

**S.K.H. ST. SIMON'S SOCIAL SERVICES**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

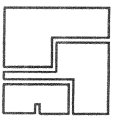


李 湯 陳 會 計 師 事 務 所

**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@ltangchen.com

**REVIEW REPORT**  
**TO THE EXECUTIVE COMMITTEE OF S.K.H. ST. SIMON'S SOCIAL SERVICES**  
**(THE "CENTRE")**

We have audited the financial statements of the Centre's subvented service units for the year ended 31<sup>st</sup> March, 2017 and have issued an unqualified auditor's report thereon dated 15<sup>th</sup> September, 2017.

We conducted our review of the attached Annual Financial Report on pages 2 to 7 of the Centre for the year ended 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Centre; and
- 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 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<sup>st</sup> March, 2017.

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.  
Certified Public Accountants (Practising)  
10/F Sun Hung Kai Centre  
30 Harbour Road  
Wanchai  
Hong Kong

15<sup>th</sup> September, 2017

WHC/CYN:C:mc

ANNUAL FINANCIAL REPORT

S.K.H. ST. SIMON'S SOCIAL SERVICES

1<sup>ST</sup> APRIL, 2016 TO 31<sup>ST</sup> MARCH, 2017

	Note	Total 2016-17 HK\$	Total 2015-16 HK\$
<b>INCOME</b>			
Lump sum grant			
a) Lump sum grant (excluding provident fund)	1b	2,122,684.00	1,929,448.00
b) Provident fund	1c	133,844.00	124,509.00
Special one-off grant		-	-
Fee income	2	99,347.00	74,955.20
Central items	3	42,778.00	40,412.00
Rent and rates	4	-	-
Other income	5	-	-
Interest received		<u>4,325.79</u>	<u>4,738.77</u>
<b>TOTAL INCOME</b>		<u>2,402,978.79</u>	<u>2,174,062.97</u>
<b>EXPENDITURE</b>			
Personal emoluments			
a) Salaries	1c	2,059,444.00	1,773,511.99
b) Provident fund		193,778.21	171,143.39
c) Allowances		<u>16,080.00</u>	<u>15,360.00</u>
Sub-total	6	2,269,302.21	1,960,015.38
Other charges	7	132,571.21	62,100.77
Central items	3	1,869.68	71,006.14
Rent and rates	4	-	-
Special one-off grant payments	7a	-	-
<b>TOTAL EXPENDITURE</b>		<u>2,403,743.10</u>	<u>2,093,122.29</u>
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>	8	<u>(764.31)</u>	<u>80,940.68</u>

The Annual Financial Report from pages 2 to 7 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

Li Kwok Tung, Donald  
Chairman



Lee Ching Yee, Jane  
Director



Date: 15<sup>th</sup> September, 2017

Date: 15<sup>th</sup> September, 2017

S.K.H. ST. SIMON'S SOCIAL SERVICES – SUBVENTED SERVICE UNITS  
NOTES TO 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 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 1<sup>st</sup> April, 2000. 6.8% and other posts represent those staff that are employed after 1<sup>st</sup> April, 2000.

The provident fund received and contributed for staff under the Central Items have been shown under 3. Details are analysed below:

<u>Provident Fund Contribution</u>	6.8% and		<u>Total</u> HK\$
	<u>Snapshot staff</u> HK\$	<u>other posts</u> HK\$	
Subvention received	-	133,844.00	133,844.00
Provident fund contribution paid during the year	-	(193,778.21)	(193,778.21)
Deficit for the year	-	(59,934.21)	(59,934.21)
Add: Surplus brought forward	-	108,213.88	108,213.88
Additional subvention received for previous years	-	-	-
Less: Refund to Government	-	-	-
Surplus carried forward	-	48,279.67	48,279.67

**S.K.H. ST. SIMON'S SOCIAL SERVICES – SUBVENTED SERVICE UNITS**

**NOTES TO 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 LSG Manual.

**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 Social Welfare Department'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 LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	<u>2016-17</u>	<u>2015-16</u>
	HK\$	HK\$
<b>a) Income</b>		
Time-defined Subsidy Scheme for Extended Hours Service Users	5,678.00	3,312.00
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Time-defined subsidy Scheme for Occasional Child Care Service	<u>37,100.00</u>	<u>37,100.00</u>
Total	<u>42,778.00</u>	<u>40,412.00</u>
<b>b) Expenditure</b>		
Time-defined subsidy Scheme for Extended Hours Service Users	1,869.68	986.34
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Time-defined subsidy Scheme for Occasional Child Care Service	-	-
Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential	<u>-</u>	<u>70,019.80</u>
Total	<u>1,898.68</u>	<u>71,006.14</u>
	- 4	-

**S.K.H. ST. SIMON'S SOCIAL SERVICES – SUBVENTED SERVICE UNITS**

**NOTES TO THE ANNUAL FINANCIAL REPORT**

**4. RENT AND RATES**

This represents the amount paid by Social Welfare Department in respect of premises recognised by Social Welfare Department. Expenditures on rent and rates in respect of premises not recognised by Social Welfare Department have not been included in the 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 the AFR. In this respect, donations have been included if it used to finance expenditure reflected in the AFR.

The breakdown on other income (paragraph 2.29 of LSG Manual (October 2016)) is as follows:

	<u>2016-17</u>	<u>2015-16</u>
	HK\$	HK\$
Other income		
(a) Fees and charges for services incidental to the operation of subvented services	-	-
(b) Others	-	-
Total	-	-

**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 – HK\$800,000 per annum	Nil	Nil
HK\$800,001 – HK\$900,000 per annum	Nil	Nil
HK\$900,001 – HK\$1,000,000 per annum	Nil	Nil
HK\$1,000,001 – HK\$1,100,000 per annum	Nil	Nil
HK\$1,100,001 – HK\$1,200,000 per annum	Nil	Nil
>HK\$1,200,000 per annum	Nil	Nil

**S.K.H. ST. SIMON'S SOCIAL SERVICES – SUBVENTED SERVICE UNITS**  
**NOTES TO THE ANNUAL FINANCIAL REPORT**

**7. OTHER CHARGES**

The breakdown on other charges is as follows:

	<u>2016-17</u>	<u>2015-16</u>
	HK\$	HK\$
a) Utilities	5,041.12	2,505.71
b) Food	8,864.00	7,123.20
c) Administrative expenses	8,233.87	7,911.34
d) Stores and equipment	68,332.86	17,750.69
e) Repairs and maintenance	4,639.06	2,585.86
f) Special allowances	-	-
g) Programme expenses	22,348.07	-
h) Transportation and travelling	53.30	22.60
i) Insurance	13,381.46	19,564.87
j) Miscellaneous	1,677.47	4,636.50
Total	<u>132,571.21</u>	<u>62,100.77</u>

**7a. SPECIAL ONE-OFF GRANT PAYMENTS**

Details of special one-off grant payments are as follows:

	<u>2016-17</u>	<u>2015-16</u>
	HK\$	HK\$
a) Voluntary retirement scheme	-	-
b) Compensation scheme	-	-
c) Staff training and development	-	-
d) Other staff-related initiatives	-	-
Total	<u>-</u>	<u>-</u>

S.K.H. ST. SIMON'S SOCIAL SERVICES – SUBVENTED SERVICE UNITS  
NOTES TO THE ANNUAL FINANCIAL REPORT

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

	Lump Sum Grant (LSG) HK\$	Special one-off grant (SOG) HK\$	Rent and rates HK\$	Central items HK\$	Total HK\$
<b>INCOME</b>					
Lump Sum Grant	2,256,528.00	-	-	-	2,256,528.00
Special one-off grant	-	-	-	-	-
Fee income	99,347.00	-	-	-	99,347.00
Other income	-	-	-	-	-
Interest received (Note 1)	4,325.79	-	-	-	4,325.79
Rent and rates	-	-	-	-	-
Central items	-	-	-	42,778.00	42,778.00
Total income (a)	2,360,200.79	-	-	42,778.00	2,402,978.79
<b>EXPENDITURE</b>					
Personal emoluments	2,269,302.21	-	-	-	2,269,302.21
Other charges	132,571.21	-	-	-	132,571.21
Rent and rates	-	-	-	-	-
Central items	-	-	-	1,869.68	1,869.68
Special one-off grant payments	-	-	-	-	-
Total expenditure (b)	2,401,873.42	-	-	1,869.68	2,403,743.10
Surplus/(Deficit) for the year (a) – (b)	(41,672.63)	-	-	40,908.32	(764.31)
Less: Deficit of provident fund Surplus/(Deficit) for the year Surplus b/f (Note 2)	(59,934.21)	-	-	-	(59,934.21)
	18,261.58	-	-	40,908.32	59,169.90
	679,134.16	-	1,200.00	119,316.66	799,650.82
	697,395.74	-	1,200.00	160,224.98	858,820.72
Less: Refund to Government	-	-	-	-	-
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note 3)	-	-	-	-	-
Surplus c/f (Note 4)	697,395.74	-	1,200.00	160,224.98	858,820.72

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.

(2) Accumulated balance of Lump Sum Grant Surplus b/f from previous years (including holding account) and all interest received in previous years should be included in the surplus b/f under LSG.

(3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule of Central Items.

(4) The level of LSG cumulative reserves, less LSG Reserve kept in the holding account, will be capped at 25% of the NGO's operating expenditure (excluding Provident Fund expenditure) for the year.



**SCHEDULE FOR CENTRAL ITEMS**

**ANALYSIS OF SUBVENTION AND EXPENDITURE FOR THE PERIOD FROM 1<sup>ST</sup> APRIL, 2016 TO 31<sup>ST</sup> MARCH, 2017**

**NAME OF AGENCY: S.K.H. ST. SIMON'S SOCIAL SERVICES**

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)	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)		
T544 Subsidy Scheme for Extended Hours Service (EHS) Users	Time-defined Subsidy Scheme for Extended Hours Service Users	5,678.00	1,869.68	3,808.32	-	N/A	-	2,325.66	6,133.98
6054 Training Subsidy for CCS/SCCW in Pre-School Rehabilitation Services	Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-School Rehabilitation Services	-	-	-	-	N/A	-	45,000.00	45,000.00
6357 Time-defined subsidy Scheme for Occasional Child Care Service	Time-defined subsidy Scheme for Occasional Child Care Service	37,100.00	-	37,100.00	-	N/A	-	71,991.00	109,091.00
<b>TOTAL</b>		<b>42,778.00</b>	<b>1,869.68</b>	<b>40,908.32</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>119,316.66</b>	<b>160,224.98</b>

/... Notes

## SCHEDULE FOR CENTRAL ITEMS

### ANALYSIS OF SUBVENTION AND EXPENDITURE FOR THE PERIOD FROM 1<sup>ST</sup> APRIL, 2016 TO 31<sup>ST</sup> MARCH, 2017

NAME OF AGENCY: S.K.H. ST. SIMON'S SOCIAL SERVICES

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 represent 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 Pt. 16 dated 20<sup>th</sup> July, 2016.
  - 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 the 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 code and name 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 Infirmity Care as allocated via SWD's letter ref SWD/S/E/RC/3 Pt. 6 dated 4<sup>th</sup> February, 2016 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.