

**HONG KONG FEDERATION OF
HANDICAPPED YOUTH**

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH, 2014

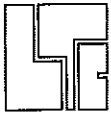


李湯陳會計師事務所

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, 2014 and have issued an unqualified auditors' report thereon dated 22 SEP 2014 .

We conducted our review of the attached Annual Financial Report on pages 2 to 6 of the Federation for the year ended 31st March, 2014 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, 2014:

- 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, 2014.

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)

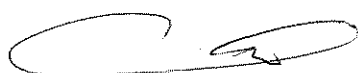
Hong Kong, 22 SEP 2014
RCMC/TKYY:pn

HONG KONG FEDERATION OF HANDICAPPED YOUTH

ANNUAL FINANCIAL REPORT

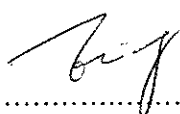
FOR THE PERIOD FROM 1ST APRIL, 2013 TO 31ST MARCH, 2014

	<u>Note</u>	<u>2014</u> HK\$	<u>2013</u> HK\$
INCOME			
Lump Sum Grant		2,942,345	2,829,622
a) Lump Sum Grant (excluding Provident Fund)	1b	2,790,100	2,682,985
b) Provident fund	1c	152,245	146,637
Special One-off Grant		-	-
Fee income	2	600	1,800
Central items	3	255,931	220,741
a) Program Assistant		229,681	215,741
b) Mentor of Employees with Disabilities		26,250	5,000
Rent and rates	4	188,508	188,508
Other income (including program income)	5	752,083	877,540
Interest received		15	18
TOTAL INCOME		4,139,482	4,118,229
EXPENDITURE			
Personal emoluments	6	2,395,690	2,236,807
a) Salaries	1b	2,252,625	2,105,783
b) Provident Fund	1c	143,065	131,024
c) Allowances		-	-
Other charges	7	1,605,061	1,646,995
Central items	3	229,681	215,741
a) Program Assistant		229,681	215,741
b) Mentor of Employees with Disabilities		-	-
Rent and rates	4	201,476	179,757
Special One-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		4,431,908	4,279,300
DEFICIT FOR THE YEAR	8	(292,426)	(161,071)



Chairperson

Date: 22 SEP 2014



Honorary Treasurer

Date: 22 SEP 2014



Executive Director

Date: 22 SEP 2014

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 1st April, 2000.

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

The PF received and contributed for staff under the Central Items have been shown under note 3 if any. (LSG Circular No. 1/2001).

Details are analysed below:

	<u>Snapshot Staff</u> HK\$	<u>6.8% and other Posts</u> HK\$	<u>Total</u> HK\$
Subvention received	-	152,245	152,245
Provident Fund contributions paid during the year	-	(143,065)	(143,065)
Surplus for the year	-	9,180	9,180
	-----	-----	-----
Add: Surplus b/f	37,860	300,720	338,580
	-----	-----	-----
Surplus c/f	37,860	309,900	347,760
	=====	=====	=====

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

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>2014</u> HK\$	<u>2013</u> HK\$
a) Income		
Regularised Programme Assistants (PA)	229,681	215,741
Financial Incentive Scheme for Mentors of Employees with Disabilities	<u>26,250</u>	<u>5,000</u>
Total	<u><u>255,931</u></u>	<u><u>220,741</u></u>
b) Expenditure		
Regularised Programme Assistants (PA)	229,681	215,741
Financial Incentive Scheme for Mentors of Employees with Disabilities	<u>-</u>	<u>-</u>
Total	<u><u>229,681</u></u>	<u><u>215,741</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. Expenditure 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 posits 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>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
a) Utilities	58,576	54,416
b) Administrative expenses	187,481	178,937
c) Stores and equipment	108,216	101,141
d) Repair and maintenance	33,359	52,626
e) Programme expenses	1,011,585	1,037,928
f) Transportation and travelling	177,530	185,975
g) Insurance	34,644	28,976
h) Miscellaneous	3,670	6,996
Total	<u>1,605,061</u>	<u>1,646,995</u>

7a. SPECIAL ONE-OFF GRANT PAYMENTS

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

	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
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 HK\$	Rent and Rates HK\$	Central Items		Total HK\$
			Prog. Assist. HK\$	Mentor HK\$	
INCOME					
Lump Sum Grant	2,942,345	-	-	-	2,942,345
Member Fee Income	600	-	-	-	600
Other Income (FSA)	752,083	-	-	-	752,083
Interest Received (Note 1)	15	-	-	-	15
Rent and Rates	-	188,508	-	-	188,508
<u>Central Items:</u>					
- Program Assistant	-	-	229,681	-	229,681
- Mentor of Employees Disabilities	-	-	-	26,250	26,250
Total Income (a)	3,695,043	188,508	229,681	26,250	4,139,482
EXPENDITURE					
Personal Emoluments	(2,395,690)	-	-	-	(2,395,690)
Other Charges	(1,605,061)	-	-	-	(1,605,061)
Rent and Rates	-	(201,476)	-	-	(201,476)
<u>Central Items:</u>					
- Program Assistant	-	-	(229,681)	-	(229,681)
- Mentor of Employees Disabilities	-	-	-	-	-
Total Expenditure (b)	(4,000,751)	(201,476)	(229,681)	-	(4,431,908)
(Deficit)/Surplus for the year (a) – (b)	(305,708)	(12,968)	-	26,250	(292,426)
Less: Surplus/(Deficit) of Provident Fund	9,180	-	-	-	9,180
	(314,888)	(12,968)	-	26,250	(301,605)
Surplus/(Deficit) b/f (Note 2)	313,160	(55,970)	-	5,000	262,190
	(1,728)	(68,938)	-	31,250	(39,416)
Less: Refund to Government	-	-	-	-	-
Transfer from LSG Reserve to cover salary adjustment for Program Assistant (Note 3)	-	-	-	-	-
Surplus/(Deficit) c/f (Note 4)	(1,728)	(68,938)	-	31,250	(39,416)

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 Infirmery Care Supplement, if any, as per Scheudle 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 1ST APRIL, 2013 TO 31ST MARCH, 2014
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 - xxxxxxxxxxxxxxx	Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Works in Pre-school Rehabilitation Service	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
nnnP - xxxxxxxxxxxxxxx	Programme Work posts for one years from 2013-14				N.A.				N.A.
nnnS - xxxxxxxxxxxxxxx	Regularised Programme Assistants (PA)/Care Assistants (CA)	229,681	229,681	-	-	-	-	-	-
N.A.	Subsidy under the Home Environment Improvement Scheme for the Elderly				N.A.				N.A.
nnnn - xxxxxxxxxxxxxxx	Overnight On-site-on-call Allowance				N.A.				N.A.
nnnn - xxxxxxxxxxxxxxx	Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy				N.A.				N.A.
nnnn - xxxxxxxxxxxxxxx	NSCCP - Subsidy for Fee Reduction/Waiving				N.A.				N.A.
nnnn - xxxxxxxxxxxxxxx	Time-defined Subsidy Scheme for Occasional Child Care Service				N.A.				N.A.
nnnn - xxxxxxxxxxxxxxx	Financial Incentive Scheme for Mentors of Employees with Disabilities	26,250	-	26,250	-	-	5,000	31,250	
nnnn - xxxxxxxxxxxxxxx	Cluster-based Foster Home Pool								
Total		255,931	229,681	26,250	-	-	5,000	31,250	

SCHEDULE FOR CENTRAL ITEMS
ANALYSIS OF SUBVENTION AND EXPENDITURE
FOR THE PERIOD FROM 1ST APRIL, 2013 TO 31ST MARCH, 2014
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 (16) in SWD/S/104/2 Point 12 dated 17th 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 Services
 - v) Regularised Programme Assistants (PA)/Care Assistants (CA)
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.

SCHEDULE FOR RENT AND RATES**ANALYSIS OF SUBVENTION AND EXPENDITURE****FOR THE PERIOD FROM 1ST APRIL, 2013 TO 31ST MARCH, 2014****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	189,274	-	(18,094)
	Rate	17,328	12,202	5,126	-
	Total	188,508	201,476	5,126	(18,094)
	Rent (Note 3)				
	Rate				
	Total				
	Rent (Note 3)				
	Rate				
	Total				
	Grand Total	188,508	(201,476)	5,126	(18,094)

Notes:

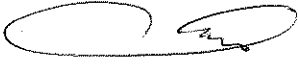
1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year.
2. Surplus/deficit for each element represents the difference between subvention released and accrual expenditure
3. Rent includes all kinds of rent such as PHE rental, private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

SCHEDULE FOR INVESTMENT**ANALYSIS OF INVESTMENT AS AT 31ST MARCH, 2014****AGENCY: HONG KONG FEDERATION OF HANDICAPPED YOUTH**

	<u>2014</u> HK\$	<u>2013</u> HK\$
LSG Reserve as at 31 st March	(1,728)	313,160
Represented by:		
Investments		
a. HKD Bank Account Balances	-	313,160
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	-
d. HKD Certificate of Deposits	-	-
e. HKD Bonds	-	-
	-	313,160

Note: The investments should be reported at historical cost.

Confirmed by:

Signature: 

Chairman: Cheung Nai Leung

Date: 22 SEP 2014

Signature: 

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

Date: 22 SEP 2014

