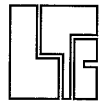


**HONG KONG FEDERATION OF  
HANDICAPPED YOUTH**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2020**



李 湯 陳 會 計 師 事 務 所

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

Certified Public Accountants (Practising)

Hong Kong



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

10/F Sun Hung Kai Centre  
30 Harbour Road, Wanchai  
Hong Kong

Tel : (852) 2827 8663  
Fax : (852) 2827 5086  
E-mail : info@litangchen.com

**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 March 2020 and have issued an unqualified auditors’ report thereon dated **15 SEP 2020**.

We conducted our review of the attached Annual Financial Report on pages 2 to 5 of the Federation for the year ended 31 March 2020 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 March 2020:

- 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 March 2020.

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,  
RCCM/MACH:mc

15 SEP 2020

- 1 -


**HONG KONG FEDERATION OF HANDICAPPED YOUTH**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE PERIOD FROM 1 APRIL 2019 TO 31 MARCH 2020**

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
<b>INCOME</b>			
Lump Sum Grant		5,317,614	4,599,133
a) Lump Sum Grant (excluding Provident Fund)	1b	5,049,514	4,358,169
b) Provident fund	1c	268,100	240,964
Fee income	2	300	300
Rent and rates	3	236,433	222,711
Other income	4	940,421	906,691
Interest received		1,084	324
<b>TOTAL INCOME</b>		6,495,852	5,729,159
<b>EXPENDITURE</b>			
Personal emoluments	5	4,107,787	3,831,997
a) Salaries	1b	3,848,210	3,583,714
b) Provident Fund	1c	259,577	248,283
Other charges	6	1,435,763	1,678,210
Rent and rates	3	212,699	197,389
<b>TOTAL EXPENDITURE</b>		5,756,249	5,707,596
<b>SURPLUS FOR THE YEAR</b>	7	739,603	21,563

The Annual Financial Report from pages 2 to 5 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

  
 .....  
 Chairperson

Date: 15 SEP 2020

  
 .....  
 Honorary Treasurer

Date: 15 SEP 2020

  
 .....  
 Executive Director

Date: 15 SEP 2020

## 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 1 April, 2000.

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

Details are analysed below:

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u> HK\$	<u>6.8% and other Posts</u> HK\$	<u>Total</u> HK\$
Subvention Received	-	268,100	268,100
Provident Fund Contributions paid during the year	-	(259,577)	(259,577)
Surplus for the year	-	8,523	8,523
Add: Surplus b/f	-	450,392	450,392
Surplus c/f	-	458,915	458,915

#### 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. 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 1.

## HONG KONG FEDERATION OF HANDICAPPED YOUTH

### NOTES ON THE ANNUAL FINANCIAL REPORT

#### 4. 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 is as follows:

	<u>2020</u> HK\$	<u>2019</u> HK\$
<b>Other Income</b>		
a) Fees and charges for services incidental to the operation of subvented services	-	-
b) Others	<u>940,421</u>	<u>906,691</u>
Total	<u>940,421</u>	<u>906,691</u>

#### 5. 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>

#### 6. OTHER CHARGES

The breakdown on Other Charges is as follows:

	<u>2020</u> HK\$	<u>2019</u> HK\$
<b>Other Charges</b>		
a) Utilities	56,690	59,256
b) Food	-	-
c) Administrative expenses	222,270	193,802
d) Stores and equipment	62,608	172,305
e) Repair and maintenance	31,548	44,140
f) Programme expenses	941,871	1,056,848
g) Special allowances	-	-
h) Transportation and travelling	78,532	110,432
i) Insurance	31,974	34,238
j) Miscellaneous	<u>10,270</u>	<u>7,189</u>
Total	<u>1,435,763</u>	<u>1,678,210</u>

**HONG KONG FEDERATION OF HANDICAPPED YOUTH**

**NOTES ON THE ANNUAL FINANCIAL REPORT**

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

	Lump Sum Grant	Rent and Rates	Central Items	Total
	HK\$	HK\$	Mentor HK\$	
<b>INCOME</b>				
Lump Sum Grant	5,317,614	-	-	5,317,614
Fee Income	300	-	-	300
Other Income (FSA)	940,421	-	-	940,421
Interest Received (Note 1)	1,084	-	-	1,084
Rent and Rates	-	236,433	-	236,433
Central Items	-	-	-	-
Total Income (a)	6,259,419	236,433	-	6,495,852
<b>EXPENDITURE</b>				
Personal Emoluments	(4,107,787)	-	-	(4,107,787)
Other Charges	(1,435,763)	-	-	(1,435,763)
Rent and Rates	-	(212,699)	-	(212,699)
Central items	-	-	-	-
Total Expenditure (b)	(5,543,550)	(212,699)	-	(5,756,249)
Surplus/(Deficit) for the year (a) – (b)	715,869	23,734	-	739,603
Less: Surplus of Provident Fund	8,523	-	-	8,523
	707,346	23,734	-	731,080
Surplus/(Deficit) b/f (Note 2)	575,016	(131,404)	61,250	504,862
:Less: Refund Rent & Rates of Government: 2018-19 rent & rate surplus refunded in 2019-20	-	(25,322)	-	(25,322)
Revised Surplus/(Deficit) b/f	575,016	(156,726)	61,250	479,540
Surplus/(Deficit) c/f (Note 4)	1,282,362	(132,992)	61,250	1,210,620

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 Infirmiry 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 1 APRIL 2019 TO 31 MARCH 2020

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	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	N.A.
nnnn - xxxxxxxxxxxxxx	Infirmary Care Supplement for the Aged Blind Persons								N.A.
nnnn - xxxxxxxxxxxxxx	Dementia Supplement for Residential Elderly Services								N.A.
nnnn - xxxxxxxxxxxxxx	Infirmary Care Supplement for Residential Elderly Services								N.A.
nnnn - xxxxxxxxxxxxxx	Dementia Supplement for Day Care Centre/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 - Fee Waiving Subsidy Scheme					N.A.			N.A.
nnnn - xxxxxxxxxxxxxx	Temporary Financial Aid					N.A.			N.A.
nnnn - xxxxxxxxxxxxxx	Emergency Fund					N.A.			N.A.
nnnn - xxxxxxxxxxxxxx	Time-defined Subsidy Scheme for Extended Hours Service Users					N.A.			N.A.
nnnn - xxxxxxxxxxxxxx	Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services					N.A.			N.A.
nnnn - xxxxxxxxxxxxxx	Short-term Rental Assistance					N.A.			N.A.
nnnn - xxxxxxxxxxxxxx	Overnight On-site-on-call Allowance					N.A.			N.A.
nnnn - xxxxxxxxxxxxxx	Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy					N.A.			N.A.

SCHEDULE FOR CENTRAL ITEMS

ANALYSIS OF SUBVENTION AND EXPENDITURE

FOR THE PERIOD FROM 1 APRIL 2019 TO 31 MARCH 2020

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 - xxxxxxxxxxxxxx	NSCCP - Rent and Rates	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	
nnnn - xxxxxxxxxxxxxx	Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes				N.A.	N.A.			
nnnn - xxxxxxxxxxxxxx	Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes				N.A.	N.A.			
nnnn - xxxxxxxxxxxxxx	Time-defined Subsidy Scheme for Occasional Child Care Service				N.A.	N.A.			
nnnn - xxxxxxxxxxxxxx	Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services				N.A.	N.A.			
nnnn - xxxxxxxxxxxxxx	<b>Financial Incentive Scheme for Mentors of Employees with Disabilities</b>								
nnnn - xxxxxxxxxxxxxx	Cash Subsidy for Integrated Support Service for Persons with Severe Physical					N.A.		61,250.00	
nnnn - xxxxxxxxxxxxxx	Time-defined Subsidy Scheme for Occasional Child Care Service					N.A.			
nnnn - xxxxxxxxxxxxxx	Enhanced After School Care Programme - Fee Waiving Subsidy Scheme					N.A.			
nnnn - xxxxxxxxxxxxxx	Navigation Scheme for Young Persons in Care Services - Operating Expenses					N.A.			
nnnn - xxxxxxxxxxxxxx	Navigation Scheme for Young Persons in Care Services - Training Cost					N.A.			





**SCHEDULE FOR CENTRAL ITEMS  
ANALYSIS OF SUBVENTION AND EXPENDITURE  
FOR THE PERIOD FROM 1 APRIL 2019 TO 31 MARCH 2020  
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 (5) in SWD/S/104/2 Point 18 dated 4 March 2020
  - i) Dementia Supplement for Elderly with Disabilities
  - ii) Infirmity Care Supplement for the Aged Blind Persons
  - iii) Dementia Supplement for Residential Elderly Services
  - iv) Infirmity 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 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 APRIL 2019 TO 31 MARCH 2020****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)	218,724	200,364	18,360	-
	Rate	17,709	12,335	5,374	-
	Total	236,433	212,699	23,734	-
	Rent (Note 3)				
	Rate				
	Total				
	Rent (Note 3)				
	Rate				
	Total				
	Grand Total	236,433	212,699	23,734	-

## 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 31 MARCH 2020****AGENCY: HONG KONG FEDERATION OF HANDICAPPED YOUTH**

	<u>2020</u> HK\$	<u>2019</u> HK\$
LSG Reserve as at 31 March	<u>1,282,362</u>	<u>575,016</u>
Represented by:		
Investments		
a. HKD Bank Account Balances	<u>1,282,362</u>	<u>575,016</u>

Note: The investments should be reported at historical cost.

Confirmed by:

Signature:   
 Chairperson: Ng Ka Wing

Signature:   
 Executive Director: Lau Ka Lun

Date: 15 SEP 2020

Date: 15 SEP 2020

## Claim for 2019-20 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 : 15 SEP 2020