units for the Elderly					N.A.			N.A.
nnnn - xxxxxxxxxxxxxx	Foster Care Allowance/Emergency Foster Care Allowance					N.A.			N.A.
nnnn - xxxxxxxxxxxxxx	After School Care Programme					N.A.			N.A.
nnnn - xxxxxxxxxxxxxx	Temporary Financial Aid					N.A.			N.A.
nnnn - xxxxxxxxxxxxxx	Emergency Fund					N.A.			N.A.
nnnn - xxxxxxxxxxxxxx	Short-term Rental Assistance					N.A.			N.A.
nnnn - xxxxxxxxxxxxxx	Time-defined Subsidy Scheme for Extended Hours Child Care Service					N.A.			N.A.
nnnn - xxxxxxxxxxxxxx	Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Works in Pre-school Rehabilitation Service					N.A.			N.A.



**SCHEDULE FOR CENTRAL ITEMS**  
**ANALYSIS OF SUBVENTION AND EXPENDITURE**  
**FOR THE PERIOD FROM 1<sup>ST</sup> APRIL, 2015 TO 31<sup>ST</sup> MARCH, 2016**  
**AGENCY: HONG KONG FEDERATION OF HANDICAPPED YOUTH**

Unit Code and Name (Note 7)	Subvention element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3)	Deficit for the Year			Surplus b/f (Note 5)	Surplus c/f (Note 6)
					Deficit (Note 3)	Deficit transferred to LSG (Note 4)	Adjusted Deficit (d) = (b) - (c)		
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
nnnn - xxxxxxxxxxxxxxxx	One-off Supplementary Grant for Service Re-engineering Plan of the Factory Section of the Factory for the Blind	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
nnnn - xxxxxxxxxxxxxxxx	Overnight On-site-on-call Allowance								
nnnn - xxxxxxxxxxxxxxxx	Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy								
nnnn - xxxxxxxxxxxxxxxx	NSCCP - Subsidy for Fee Reduction/Waiving								
nnnn - xxxxxxxxxxxxxxxx	Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes								
nnnn - xxxxxxxxxxxxxxxx	Time-defined Subsidy Scheme for Occasional Child Care Service								
nnnn - xxxxxxxxxxxxxxxx	Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services								
nnnn - xxxxxxxxxxxxxxxx	Financial Incentive Scheme for Mentors of Employees with Disabilities								
nnnn - xxxxxxxxxxxxxxxx	Subsidy for Integrated Support Service for Persons with Severe Physical Disabilities								
nnnn - xxxxxxxxxxxxxxxx	Enhanced After School Care Programme								
nnnn - xxxxxxxxxxxxxxxx	Cluster-based Foster Home Pool								
<b>Total</b>		-	-	-	-	-	-	61,250.00	61,250.00

**SCHEDULE FOR CENTRAL ITEMS**  
**ANALYSIS OF SUBVENTION AND EXPENDITURE**  
**FOR THE PERIOD FROM 1<sup>ST</sup> APRIL, 2015 TO 31<sup>ST</sup> MARCH, 2016**  
**AGENCY: HONG KONG FEDERATION OF HANDICAPPED YOUTH**

Note:

1. The figures for the whole financial year are 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 are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref (64) in SWD/S/104/2 Point 14 dated 22<sup>nd</sup> July, 2015.
  - 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 Services
5. "Surplus brought forward (b/f)" means surplus, if any arising from operations in previous year.
6. "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any arising from operations in current year.
7. Unit codes and names are extracted from the payroll from SWD.
8. 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. 4 dated 4<sup>th</sup> March, 2015 should also be included in the income/expenditure of the respective items.
9. 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 INVESTMENT****ANALYSIS OF INVESTMENT AS AT 31<sup>ST</sup> MARCH, 2016****AGENCY: HONG KONG FEDERATION OF HANDICAPPED YOUTH**

	<u>2016</u> HK\$	<u>2015</u> HK\$
LSG Reserve as at 31 <sup>st</sup> March	<u>405,556</u>	<u>116,997</u>
Represented by:		
Investments		
a. HKD Bank Account Balances	405,556	116,997
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	-
d. HKD Certificate of Deposits	-	-
e. HKD Bonds	-	-
	<u>405,556</u>	<u>116,997</u>

Note: The investments should be reported at historical cost.

Confirmed by:

Signature: 吳家榮

Chairman: NG KA WING

Date: 26 AUG 2016

Signature: 

NGO Head/ Head  
of Social Welfare  
Services: LAU KA LUN

Date: 26 AUG 2016

**SCHEDULE FOR RENT AND RATES**

**ANALYSIS OF SUBVENTION AND EXPENDITURE**

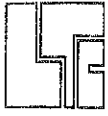
**FOR THE PERIOD FROM 1<sup>ST</sup> APRIL, 2015 TO 31<sup>ST</sup> MARCH, 2016**

**AGENCY: HONG KONG FEDERATION OF HANDICAPPED YOUTH**

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
		HK\$	HK\$	HK\$	HK\$
Unit Code: 2886 Name: Jockey Club Activity Centre	Rent (Note 3)	171,180	192,124	-	(20,944)
	Rate	18,056	17,031	1,025	-
	Total	189,236	209,155	1,025	(20,944)
	Rent (Note 3)				
	Rate				
	Total				
	Rent (Note 3)				
	Rate				
	Total				
	Grand Total	189,236	209,155	1,025	(20,944)

## 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 accrual expenditure
3. Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.



李湯陳會計師事務所  
**LI, TANG, CHEN & CO.**  
Certified Public Accountants (Practising)

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Our Ref. RCMC/TKYY:vy

28<sup>th</sup> February, 2018

The Board of Directors,  
Hong Kong Federation of Handicapped Youth,  
No. 16-21 G/F., Wang Kei House,  
Wang Tau Hom Estate,  
Kowloon,  
Hong Kong.

Dear Sirs,

**RE: HONG KONG FEDERATION OF HANDICAPPED YOUTH  
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

We refer to page 3 of the annual financial report for the year ended 31<sup>st</sup> March, 2016, the original amount of the Subvention received and Provident Fund contributions paid during the year under the title of "6.8% and other Posts" in note 1 "Lump Sum Grant" of the annual financial report is stated at HK\$195,415 and (HK\$115,163) is revised to HK\$208,152 and (HK\$127,900) respectively, which are agreed with the Statement of Income and Expenditure in page 2.

The revised page 3 of the annual financial report for the year ended 31<sup>st</sup> March, 2016 is attached for your records.

Yours faithfully,

*Li Tang Chen & Co.*