

KOWLOON CITY BAPTIST CHURCH
NEIGHBOURHOOD ELDERLY CENTRE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2014



TYRONE CHIU C.P.A. LIMITED
Certified Public Accountants
趙維漢會計師事務所有限公司



TYRONE CHIU C.P.A. LIMITED

Certified Public Accountants

趙維漢會計師事務所有限公司

Unit 201, 2/F., Malaysia Building, 50 Gloucester Road, Wanchai, Hong Kong

香港灣仔告士打道50號馬來西亞大廈2樓201室

電話Tel : (852) 2527 5497 傳真Fax : (852) 2866 7997 電郵E-mail : info@twhchiucpa.com

REPORT OF THE AUDITORS

TO THE MANAGEMENT BOARD OF THE AGENCY

i.e. KOWLOON CITY BAPTIST CHURCH

(Incorporated in Hong Kong)

We have audited the financial statements of the Centre for the year ended March 31, 2014 and have issued an unqualified auditors' report thereon dated

We conducted our review of the attached Annual Financial Report on pages 3 to 10 of the Centre for the year ended March 31, 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 Centre, on which the above audited financial statements of the Centre 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 Centre for the year ended March 31, 2014.

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Centre; and



TYRONE CHIU C.P.A. LIMITED

Certified Public Accountants

趙維漢會計師事務所有限公司

Unit 201, 2/F., Malaysia Building, 50 Gloucester Road, Wanchai, Hong Kong

香港灣仔告士打道50號馬來西亞大廈2樓201室

電話Tel : (852) 2527 5497 傳真Fax : (852) 2866 7997 電郵E-mail : info@twhchiucpa.com

REPORT OF THE AUDITORS

TO THE MANAGEMENT BOARD OF THE AGENCY

i.e. KOWLOON CITY BAPTIST CHURCH

(Incorporated in Hong Kong)

Review conclusions (continued)

- b. no matters have come to our attention during the course of our review, which cause us to believe that the Centre has not:
- i) properly accounted for the receipt of Lump Sum Grant, Provident Fund, Tide-over Grant 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 Tide-over Grant and Provident Fund arrangements during the year ended March 31, 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.

Tyrone Chiu C.P.A. Limited
Certified Public Accountants
Chiu Wai Hon, Tyrone
Practising Certificate Number: P00847

Hong Kong
September 24, 2014

KOWLOON CITY BAPTIST CHURCH

NEIGHBOURHOOD ELDERLY CENTRE

ANNUAL FINANCIAL REPORT

APRIL 1, 2013 TO MARCH 31, 2014

	Notes	Total 2013-2014 \$	Total 2012-2013 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	2,166,606.00	2,040,965.00
b. Provident Fund	1c	163,523.00	155,638.00
2. Special One-off Grant		--	--
3. Fee Income	2	55,270.00	50,080.00
4. Central Items	3	189,838.00	188,825.00
5. Rent and Rates	4	232,200.00	232,200.00
6. Other Income	5	1,134,000.00	100,000.00
7. Interest Received		52.21	49.11
TOTAL INCOME		<u>3,941,489.21</u>	<u>2,767,757.11</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		2,586,342.87	1,555,381.00
b. Provident Fund	1c	168,073.12	86,770.67
c. Allowances		--	--
Sub-total	6	<u>2,754,415.99</u>	<u>1,642,151.67</u>
2. Other Charges	7	358,567.79	448,545.03
3. Central Items	3	183,229.20	186,606.00
4. Rent and Rates	4	249,780.00	220,750.00
5. Special One-off Grant Payments	7a	--	--
TOTAL EXPENDITURE		<u>3,545,992.98</u>	<u>2,498,052.70</u>
C. SURPLUS FOR THE YEAR	8	<u>395,496.23</u>	<u>269,704.41</u>


CHAIRMAN


TREASURER


NGO HEAD/HEAD OF
SOCIAL WELFARE SERVICES

Date: September 24, 2014

KOWLOON CITY BAPTIST CHURCH

NEIGHBOURHOOD ELDERLY CENTRE

NOTES TO 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 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 April 1, 2000. 6.8% and other posts represent those staff that are employed after April 1, 2000. Please note that the PF received and contributed for staff under the Central Items should be shown under 3. Details are analysed below:

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u>	<u>6.8% and Other Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	45,641.00	117,882.00	163,523.00
Provident Fund Contribution Paid During the year	<u>(57,042.03)</u>	<u>(111,031.09)</u>	<u>(168,073.12)</u>
Surplus/(deficit) for the year	(11,401.03)	6,850.91	(4,550.12)
Add: Surplus b/f	<u>61,136.11</u>	<u>251,518.59</u>	<u>312,654.70</u>
Surplus c/f	<u>49,735.08</u>	<u>258,369.50</u>	<u>308,104.58</u>

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 LSG Manual.

KOWLOON CITY BAPTIST CHURCH

NEIGHBOURHOOD ELDERLY CENTRE

NOTES TO THE ANNUAL FINANCIAL REPORT

3. Central Items

These are subvented service activities which are not included in LSG and are subject to their own procedures as set out in other SWD's papers and correspondence with the 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>2013 – 2014</u>	<u>2012 – 2013</u>
	\$	\$
a. <u>Income</u>		
Programme Assistants / Care Assistant (Permanent) - Elderly Services and Rehabilitation Medical and Social Services	87,410.00	86,297.00
Programme Work posts extended for one year in 2013-14	<u>102,528.00</u>	<u>102,528.00</u>
Total	<u><u>189,838.00</u></u>	<u><u>188,825.00</u></u>
	<u>2013 – 2014</u>	<u>2012 – 2013</u>
	\$	\$
b. <u>Expenditure</u>		
Programme Assistants / Care Assistant (Permanent) - Elderly Services and Rehabilitation Medical and Social Services	82,429.20	85,806.00
Programme Work posts extended for one year in 2013-14	<u>100,800.00</u>	<u>100,800.00</u>
	<u><u>183,229.20</u></u>	<u><u>186,606.00</u></u>

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 been included as Other Income in AFR.

KOWLOON CITY BAPTIST CHURCH

NEIGHBOURHOOD ELDERLY CENTRE

NOTES TO 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 \$500,000 each is appended below:

<u>Analysis of Personal Emoluments</u>	<u>No of Posts</u>	<u>\$</u>
HK\$500,001 – HK\$600,000 p.a.	/	0.00
HK\$600,001 – HK\$700,000 p.a.	/	0.00
HK\$700,001 – HK\$800,000 p.a.	/	0.00
HK\$800,001 – HK\$900,000 p.a.	/	0.00
HK\$900,001 – HK\$1,000,000 p.a.	/	0.00
› HK\$1,000,000 p.a.	/	0.00

7. Other Charges

The breakdown on Other Charges is as follows:

	2013-2014	2012-2013
Other Charges	\$	\$
(a) Utilities	94,120.34	91,758.26
(b) Food	--	--
(c) Administrative Expenses	77,689.45	79,596.80
(d) Stores and Equipment	71,734.46	60,988.85
(e) Repairs and Maintenance	21,500.22	25,046.00
(f) Special Allowances	--	--
(g) Programme Expenses	(67,428.19)	101,001.82
(h) Transportation and Travelling	3,741.60	3,983.00
(i) Insurance	72,690.78	56,955.00
(j) Miscellaneous	84,519.13	29,215.30
Total	<u>358,567.79</u>	<u>448,545.03</u>

7a. Special One-off Grant Payments

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

	2013-2014	2012-2013
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>

KOWLOON CITY BAPTIST CHURCH

NEIGHBOURHOOD ELDERLY CENTRE

NOTES TO THE ANNUAL FINANCIAL REPORT

8. Analysis of Reserve Fund

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and rates	Central Items	Total
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	2,330,129.00	--	--	--	2,330,129.00
Special One-off Grant	--	--	--	--	--
Fee Income	55,270.00	--	--	--	55,270.00
Other Income	1,134,000.00	--	--	--	1,134,000.00
Interest Received (Note 1)	52.21	--	--	--	52.21
Rent and Rates	--	--	232,200.00	--	232,200.00
Central Items	--	--	--	189,838.00	189,838.00
Total Income (a)	3,519,451.21	--	232,200.00	189,838.00	3,941,489.21
Expenditure					
Personal Emoluments	2,754,415.99	--	--	--	2,754,415.99
Other Charges	358,567.79	--	--	--	358,567.79
Rent and Rates	--	--	249,780.00	--	249,780.00
Central Items	--	--	--	183,229.20	183,229.20
Special One-off Grant Payment	--	--	--	--	--
Total Expenditure (b)	3,112,983.78	--	249,780.00	183,229.20	3,545,992.98
Surplus for the Year (a) – (b)	406,467.43	--	(17,580.00)	6,608.80	395,496.23
Add: Deficit of Provident Fund	4,550.12	--	--	--	4,550.12
Surplus for the year	411,017.55	--	(17,580.00)	6,608.80	400,046.35
Surplus b/f (Note 2)	191,403.36	--	8,600.00	730.67	200,734.03
	602,420.91	--	(8,980.00)	7,339.47	600,780.38
Less: Refund to Government	--	--	--	--	--
Transfer from LSG Reserve to cover the salary adjustment for Programme Assistants, Care Assistants, Dementia Supplement and Infirmary Care Supplementary (Note 3)	--	--	--	--	--
Surplus c/f (Note 4)	602,420.91	--	(8,980.00)	7,339.47	600,780.38

Notes:

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

KOWLOON CITY BAPTIST CHURCH
NEIGHBOURHOOD ELDERLY CENTRE
SCHEDULE FOR CENTRAL ITEMS

ANALYSIS OF SUBVENTION AND EXPENDITURE FOR THE PERIOD FROM APRIL 1, 2013 TO MARCH 31, 2014
Name of Agency : KOWLOON CITY BAPTIST CHURCH

Unit Code and Name (Note 7)	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 LSG (Note 4) (c)	Adjusted Deficit (d)=(b)-(c)			
Kowloon City Baptist Church 429S	Programme Assistants / Care Assistant (Permanent) - Elderly Services	\$ 87,310.00	\$ 82,429.20	\$ 4,880.80	\$ --	\$ --	\$ --	(997.33)	--	3,883.47
429P	Programme Work posts extended for one year in 2013-14	102,528.00	100,800.00	1,728.00	--	--	--	1,728.00	--	3,456.00
TOTAL		189,838.00	183,229.20	6,608.80	--	--	--	730.67	--	7,339.47

KOWLOON CITY BAPTIST CHURCH
NEIGHBOURHOOD ELDERLY CENTRE
SCHEDULE FOR CENTRAL ITEMS
ANALYSIS OF SUBVENTION AND EXPENDITURE
FOR THE PERIOD FROM APRIL 1, 2013 TO MARCH 31, 2014

Name of Agency : KOWLOON CITY BAPTIST CHURCH

Notes:

1. The figures of the whole financial year can be 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 can be transferred to the Lump Sum Grant Reserve as stated in our letter ref. (42) in SWD/S/104/2 Pt.11 dated July 25, 2012.
 - (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) Programme Assistants (PA) / Care Assistants (CA)
5. "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
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 assigned by SWD should be filled, if available.
8. As the above schedule may not be exhaustive in content, any relevant details in respect of central items released and/or expended during the year may also be included, where appropriate.

KOWLOON CITY BAPTIST CHURCH
NEIGHBOURHOOD ELDERLY CENTRE
SCHEDULE FOR RENT AND RATES
ANALYSIS OF SUBVENTION AND EXPENDITURE
FOR THE PERIOD FROM APRIL 1, 2013 TO MARCH 31, 2014

Name of Agency : KOWLOON CITY BAPTIST CHURCH

Unit Code and name		Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note2)	Surplus (Note 3)	Deficit (Note 3)
5977	Neighbourhood Elderly Centre	Rent Rates	207,900.00	226,380.00	--	(18,480.00)
			24,300.00	23,400.00	900.00	--
		Total	232,200.00	249,780.00	900.00	(18,480.00)

Notes:

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