

**HONG KONG FEDERATION OF
HANDICAPPED YOUTH**

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH, 2018



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 31st March, 2018 and have issued an unqualified auditors' report thereon dated 24 SEP 2018.

We conducted our review of the attached Annual Financial Report on pages 2 to 8 of the Federation for the year ended 31st March, 2018 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 31st March, 2018:

- 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 31st March, 2018.

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, 24 SEP 2018
RCMC/TKYY:pn


HONG KONG FEDERATION OF HANDICAPPED YOUTH
ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 1ST APRIL, 2017 TO 31ST MARCH, 2018

| | <u>Note</u> | <u>2018</u> HK\$ | <u>2017</u> HK\$ |
|--|-------------|---------------------|---------------------|
| INCOME | | | |
| Lump Sum Grant | | 4,183,505 | 4,067,101 |
| a) Lump Sum Grant (excluding Provident Fund) | 1b | 3,959,448 | 3,849,287 |
| b) Provident fund | 1c | 224,057 | 217,814 |
| Special One-off Grant | | - | - |
| Fee income | 2 | 600 | - |
| Central items | 3 | - | - |
| Rent and rates | 4 | 222,936 | 223,109 |
| Other income | 5 | 733,570 | 773,191 |
| Interest received | | 19 | 7 |
| TOTAL INCOME | | 5,140,630 | 5,063,408 |
| EXPENDITURE | | | |
| Personal emoluments | 6 | 3,544,689 | 3,245,252 |
| a) Salaries | 1b | 3,312,158 | 3,024,008 |
| b) Provident Fund | 1c | 232,531 | 221,244 |
| c) Allowances | | - | - |
| Other charges | 7 | 1,614,145 | 1,284,251 |
| Central items | 3 | - | - |
| Rent and rates | 4 | 204,488 | 232,082 |
| Special One-off Grant Payments | 7a | - | - |
| TOTAL EXPENDITURE | | 5,363,322 | 4,761,585 |
| (DEFICIT)/SURPLUS FOR THE YEAR | 8 | (222,692) | 301,823 |

The Annual Financial Report from pages 2 to 8 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.


.....
Chairperson

Date: 24 SEP 2018


.....
Honorary Treasurer

Date: 24 SEP 2018


.....
Executive Director

Date: 24 SEP 2018

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 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 are not included in the AFR.

b) Lump Sum Grant (excluding Provident Fund):

This represents Lump Sum Grant (LSG) (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 note 3.

Details are analysed below:

| <u>Provident Fund</u> | <u>Snapshot Staff</u> HK\$ | <u>6.8% and other Posts</u> HK\$ | <u>Total</u> HK\$ |
|--|-----------------------------------|---|----------------------|
| Subvention Received | - | 224,057 | 224,057 |
| Provident Fund Contributions paid during the year | - | (232,531) | (232,531) |
| Surplus/(deficit) for the year | - | (8,474) | (8,474) |
| Add: Surplus/(deficit) b/f | - | 464,880 | 464,880 |
| Prior Year Adjustment:- (refund to SWD) - Central Item had been incorrectly charged from 1 st December, 2014 to 31 st March, 2015 | - | 1,305 | 1,305 |
| Surplus/(deficit) c/f | - | 457,711 | 457,711 |

HONG KONG FEDERATION OF HANDICAPPED YOUTH
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: 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 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 3.13 of LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

| | <u>2018</u> HK\$ | <u>2017</u> HK\$ |
|---|---------------------|---------------------|
| a) Income | | |
| Regularised Programme Assistants (PA) Financial Incentive Scheme for Mentors of Employees with Disabilities | - | - |
| | <u>-</u> | <u>-</u> |
| Total | <u>-</u> | <u>-</u> |
| b) Expenditure | | |
| Regularised Programme Assistants (PA) Financial Incentive Scheme for Mentors of Employees with Disabilities | - | - |
| | <u>-</u> | <u>-</u> |
| Total | <u>-</u> | <u>-</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.

HONG KONG FEDERATION OF HANDICAPPED YOUTH
NOTES ON THE ANNUAL FINANCIAL REPORT

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 2.19 of LSG Manual (October 2016)) is as follows:

| | <u>2018</u> HK\$ | <u>2017</u> HK\$ |
|--|-----------------------|-----------------------|
| Other Income | | |
| a) Fees and charges for services incidental to the operation of subvented services | - | - |
| b) Other | <u>733,570</u> | <u>773,191</u> |
| Total | <u><u>733,570</u></u> | <u><u>773,191</u></u> |

6. PERSONAL EMOLUMENTS

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

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

| <u>Analysis of personal emoluments paid under LSG</u> | <u>No. of posts</u> | <u>HK\$</u> |
|---|---------------------|-------------|
| HK\$700,001 per annum or above | <u>Nil</u> | <u>Nil</u> |

HONG KONG FEDERATION OF HANDICAPPED YOUTH
NOTES ON THE ANNUAL FINANCIAL REPORT

7. OTHER CHARGES

The breakdown on Other Charges is as follows:

| | <u>2018</u> HK\$ | <u>2017</u> HK\$ |
|----------------------------------|-------------------------|-------------------------|
| Other Charges | | |
| a) Utilities | 58,769 | 61,394 |
| b) Food | - | - |
| c) Administrative expenses | 183,961 | 186,211 |
| d) Stores and equipment | 208,965 | 37,210 |
| e) Repair and maintenance | 34,896 | 68,793 |
| f) Special allowances | - | - |
| g) Programme expenses | 963,863 | 778,164 |
| h) Transportation and travelling | 106,810 | 111,970 |
| i) Insurance | 31,667 | 31,588 |
| j) Miscellaneous | <u>25,214</u> | <u>8,921</u> |
| Total | <u><u>1,614,145</u></u> | <u><u>1,284,251</u></u> |

7a. SPECIAL ONE-OFF GRANT PAYMENTS

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

| | <u>2018</u> HK\$ | <u>2017</u> HK\$ |
|---------------------------------------|---------------------|---------------------|
| Special One-off Grant Payments | | |
| a) Voluntary retirement scheme | - | - |
| b) Compensation scheme | - | - |
| c) Staff training and development | - | - |
| d) Other staff-related initiatives | <u>-</u> | <u>-</u> |
| Total | <u><u>-</u></u> | <u><u>-</u></u> |

HONG KONG FEDERATION OF HANDICAPPED YOUTH

NOTES ON THE ANNUAL FINANCIAL REPORT

8. ANALYSIS OF LUMP SUM GRANT RESERVE AND BALANCES OF OTHER SWD SUBVENTIONS

| | Lump Sum Grant HK\$ | Rent and Rates HK\$ | Central Items | Total HK\$ |
|---|------------------------|------------------------|----------------|---------------|
| | | | Mentor HK\$ | |
| INCOME | | | | |
| Lump Sum Grant | 4,183,505 | - | - | 4,183,505 |
| Rent and Rates | - | 222,936 | - | 222,936 |
| Fee Income | 600 | - | - | 600 |
| <u>Central Items:</u> | | | | |
| - Mentor of Employees Disabilities | - | - | - | - |
| Other Income (FSA) | 733,570 | - | - | 733,570 |
| Interest Received (Note 1) | 19 | - | - | 19 |
| Total Income (a) | 4,917,694 | 222,936 | - | 5,140,630 |
| EXPENDITURE | | | | |
| Personal Emoluments | (3,544,689) | - | - | (3,544,689) |
| Other Charges | (1,614,145) | - | - | (1,614,145) |
| <u>Central Items:</u> | | | | |
| - Mentor of Employees Disabilities | - | - | - | - |
| Rent and Rates | - | (204,488) | - | (204,488) |
| Total Expenditure (b) | (5,158,834) | (204,488) | - | (5,363,322) |
| Surplus/(Deficit) for the year (a) – (b) | (241,140) | 18,448 | - | (222,692) |
| Less: Deficit of Provident Fund | (8,474) | - | - | (8,474) |
| | (232,666) | 18,448 | - | (214,218) |
| Surplus/(Deficit) b/f (Note 2) | 719,782 | (119,136) | 61,250 | 661,896 |
| Add: <u>Prior Year Adjustment</u> | | | | |
| (A) 2013-14 Deficit in LSG reserve could not be carried forward to next year | 1,728 | - | - | 1,728 |
| (Bi) Oversea Program 5/2012 (Non-FSA) not recognised by SWD & Deficit occurred | 31,732 | - | - | 31,732 |
| (Bii) Oversea Program 9/2015 (Non-FSA) not recognised by SWD & Deficit occurred | 52,281 | - | - | 52,281 |
| (C) Central Item (PA) incorrectly charged due to change of fund mode on 1/12/2014 from 1 st April, 2014 to 30 th November, 2014 | | | | |
| - LSG Reserve from 1 st December, 2014 to 31 st March, 2015 | - | - | (7,007) | (7,007) |
| - LSG Reserve | (1,401) | - | - | (1,401) |
| (D) Refund Rent & Rates of Government | | | | |
| 2015-16 rate surplus refunded in 2017-18 | - | (1,025) | - | (1,025) |
| 2016-17 rate surplus refunded in 2017-18 | - | (557) | - | (557) |
| 2013-14 rate surplus refunded in 2015-16 | - | (5,126) | - | (5,126) |
| 2012-13 rent & rate surplus refunded in 2014-15 | - | (11,291) | - | (11,291) |
| 2011-12 rent & rate surplus refunded in 2012-13 | - | (7,952) | - | (7,952) |
| 2010-11 rent & rate surplus refunded in 2011-12 | - | (11,639) | - | (11,639) |
| (E) absorbed by Federation's own fund | - | - | 7,007 | 7,007 |
| Revised Surplus/(Deficit) b/f | 804,122 | (156,726) | 61,250 | 708,646 |
| Surplus/(Deficit) c/f (Note 4) | 571,456 | (138,278) | 61,250 | 494,428 |

HONG KONG FEDERATION OF HANDICAPPED YOUTH
NOTES ON THE ANNUAL FINANCIAL REPORT

8. ANALYSIS OF LUMP SUM GRANT RESERVE AND BALANCES OF OTHER SWD SUBVENTIONS (CONT'D)

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 (including holding account) 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), less LSG Reserve kept in the holding account, 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 1ST APRIL, 2017 TO 31ST MARCH, 2018

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) HK\$ | Surplus c/f (Note 6) (f) = (e) + (a) - (d) HK\$ |
|--------------------------------|--|---------------------------------|--------------------------------|----------------------------|------------------------------------|---|---|--|--|
| | | | | | Deficit (Note 3) (b) HK\$ | Deficit transferred to LSG (Note 4) (c) HK\$ | Adjusted Deficit (d) = (b) - (c) HK\$ | | |
| nnnn - xxxxxxxxxxxxxxxx | NSCCP - Rent and Rates | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | |
| nnnn - xxxxxxxxxxxxxxxx | Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes | | | | N.A. | N.A. | | | |
| nnnn - xxxxxxxxxxxxxxxx | Time-defined Subsidy Scheme for Occasional Child Care Service | | | | N.A. | N.A. | | | |
| nnnn - xxxxxxxxxxxxxxxx | Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services | | | | N.A. | N.A. | | | |
| nnnn - xxxxxxxxxxxxxxxx | Financial Incentive Scheme for Mentors of Employees with Disabilities | - | - | - | - | - | 61,250.00 | 61,250.00 | |
| nnnn - xxxxxxxxxxxxxxxx | Cash Subsidy for Integrated Support Service for Persons with Severe Physical Disabilities | | | | N.A. | N.A. | | | |
| nnnn - xxxxxxxxxxxxxxxx | Enhanced After School Care Programme | | | | N.A. | N.A. | | | |
| nnnn - xxxxxxxxxxxxxxxx | Navigation Scheme for Young Persons in Care Services - Operating Expenses | | | | N.A. | N.A. | | | |
| nnnn - xxxxxxxxxxxxxxxx | Navigation Scheme for Young Persons in Care Services - Training Cost | | | | N.A. | N.A. | | | |
| nnnn - xxxxxxxxxxxxxxxx | Grant under the Pilot Scheme on On-site Pre-school rehabilitant Services | | | | N.A. | N.A. | | | |
| nnnn - xxxxxxxxxxxxxxxx | One-off Subsidiary for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly | | | | N.A. | N.A. | | | |
| nnnn - xxxxxxxxxxxxxxxx | One-off Subsidiary for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities | | | | N.A. | N.A. | | | |
| Total | | - | - | - | - | - | 61,250.00 | 61,250.00 | |

SCHEDULE FOR CENTRAL ITEMS
ANALYSIS OF SUBVENTION AND EXPENDITURE
FOR THE PERIOD FROM 1ST APRIL, 2017 TO 31ST MARCH, 2018
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 (9) in SWD/S/104/2 Point 16 dated 31st October, 2017.
 - 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. 7 dated 27th February, 2017 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 RENT AND RATES

ANALYSIS OF SUBVENTION AND EXPENDITURE

FOR THE PERIOD FROM 1ST APRIL, 2017 TO 31ST MARCH, 2018

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) | 205,140 | 186,780 | 18,360 | - |
| | Rate | 17,796 | 17,708 | 88 | - |
| | Total | 222,936 | 204,488 | 18,448 | - |
| | Rent (Note 3) | | | | |
| | Rate | | | | |
| | Total | | | | |
| | Rent (Note 3) | | | | |
| | Rate | | | | |
| | Total | | | | |
| | Grand Total | 222,936 | 204,488 | 18,448 | - |

Notes:

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year. Reimbursement for rent and rates relating to previous financial years (i.e. back payments) should not be included.
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.

SCHEDULE FOR INVESTMENT**ANALYSIS OF INVESTMENT AS AT 31ST MARCH, 2018****AGENCY: HONG KONG FEDERATION OF HANDICAPPED YOUTH**

| | <u>2018</u> HK\$ | <u>2017</u> HK\$ |
|--|---------------------|---------------------|
| LSG Reserve as at 31 st March | <u>571,456</u> | <u>719,782</u> |
| Represented by: | | |
| Investments | | |
| a. HKD Bank Account Balances | 571,456 | 719,782 |
| b. HKD 24-hour Call Deposits | - | - |
| c. HKD Fixed Deposits | - | - |
| d. HKD Certificate of Deposits | - | - |
| e. HKD Bonds | <u>-</u> | <u>-</u> |
| | <u>571,456</u> | <u>719,782</u> |

Note: The investments should be reported at historical cost.

Confirmed by:

Signature: Chairperson: Ng Ka WingSignature: Executive Director: Lau Ka LunDate: 24 SEP 2018Date: 24 SEP 2018

Claim for 2017-18 Subventions for Provident Fund - Snapshot Staff

Organisation Code and Name : 324 / Hong Kong Federation of Handicapped Youth

| Name of Snapshot Staff | Reported Rank | Salary Paid for the year \$ | PF Contribution Rate % | PF Contribution Paid for the year \$ |
|--|---------------|-----------------------------------|------------------------------|--|
| 1. Nil | Nil | Nil | - | - |
| 2. Nil | Nil | Nil | - | - |
| 3. Nil | Nil | Nil | - | - |
| 4. Nil | Nil | Nil | - | - |
| 5. Nil | Nil | Nil | - | - |
| Total Amount of PF Contribution Paid for the Year | | | | - |
| Less: Subventions of PF-Snapshot Staff Received for the Year | | | | - |
| Amount of Additional Subvention Applied for | | | | - |

Declaration

- I declare that all reported information is correct and that the staff as reported are employed by our Organisation solely for services funded by subventions and grants within the control of SWD
- I also agree that SWD shall have the right to recover at any time from recurrent subventions any overpaid amount.

Contact Person :  Signature of
Chairperson of Hong
Kong Federation of
Handicapped Youth : 

Name : Lau Ka Lun Name : Ng Ka Wing

Title : Executive Director Title : Chairperson

Tel No. : 23385111 Title : Chairperson

Date : 24 SEP 2018

