

# Youth Outreach

協青社

Annual Financial Report  
for the year ended 31 March 2020

## 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 2020 and have issued unqualified auditor's report thereon dated 20 October 2020.

We conducted our review of the attached Annual Financial Report on pages 2 to 11 of the Association for the year ended 31 March 2020 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 2020:

- (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 2020.

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, 20 October 2020

## ANNUAL FINANCIAL REPORT

**NGO: Youth Outreach (Agency code :833)**

**(1 April 2019 to 31 March 2020)**

	Notes	Total 2019-20 \$	Total 2018-19 \$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	13,375,215	12,817,691
b. Provident Fund #	1c	644,509	612,304
2. Fee Income	2	268,840	194,170
3. Central Items #	3	223,802	-
4. Rent and Rates	4	377,524	375,706
5. Other Income	5	250,190	135,620
6. Interest Received		19	2,239
<b>TOTAL INCOME</b>		<b>15,140,099</b>	<b>14,137,730</b>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments *			
a. Salaries		11,680,004	11,837,560
b. Provident Fund	1c	657,315	912,590
c. Allowances		-	-
Sub-total	6	12,337,319	12,750,150
2. Other Charges	7	1,800,887	1,527,901
3. Central Items	3	136,517	-
4. Rent and Rates *	4	865,715	760,918
<b>TOTAL EXPENDITURE</b>	8	<b>15,140,438</b>	<b>15,038,969</b>
<b>C. DEFICIT FOR THE YEAR</b>		<b>(339)</b>	<b>(901,239)</b>

\* 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 from 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: 20 October 2020

  


---

 Lawrence Tse  
 Executive Director  
 Date: 20 October 2020

## NOTES ON THE ANNUAL FINANCIAL REPORT

This Annual Financial Report relating to the years ended 31 March 2020 and 2019 does not constitute the Association's specified financial statements for those years as defined in section 436 of 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 2019. The Association will file the statutory financial statements for the year ended 31 March 2020 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 **Note 3**. Details are analysed below:

<b><u>Provident Fund Contribution</u></b>	Snapshot Staff	6.8% and Other Posts	Total
	\$	\$	\$
Subvention Received	-	644,509	644,509
Provident Fund Contribution Paid during the year		(657,315)	(657,315)
Surplus/(Deficit) for the Year	-	(12,806)	(12,806)
<b>Add:</b> Surplus/(Deficit) b/f Additional subvention received for previous year(s)	-	345,826	345,826
<b>Less:</b> Refund to Government	-	-	-
<b>Surplus/(Deficit) c/f</b>	<b>-</b>	<b>333,020</b>	<b>333,020</b>

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

	2019-20	2018-19
	\$	\$
<b>a. Income</b>		
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 Service 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 – Subsidy for Incentive Payment	N/A	N/A
NSCCP – Rent and 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
Pilot Scheme on Multi-disciplinary Outreaching Support Teams for the Elderly (MOSTE)	N/A	N/A
Child Care Training for Grand parents	N/A	N/A
Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infectious Agent	86,078	N/A
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	137,724	N/A
<b>Total</b>	<b>223,802</b>	<b>-</b>

	2019-20	2018-19
	\$	\$
<b><u>b. Expenditure</u></b>		
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 Service 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 – Subsidy for Incentive Payment	N/A	N/A
NSCCP – Rent and 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
Pilot Scheme on Multi-disciplinary Outreaching Support Teams for the Elderly (MOSTE)	N/A	N/A
Child Care Training for Grand parents	N/A	N/A
Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infectious Agent	-	N/A
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	136,517	N/A
<b>Total</b>	<b>136,517</b>	<b>-</b>

**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 is as follows:

	2019-20	2018-19
	\$	\$
<b>Other Income</b>		
(a) Fees and charges for services incidental to the operation of subvented services	250,190	135,620
(b) Others	-	-
<b>Total</b>	<u>250,190</u>	<u>135,620</u>

**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:

	2019-20	2018-19
	\$	\$
<b>Other Charges</b>		
(a) Utilities	340,321	316,693
(b) Food	151,364	144,664
(c) Administrative Expenses	66,257	37,337
(d) Stores and Equipment	69,305	71,792
(e) Repair and Maintenance	106,787	34,774
(f) Special Allowances	-	-
(g) Programme Expenses	889,946	752,216
(h) Transportation and Travelling	18,257	16,231
(i) Insurance	151,621	149,665
(j) Miscellaneous	7,029	4,529
<b>Total</b>	<u>1,800,887</u>	<u>1,527,901</u>

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

	Lump Sum Grant (LSG)	Rent and Rates*	Central Items*	Total
<b>Income</b>				
Lump Sum Grant	14,019,724	-	-	14,019,724
Fee Income	268,840	-	-	268,840
Other Income	250,190	-	-	250,190
Interest Received (Note(1))	19	-	-	19
Rent and Rates	-	377,524	-	377,524
Central Items	-	-	223,802	223,802
<b>Total Income (a)</b>	<b>14,538,773</b>	<b>377,524</b>	<b>223,802</b>	<b>15,140,099</b>
<b>Expenditure</b>				
Personal Emoluments	12,337,319	-	-	12,337,319
Other Charges	1,800,887	-	-	1,800,887
Rent and Rates	-	865,715	-	865,715
Central Items	-	-	136,517	136,517
<b>Total Expenditure (b)</b>	<b>14,138,206</b>	<b>865,715</b>	<b>136,517</b>	<b>15,140,438</b>
<b>Surplus/(Deficit) for the Year (a) - (b)</b>	<b>400,567</b>	<b>(488,191)</b>	<b>87,285</b>	<b>(339)</b>
<u>Less:</u> Surplus/(Deficit) of Provident Fund	(12,806)			(12,806)
	413,373	(488,191)	87,285	12,467
<b>Surplus/(Deficit) b/f (Note(2))</b>	<b>845,863</b>	<b>(1,062,784)</b>	<b>-</b>	<b>(216,921)</b>
	1,259,236	(1,550,975)	87,285	(204,454)
Deficit absorbed by own resources	-	-	-	-
<u>Add:</u> Backpay from Government (back payment R&R 2016-2017)	-	209,280	-	209,280
<u>Less:</u> Refund to Government	-	-	-	-
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplementary (Note (3))				
<b>Surplus/(Deficit) c/f (Note (4))</b>	<b>1,259,236</b>	<b>(1,341,695)</b>	<b>87,285</b>	<b>4,826</b>

**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, 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 Infirmity Care Supplement, if any, as per Schedule of 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.





Unit Code and Name/ Remittance Advice No. (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)=(c)+(a)-(d)-(f)
					Deficit (Note 3) (b)	Adjusted Deficit (d) = (b) - (c)			
nnnn - xxxxxxxxxxxxxxxx	One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities				N.A.		N.A.	N.A.	N.A.
nnnn - xxxxxxxxxxxxxxxx	Pilot Scheme on Multi-disciplinary Outreaching Support Teams for the Elderly (MOSTE)				N.A.		N.A.	N.A.	N.A.
nnnn - xxxxxxxxxxxxxxxx	Project on Child Care Training for Grandparents - Contract Subsidy				N.A.		N.A.	N.A.	N.A.
nnnn - xxxxxxxxxxxxxxxx	Project on Child Care Training for Grandparents - Subsidy for Fee Reduction/Waiving				N.A.		N.A.	N.A.	N.A.
0833 Youth Outreach - 4286564	Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infectious Agent	86,078	-	86,078	N.A.	-	-	-	86,078
0833 Youth Outreach - 4286564	Special Allowance for Staff of Subvented Residential Care Service Units in respect of COVID-19	137,724	136,517	1,207	N.A.	-	-	-	1,207
<b>TOTAL</b>		223,802	136,517	87,285	-	-	-	-	87,285

**Notes:**

- The figures for the whole financial year are extracted from the payroll for March (Final) or remittance advice(s) issued by the Treasury 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. (33) in SWD/S/104/2 Pt. 18 dated 4 March 2020.
  - 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 / remittance advice no. are extracted from the payroll from SWD and remittance advice from the Treasury respectively.
- 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.

**Schedule for Rent and rates**

Subvention and Expenditure for the period from 1 April 2019 to 31 March 2020

Name of Agency: Youth Outreach

Unit Code and Name		Subvention Released (Note 1)	Actual Expenditure	Surplus/ (Deficit) (Note 2)
5790 Residential Crisis Center	Rent (Note 3): Government Rent 19/20	30,146	54,241	(24,095)
	Building management fee 19/20	-	723,418	(723,418)
	Total	30,146	777,659	(747,513)
	Other Rental Items 19/20	293,088	-	293,088
	Rates 19/20	54,290	88,056	(33,766)
	Total	347,378	88,056	259,322
	Grand Total	377,524	865,715	(488,191)

## Notes:

1. The figures are extracted from the payroll for March plus subvention released in late March of the financial year. Reimbursement for rent and rates relating to previous financial years (i.e. back payments) are not included.
2. Surplus/Deficit for each element represents the difference between subvention released and actual 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 31 March 2020**

**Agency: Youth Outreach (Agency code :833)**

	2019-20 HK\$	2018-19 HK\$
<b>LSG Reserve as at 31 March</b>	1,259,236	845,863
 <b>Represented by :</b>		
<b>Investments</b>		
a. HKD Bank Account Balances	1,259,236	845,863
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	-
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	1,259,236	845,863

Note: The investments should be reported at historical cost.

**Confirmed by:-**

  
 \_\_\_\_\_  
 Au King Chi  
 President  
 Date: 20 October 2020

  
 \_\_\_\_\_  
 Tse Ching Yuen  
 Executive Director  
 Date: 20 October 2020