

YOUTH OUTREACH

協青社

Annual Financial Report
for the year ended 31 March 2018

Review report to the Executive Committee of Youth Outreach

We have audited the financial statements of Youth Outreach ("the Association") for the year ended 31 March 2018 and have issued unqualified auditor's report thereon dated 11 October 2018.

We conducted our review of the attached Annual Financial Report on pages 2 to 11 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:
 - 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;
 - 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;
 - Prepared the Annual Financial Report in accordance with the format and requirements set out in the LSG Manual; and
 - Employed the staff quoted in the Tide-over Grant and Provident Fund arrangements during the year ended 31 March 2018.

This report is intended for filing with the Social Welfare Department of the Government of the HKSAR only and should not be used for any other purpose.



Certified Public Accountants

Hong Kong, 11 October 2018

Annual Financial Report

NGO: Youth Outreach (Agency code : 833)


1 April 2017 to 31 March 2018

	Notes	Total 2017-18 \$	Total 2016-17 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	12,376,467	11,864,875
b. Provident Fund #	1c	585,879	563,620
2. Special One-off Grant		-	-
3. Fee Income	2	240,300	309,065
4. Central Items #	3	-	-
5. Rent and Rates	4	752,977	727,772
6. Other Income	5	131,203	64,757
7. Interest Received		27	22
		14,086,853	13,530,111
TOTAL INCOME			
		14,086,853	13,530,111
B. EXPENDITURE			
1. Personal Emoluments *			
a. Salaries		11,697,372	10,589,458
b. Provident Fund	1c	504,776	431,858
c. Allowances		-	-
Sub-total	6	12,202,148	11,021,316
2. Other Charges	7	1,513,550	1,309,686
3. Central Items	3	-	-
4. Rent and Rates *	4	721,466	591,500
5. Special One-off Grant Payments	7a	-	-
		14,437,164	12,922,502
TOTAL EXPENDITURE			
		14,437,164	12,922,502
C. (DEFICIT)/SURPLUS FOR THE YEAR			
	8	(350,311)	607,609

* *Expense included absorption of supporting overheads of the organisation*

Income represent gross amount of grant before deduction of payback for prior year surplus

The Annual Financial Report on pages 2 to 11 have been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual



 Au King Chi
 President
 Date: 11 October 2018



 Tse Ching Yuen
 Executive Director
 Date: 11 October 2018

NOTES ON THE ANNUAL FINANCIAL REPORT

This Annual Financial Report relating to the years ended 31 March 2018 and 2017 does not constitute the Association's specified financial statements for those years as defined in section 436 of the Hong Kong Companies Ordinance but is derived therefrom.

The Association is required to deliver its financial statements to the Registrar of Companies and has done so for year ended 31 March 2017. The Association will file the statutory financial statements for the year ended 31 March 2018 to the Registrar of Companies.

Auditors' reports have been prepared on the specified financial statements for both years. The auditors' reports for both years:

- were not qualified;
- did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the reports; and
- did not contain a statement under section 406(2) or 407(2) or (3) of the Hong Kong Companies Ordinance.

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 April 2000.

6.8% and other posts represent those staff that are employed after 1 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>	Snapshot Staff	6.8% and Other Posts	Total
	\$	\$	\$
Subvention Received	-	585,879	585,879
Provident Fund Contribution Paid during the year	-	(504,776)	(504,776)
Surplus/(Deficit) for the Year	-	81,103	81,103
Add: Surplus/(Deficit) b/f Additional subvention received for previous year(s)	-	565,009	565,009
Less: Refund to Government	-	-	-
Surplus/(Deficit) c/f	-	646,112	646,112

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

	2017-18 \$	2016-17 \$
<u>a. Income</u>		
Dementia Supplement for Elderly with Disabilities	N/A	N/A
Infirmary Care Supplement for the Aged Blind Person	N/A	N/A
Dementia Supplement for Residential Elderly Services	N/A	N/A
Infirmary Care Supplement for Residential Elderly Services	N/A	N/A
Dementia Supplement for Day Care Centres/units for the Elderly	N/A	N/A
Foster Care Allowance/Emergency Foster Care Allowance	N/A	N/A
After School Care Programme -Fee Waiving Subsidy Scheme	N/A	N/A
Temporary Financial Aid	N/A	N/A
Emergency Fund	N/A	N/A
Time-defined Subsidy Scheme for Extended Hours Services Users	N/A	N/A
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	N/A	N/A
Short-term Rental Assistance	N/A	N/A
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	N/A	N/A
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy	N/A	N/A
NSCCP – Subsidy for Fee Reduction/waiving	N/A	N/A
NSCCP – Rent & Rates	N/A	N/A
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	N/A	N/A
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	N/A	N/A
Financial Incentive Scheme for Mentors of Employees with Disabilities	N/A	N/A
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities	N/A	N/A
Time-defined Subsidy Scheme for Occasional Child Care Services	N/A	N/A
Enhanced After School Care Programme – Fee Waiving Subsidy Scheme	N/A	N/A
Navigation Scheme for Young Persons in Care Services - Operating Expenses	N/A	N/A
Navigation Scheme for Young Persons in Care Services - Training Cost	N/A	N/A
Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services	N/A	N/A
One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly	N/A	N/A
One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	N/A	N/A
Total	-	-

	2017-18 \$	2016-17 \$
<u>b. Expenditure</u>		
Dementia Supplement for Elderly with Disabilities	N/A	N/A
Infirmiry Care Supplement for the Aged Blind Person	N/A	N/A
Dementia Supplement for Residential Elderly Services	N/A	N/A
Infirmiry Care Supplement for Residential Elderly Services	N/A	N/A
Dementia Supplement for Day Care Centres/units for the Elderly	N/A	N/A
Foster Care Allowance/Emergency Foster Care Allowance	N/A	N/A
After School Care Programme -Fee Waiving Subsidy Scheme	N/A	N/A
Temporary Financial Aid	N/A	N/A
Emergency Fund	N/A	N/A
Time-defined Subsidy Scheme for Extended Hours Services Users	N/A	N/A
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	N/A	N/A
Short-term Rental Assistance	N/A	N/A
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	N/A	N/A
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy	N/A	N/A
NSCCP – Subsidy for Fee Reduction/waiving	N/A	N/A
NSCCP – Rent & Rates	N/A	N/A
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	N/A	N/A
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	N/A	N/A
Financial Incentive Scheme for Mentors of Employees with Disabilities	N/A	N/A
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities	N/A	N/A
Time-defined Subsidy Scheme for Occasional Child Care Services	N/A	N/A
Enhanced After School Care Programme – Fee Waiving Subsidy Scheme	N/A	N/A
Navigation Scheme for Young Persons in Care Services - Operating Expenses	N/A	N/A
Navigation Scheme for Young Persons in Care Services - Training Cost	N/A	N/A
Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services	N/A	N/A
One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly	N/A	N/A
One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	N/A	N/A
Total	-	-

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. In this respect, donations have been included if it is used to finance expenditure reflected in the AFR.

The breakdown on Other Income (paragraph 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	131,203	64,757
(b) Others	-	-
Total	131,203	64,757

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:

Analysis of Personal Emoluments paid under LSG

	No. of Posts	\$
HK\$700,001 - HK\$800,000 p.a.	N/A	N/A
HK\$800,001 - HK\$900,000 p.a.	N/A	N/A
HK\$900,001 - HK\$1,000,000 p.a.	N/A	N/A
HK\$1,000,001 - HK\$1,100,000 p.a.	N/A	N/A
HK\$1,100,001 - HK\$1,200,000 p.a.	N/A	N/A
>HK\$1,200,000 p.a.	N/A	N/A

7. Other Charges

The breakdown on Other Charges is as follows:

	2017-18	2016-17
	\$	\$
<u>Other Charges</u>		
(a) Utilities	339,386	334,199
(b) Food	129,461	123,835
(c) Administrative Expenses	34,031	27,489
(d) Stores and Equipment	74,532	92,335
(e) Repair and Maintenance	23,142	5,946
(f) Special Allowances	-	-
(g) Programme Expenses	764,857	599,685
(h) Transportation and Travelling	11,392	12,708
(i) Insurance	134,104	110,652
(j) Miscellaneous	2,645	2,837
Total	1,513,550	1,309,686

7a. Special One-off Grant Payments

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

	2017-18	2016-17
	\$	\$
Special one-off Grant Payments		
(a) Voluntary Retirement Scheme	N/A	N/A
(b) Compensation Scheme	N/A	N/A
(c) Staff Training and Development	N/A	N/A
(d) Other Staff-related Initiatives	N/A	N/A
Total	N/A	N/A

8. Analysis of Lump Sum Grant Reserve and balance of other SWD subventions

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant* (SOG)	Rent and Rates*	Central Items*	Total
Income					
Lump Sum Grant	12,962,346	-	-	-	12,962,346
Special One-off Grant	-	-	-	-	-
Fee Income	240,300	-	-	-	240,300
Other Income	131,203	-	-	-	131,203
Interest Received (Note(1))	27	-	-	-	27
Rent and Rates	-	-	374,566	-	374,566
-Backpayment 15/16	-	-	378,411	-	378,411
Central Items	-	-	-	-	-
Total Income (a)	13,333,876	-	752,977	-	14,086,853
Expenditure					
Personal Emoluments	12,202,148	-	-	-	12,202,148
Other Charges	1,513,550	-	-	-	1,513,550
Rent and Rates	-	-	721,466	-	721,466
Central Items	-	-	-	-	-
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	13,715,698	-	721,466	-	14,437,164
Surplus/(Deficit) for the Year (a) - (b)	(381,822)	-	31,511	-	(350,311)
Less: Surplus/(Deficit) of Provident Fund	(81,103)	-	-	-	(81,103)
	(462,925)	-	31,511	-	(431,414)
Surplus/(Deficit) b/f (Note(2))	1,524,529	-	(709,083)	-	815,446
	1,061,604	-	(677,572)	-	384,032
Deficit absorbed by own resources	-	-	-	-	-
Less: Refund to Government	-	-	-	-	-
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))	-	-	-	-	-
Surplus/(Deficit) c/f (Note (4))	1,061,604	-	(677,572)	-	384,032

Notes:

* These are covered by separate assessments and subject to adjustments, if any.

- (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.
- (2a) Accumulated balance 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.
- (2b) Surplus of LSG c/f from 2016/17 is revised from 1,522,929 to 1,524,529 by adding 1,600 for the adjustment of fee income for the year 2015/16.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule for 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 Provident Fund expenditure) for the year.

Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1 April 2017 to 31 March 2018

Name of Agency: Youth Outreach (Agency Code: 833)

Annex 1

Unit Code and Name (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3)	Deficit for the Year			Surplus b/f (Note 5)	Surplus c/f (Note 6) (f) = (e)+(a)-(d)
					Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d) = (b) - (c)	Deficit (Note 3) (b)		
		\$	\$	\$	\$	\$	\$	\$	\$
833 - Youth Outreach	Dementia Supplement for Elderly with Disabilities (Note 8) Infirmary Care Supplement for the Aged Blind Person (Note 8) Dementia Supplement for Residential Elderly Services (Note 8) Infirmary Care Supplement for Residential Elderly Services (Note 8) Dementia Supplement for Day Care Centres/units for the Elderly Foster Care Allowance/Emergency Foster Care Allowance After School Care Programme -Fee Waiving Subsidy Scheme Temporary Financial Aid Emergency Fund Time-defined Subsidy Scheme for Extended Hours Services Users Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services Short-term Rental Assistance Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance) Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy NSCCP – Subsidy for Fee Reduction/waiving NSCCP – Rent & Rates Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services Financial Incentive Scheme for Mentors of Employees with Disabilities Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities Time-defined Subsidy Scheme for Occasional Child Care Services Enhanced After School Care Programme – Fee Waiving Subsidy Scheme Navigation Scheme for Young Persons in Care Services – Operating Expenses Navigation Scheme for Young Persons in Care Services – Training Cost Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities								
TOTAL		-	-	-	-	-	-	-	-

Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1 April 2017 to 31 March 2018

Annex 1

Notes:

1. The figures for the whole financial year can be extracted from the payroll for the 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 the letter ref. (12) in SWD/S/104/2 Pt. 10 dated 14 July 2011.
 - (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) Regularized 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 are extracted from the payroll from SWD.

Schedule for Rent and rates

Subvention and Expenditure for the period from 1 April 2017 to 31 March 2018

Agency: Youth Outreach

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus/ (Deficit) (Note 2)
5790 Residential Crisis Center	Rent (Note 3): Government Rent 17/18	29,090	51,574	(22,484)
	Building management fee 17/18	-	584,924	(584,924)
	Backpayment 15/16 -Government Rent	20,304	-	20,304
	-Building management fee	-	-	-
	Total	49,394	636,498	(587,104)
	Other Rental Items 17/18	293,088	-	293,088
	Rates 17/18	52,388	84,968	(32,580)
	Backpayment 15/16 -Rates	30,629	-	30,629
	-Other Rental Items	327,478	-	327,478
	Total	703,583	84,968	618,615
	Grand Total	752,977	721,466	31,511

Notes:

- The figures are 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.

**Schedule for Investment
Analysis of Investment as at 31 March 2018**

Agency: Youth Outreach (Agency code :833)

	2017-18 HK\$	2016-17 HK\$
LSG Reserve as at 31 March	<u>1,061,604</u>	<u>1,524,529</u>

Represented by :

Investments


a. HKD Bank Account Balances	1,061,604	1,524,529
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	-
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	<u>1,061,604</u>	<u>1,524,529</u>

Note:

(1) The investments should be reported at historical cost.

(2) LSG reserve as at 31 March 2017 is revised from 1,522,929 to 1,524,529 by adding 1,600 for the adjustment of fee income for the year 2015/16.

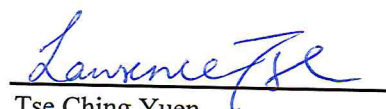
Confirmed by:-



Au King Chi

President

Date: 11 October 2018



Tse Ching Yuen

Executive Director

Date: 11 October 2018