



Chinese Young Men's Christian
Association of Hong Kong
Annual Financial Report of Social Welfare Services
(Lump Sum Grant)

31 March 2018

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Review report to the members of Chinese Young Men's Christian Association of Hong Kong

We have audited the financial statements of Chinese Young Men's Christian Association of Hong Kong (the "Association") for the year ended 31 March 2018 and have issued an unqualified auditors' report thereon dated 22 June 2018.

We conducted our review of the attached Annual Financial Report on pages 3 to 10 of the Association for the year ended 31 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 Association, on which the above audited financial statements of the Association 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 Association for the year ended 31 March 2018.

- (a) in our opinion the Annual Financial Report has been properly prepared from the books and records of the Association; and
- (b) no matters have come to our attention during the course of our review, which cause us to believe that the Association 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 (Oct 2016) (the "LSG Manual") published by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region (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 2018.



Review report to the members of Chinese Young Men's Christian Association of Hong Kong (continued)

Restriction on distribution and use

This report is intended solely for your benefit and for filing with the Social Welfare Department of the Government of the HKSAR and is not intended to be, and should not be used for any other purpose and we do not assume responsibility towards or accept liability or duty to any other person other than the addressees of this report for the contents of this report. This report relates solely to the Annual Financial Report specified above and does not extend to any financial statements of the Association, taken as a whole.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

18 OCT 2018

**ANNUAL FINANCIAL REPORT
CHINESE YOUNG MEN'S CHRISTIAN ASSOCIATION OF HONG KONG
1 APRIL 2017 TO 31 MARCH 2018**

	Notes	2017/18 \$	2016/17 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	162,120,556.00	156,833,674.00
b. Provident Fund	1c	10,444,020.00	10,005,657.00
3. Fee Income	2	5,500,182.50	5,432,728.10
4. Central Items	3	4,617,271.00	3,085,022.32
5. Rent and Rates	4	8,115,837.00	8,071,672.00
6. Other Income	5	33,381,911.95	30,502,749.42
7. Interest Received		138,877.99	164,111.45
TOTAL INCOME		<u>224,318,656.44</u>	<u>214,095,614.29</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		156,321,221.71	154,060,485.00
b. Provident Fund	1c	11,925,962.14	11,521,310.90
c. Allowances		1,353,132.31	348,376.16
2. Other Charges	7	43,622,440.62	40,745,140.63
3. Central Items	3	4,523,647.99	3,203,805.02
4. Rent and Rates	4	9,366,566.00	8,866,429.62
TOTAL EXPENDITURE		<u>227,112,970.77</u>	<u>218,745,547.33</u>
C. DEFICIT FOR THE YEAR	8	<u>(2,794,314.33)</u>	<u>(4,649,933.04)</u>

The Annual Financial Report from pages 3 to 10 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

CHINESE YOUNG MEN'S CHRISTIAN ASSOCIATION OF HONG KONG

NOTES ON THE ANNUAL FINANCIAL REPORT

For the period from 1 April 2017 to 31 March 2018

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 have not been included in the AFR.
- b Lump Sum Grant (excluding Provident Fund)** This represents 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> \$	<u>6.8% and Other</u>	<u>Total</u> \$
		<u>Posts</u> \$	
Subvention Received	1,922,758.00	8,521,262.00	10,444,020.00
Provident Fund Contribution Paid during the year	(3,536,896.21)	(8,389,065.93)	(11,925,962.14)
Surplus/(Deficit) for the year	(1,614,138.21)	132,196.07	(1,481,942.14)
Add: Surplus/(Deficit) b/f	0.00	231,591.23	231,591.23
	(1,614,138.21)	363,787.30	(1,250,350.91)
Less: Deficit absorbed by Agency's fund	1,614,138.21	0.00	1,614,138.21
Surplus c/f	0.00	363,787.30	363,787.30

- 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 the subvention as set out in the LSG Manual.

CHINESE YOUNG MEN'S CHRISTIAN ASSOCIATION OF HONG KONG

NOTES ON THE ANNUAL FINANCIAL REPORT

For the period from 1 April 2017 to 31 March 2018

- 3 Central Items** These are subvented service activities which are not included in the LSG and are subject to their own procedures as set out in other SWD's papers and correspondence with the 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 3.14 of the LSG Manual (October 2016))
The income and expenditure of each of the Central Items are as follows:

a. Income	2017/18	2016/17
	\$	\$
After School Care Programme	952,800.00	794,250.00
Enhanced After School Care Programme	892,093.00	711,480.00
Enhanced Visiting Medical Practitioner Scheme	245,000.00	0.00
Enhanced Visiting Medical Officer in RCHes	70,000.00	0.00
Programme Worker	0.00	3,805.32
Dementia Supplement	2,187,378.00	1,305,487.00
Training Sponsorship Scheme for MOT/MTP programme of PolyU	270,000.00	270,000.00
Total	4,617,271.00	3,085,022.32
b. Expenditure		
After School Care Programme	1,282,559.40	1,176,780.00
Enhanced After School Care Programme	741,053.01	714,623.28
Enhanced Visiting Medical Practitioner Scheme	133,000.00	0.00
Enhanced Visiting Medical Officer in RCHes	7,000.00	0.00
Dementia Supplement	2,090,035.58	1,312,401.74
Training Sponsorship Scheme for MOT/MTP programme of PolyU	270,000.00	0.00
Total	4,523,647.99	3,203,805.02

- 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.

- 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 be 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 (paragraphs 2.29 of LSG Manual (October 2016)) is as follows:

	2017/18	2016/17
	\$	\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	33,381,911.95	30,502,749.42
(b) Others	0.00	0.00
Total	33,381,911.95	30,502,749.42

CHINESE YOUNG MEN'S CHRISTIAN ASSOCIATION OF HONG KONG
NOTES ON THE ANNUAL FINANCIAL REPORT
For the period from 1 April 2017 to 31 March 2018

6 Personal Emoluments Personal Emoluments include salary, provident fund and salary-related allowances:
The analysis on number of posts with annual Personal Emoluments over \$700,000 each paid under LSG is appended below:

<u>Analysis of Personal Emoluments</u>	<u>No. of Posts</u>	<u>\$</u>
HK\$700,001 - HK\$800,000 p.a.	10	7,306,156.73
HK\$800,001 - HK\$900,000 p.a.	36	31,555,296.69
HK\$900,001 - HK\$1,000,000 p.a.	2	1,946,232.84
HK\$1,000,001 - HK\$1,100,000 p.a.	6	6,470,968.66
HK\$1,100,001 - HK\$1,200,000 p.a.	0	0.00
>HK\$1,200,000 p.a.	1	1,640,496.00

7 Other Charges The breakdown on Other Charges is as follows:

<u>Other Charges</u>	<u>2017/18</u>	<u>2016/17</u>
	<u>\$</u>	<u>\$</u>
(a) Utilities	3,010,296.55	3,141,190.40
(b) Food	2,860,387.42	2,806,242.42
(c) Administrative Expenses	1,427,369.20	1,381,146.96
(d) Stores and Equipment	1,881,789.97	1,528,040.43
(e) Repair and Maintenance	1,208,309.06	924,763.17
(f) Special Allowance	1,466,967.25	1,537,198.87
(g) Programme Expenses	25,374,662.25	23,256,205.12
(h) Transportation and Travelling	616,171.32	603,877.15
(i) Insurance	922,608.15	692,866.54
(j) Miscellaneous	4,575,269.45	4,648,320.77
(k) Visiting Medical Practitioners	278,610.00	225,288.80
	<u>43,622,440.62</u>	<u>40,745,140.63</u>

CHINESE YOUNG MEN'S CHRISTIAN ASSOCIATION OF HONG KONG

NOTES ON THE ANNUAL FINANCIAL REPORT

For the period from 1 April 2017 to 31 March 2018

8 Analysis of Lump Sum Grant Reserve and balances of other SWD Subventions

	Analysis of Reserve Fund		
	Lump Sum Grant (LSG)	Rent & Rates	Total
Income			
Lump Sum Grant	172,564,576.00	0.00	172,564,576.00
Special One-off Grant	0.00	0.00	0.00
Fee Income	5,500,182.50	0.00	5,500,182.50
Other Income	33,381,911.95	0.00	33,381,911.95
Interest Received (Note 1)	138,877.99	0.00	138,877.99
Rent and Rates	0.00	8,115,837.00	8,115,837.00
Central Items	0.00	0.00	0.00
Total Income (a)	211,585,548.44	8,115,837.00	224,318,656.44
Expenditure			
Personal Enrolments	169,600,316.16	0.00	169,600,316.16
Other Charges	43,622,440.62	0.00	43,622,440.62
Rent and Rates	0.00	9,366,566.00	9,366,566.00
Central Items	0.00	0.00	0.00
Total Expenditure (b)	213,222,756.78	9,366,566.00	227,112,970.77
Surplus/(Deficit) for the Year (a)-(b)	(1,637,208.34)	(1,250,729.00)	(2,794,314.33)
Less: Provident Fund	1,481,942.14	0.00	1,481,942.14
Surplus transferred to LSG	0.00	0.00	0.00
Surplus/(Deficit) b/f (Note 2)	(155,266.20)	(1,250,729.00)	(1,312,372.19)
(Refund) to Government	14,233,474.61	(675,229.54)	16,033,821.97
Back payment	14,078,208.41	(1,925,958.54)	14,721,449.78
Deficit absorbed by Agency's Fund	0.00	(67,659.87)	(64,053.72)
Surplus/(Deficit) c/f (Note 3)	14,078,208.41	(1,183,552.41)	15,399,802.19

Note 1 : Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant are included as one item under LSG, and the item is considered as part of LSG reserve.

Note 2 : Accumulated balance Lump Sum Grant Surplus b/f from previous years and all interest received in previous years should be included in surplus b/f under LSG.

Note 3 : The level of LSG cumulative reserve will be capped at 25% of NGO's operating expenditure (excluding PF expenditure) for the year.

CHINESE YOUNG MEN'S CHRISTIAN ASSOCIATION OF HONG KONG
Schedule for Central items
Analysis of Subvention and Expenditure for the year ended 31 March 2018

Annex I(a)

Unit Code	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the Year			Surplus b/f (Note 5) (e)	Refund to Government (f)	Surplus c/f (Note 6) (g)=(e)+(a)-(d)-(f)
					Deficit (Note 3) (b)	Deficit transferred to LSC (Note 4) (c)	Adjusted Deficit (d) = (b) - (c)			
3025	After School Care Programme	952,800.00	1,282,559.40	0.00	329,759.40	0.00	329,759.40	2,060,678.42	0.00	1,730,919.02
1892	Enhanced After School Care Programme	892,093.00	741,053.01	151,039.99	0.00	0.00	0.00	80,844.76	0.00	231,884.75
3679	Enhanced Provision of Visiting Medical Practitioner Scheme	245,000.00	133,000.00	112,000.00	0.00	0.00	0.00	0.00	0.00	112,000.00
3705	Enhanced Provision of Visiting Medical Officer in RCHs	70,000.00	7,000.00	63,000.00	0.00	0.00	0.00	0.00	0.00	63,000.00
	Peer Counsellors for Young People	0.00	0.00	0.00	0.00	0.00	0.00	64,053.72	64,053.72	0.00
1729	Dementia Supplement	2,187,378.00	2,090,035.58	97,342.42	0.00	0.00	0.00	0.00	0.00	97,342.42
6673	Training Sponsorship Scheme for MOT/MPT programme of PolyU	270,000.00	270,000.00	0.00	0.00	0.00	0.00	270,000.00	0.00	270,000.00
	Total	4,617,271.00	4,523,647.99	423,382.41	329,759.40	0.00	329,759.40	2,475,576.90	64,053.72	2,505,146.19

Note:

- The figures for the whole financial year are extracted from the payroll for March (Final) of the financial year.
- Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income. If any.
- Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
- 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.(28) in SWD/S/104/2 p.17 dated 31 October 2017
 - Dementia Supplement for Elderly with Disabilities
 - Infirmary Care Supplement for the Aged Blind Persons
 - Dementia Supplement for Residential Elderly Services
 - Infirmary Care Supplement for Residential Elderly services
- "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years
- "Surplus carried forward (c/f)" means surplus brought forward less refund to Government plus surplus, if any, arising from operations in current year
- Unit code and name are extracted from the payroll from SWD
- 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 27 February 2017 should also be included in the income/expenditure of the respective items.
- 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.

CHINESE YOUNG MEN'S CHRISTIAN ASSOCIATION OF HONG KONG

Annex 1(b)

Schedule for Rent and Rates

(a) Analysis of Subvention and Expenditure for the period from 1 April 2017 to 31 March 2018

Unit Code	Centre Name	Subvention Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
1852	Tin Shui Wai Tin Ching Centre	Rent (Note 3)	550,440.00	550,440.00	-	-
		Rates	24,989.00	56,000.00	-	31,011.00
		Total	575,429.00	606,440.00	-	31,011.00
1854	Hin Keng Integrated Team	Rent (Note 3)	434,761.00	444,900.00	-	10,139.00
		Rates	33,228.00	43,400.00	-	10,172.00
		Total	467,989.00	488,300.00	-	20,311.00
1861	Y's Men's Centre	Rent (Note 3)	170,280.00	170,280.00	-	-
		Rates	14,697.00	18,200.00	-	3,503.00
		Total	184,977.00	188,480.00	-	3,503.00
1862	Wah Fu Hostel	Rent (Note 3)	601,920.00	601,920.00	-	-
		Rates	23,970.00	30,200.00	-	6,230.00
		Total	625,890.00	632,120.00	-	6,230.00
1863	Tin Shui Wai Tin Chak Integrated Team	Rent (Note 3)	528,379.00	534,840.00	-	6,461.00
		Rates	39,618.00	53,600.00	-	13,982.00
		Total	567,997.00	588,440.00	-	20,443.00
1871	Chai Wan Integrated Team	Rent (Note 3)	500,940.00	500,940.00	-	-
		Rates	50,321.00	66,880.00	-	16,559.00
		Total	551,261.00	567,820.00	-	16,559.00
1872	Tsuen Wan Integrated Team	Rent (Note 3)	288,139.00	319,620.00	-	31,481.00
		Rates	66,776.00	91,300.00	-	24,524.00
		Total	354,915.00	410,920.00	-	56,005.00
1873	Yung Shing Sheltered Workshop	Rent (Note 3)	527,218.00	537,264.00	-	10,046.00
		Rates	35,439.00	47,381.00	-	11,942.00
		Total	562,657.00	584,645.00	-	21,988.00
1874	Yung Shing Hostel	Rent (Note 3)	424,189.00	458,316.00	-	34,127.00
		Rates	26,403.00	40,419.00	-	14,016.00
		Total	450,592.00	498,735.00	-	48,143.00
1876	Tsuen Wan/Kwai Tsing Youth Outreaching Team	Rent (Note 3)	94,308.00	96,528.00	-	2,220.00
		Rates	8,190.00	7,280.00	910.00	-
		Total	102,498.00	103,808.00	910.00	2,220.00
1879	Jordan Integrated Team	Rent (Note 3)	299,478.00	862,905.20	-	563,427.20
		Rates	47,286.00	62,600.00	-	15,314.00
		Total	346,764.00	925,505.20	-	578,741.20
1882	Komihill Integrated Team	Rent (Note 3)	173,328.00	277,204.95	-	103,876.95
		Rates	76,680.00	89,600.00	-	12,920.00
		Total	250,008.00	366,804.95	-	116,796.95
1883	Kwun Tong Integrated Team	Rent (Note 3)	382,383.00	389,700.00	-	7,317.00
		Rates	28,963.00	35,000.00	-	6,037.00
		Total	411,346.00	424,700.00	-	13,354.00
1912	Siu Sai Wan C & Y Centre	Rent (Note 3)	26,620.00	39,960.00	-	13,340.00
		Rates	47,940.00	62,600.00	-	14,660.00
		Total	74,560.00	102,560.00	-	28,000.00
1913	Lam Tin Integrated Team	Rent (Note 3)	535,920.00	535,920.00	-	-
		Rates	47,477.00	62,860.00	-	15,383.00
		Total	583,397.00	598,780.00	-	15,383.00
1914	Shek Kip Mei Integrated Team	Rent (Note 3)	385,237.00	385,236.00	1.00	-
		Rates	69,015.00	73,400.00	-	4,385.00
		Total	454,252.00	458,636.00	1.00	4,385.00
1915	School Social Work	Rent (Note 3)	85,129.00	87,852.00	-	2,723.00
		Rates	9,488.00	9,320.00	168.00	-
		Total	94,617.00	97,172.00	168.00	2,723.00
1919	Neighbourhood Elderly Centre	Rent (Note 3)	367,634.00	369,678.85	-	2,044.85
		Rates	49,272.00	48,000.00	1,272.00	-
		Total	416,906.00	417,678.85	1,272.00	2,044.85
1932	Shatin Youth Outreaching Team	Rent (Note 3)	100,320.00	100,320.00	-	-
		Rates	8,988.00	8,780.00	208.00	-
		Total	109,308.00	109,100.00	208.00	-
1933	Tin Ping Hostel for Elderly	Rent (Note 3)	841,920.00	978,240.00	-	136,320.00
		Rates	15,647.00	115,376.00	-	99,729.00
		Total	857,567.00	1,093,616.00	-	236,049.00
7299	Bridges Street Sheltered Workshop	Rates	44,430.00	62,345.00	-	17,915.00
		Total	44,430.00	62,345.00	-	17,915.00
7316	Bridges Street Hostel	Rates	28,477.00	39,960.00	-	11,483.00
		Total	28,477.00	39,960.00	-	11,483.00
		Grand Total	8,115,837.00	9,366,566.00	2,559.00	1,253,288.00

Notes:

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

CHINESE YOUNG MEN'S CHRISTIAN ASSOCIATION OF HONG KONG
Schedule of Investment
Analysis of Investment as at 31 March 2018

Appendix

	2018	2017
	\$	\$
LSG Reserve as at 31 March	14,078,208.41	14,233,474.61

Represented by:

Investments

a. HKD Bank Account Balances	4,078,208.41	-
b. HKD 24-hour Call Deposit	-	-
c. HKD Fixed Deposit	10,000,000.00	14,233,474.61
d. HKD Certificate of Deposit	-	-
e. HKD Bonds	-	-
	<u>14,078,208.41</u>	<u>14,233,474.61</u>