

METHODIST CENTRE

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2022**



華德會計師事務所

CW CPA Certified Public Accountants

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ANNUAL FINANCIAL REPORT

NGO: METHODIST CENTRE

1 APRIL 2021 TO 31 MARCH 2022

	Notes	2021-22 HK\$	2020-21 HK\$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	61,206,194.00	47,756,266.00
b. Provident Fund	1c	4,336,681.00	3,585,170.00
2. Fee Income	2	905,565.30	190,657.50
3. Central Items	3	23,742,868.00	23,898,432.00
4. Rent and Rates	4	696,709.00	654,709.00
5. Other Income	5	1,721,086.20	1,417,653.41
6. Interest Received		31,141.15	109,402.34
TOTAL INCOME		<u>92,640,244.65</u>	<u>77,612,290.25</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		56,003,815.88	41,638,742.21
b. Provident Fund	1c	3,872,366.26	2,900,494.00
c. Allowances		0.00	0.00
Sub-total	6	59,876,182.14	44,539,236.21
2. Other Charges	7	6,766,484.50	4,731,228.90
3. Central Items	3	25,585,812.09	18,373,181.37
4. Rent and Rates	4	1,213,031.35	918,332.00
TOTAL EXPENDITURE		<u>93,441,510.08</u>	<u>68,561,978.48</u>
C. (DEFICIT) / SURPLUS FOR THE YEAR		<u>(801,265.43)</u>	<u>9,050,311.77</u>

The Annual Financial Report from pages 1 to 7 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



Rev Yu Yan Ming
CHAIRMAN
Date: 28 SEP 2022



Wong Man Lai
NGO HEAD
Date: 28 SEP 2022

NOTES TO THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant (LSG)

- 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. The Provident Fund received and contributed for staff under the Central Items have been shown under **Note 3**. Details are analysed below :

<u>Provident Fund Contribution</u>	Snapshot Staff HK\$	6.8% and Other Posts HK\$	Total HK\$
Subvention Received	746,172.00	3,590,509.00	4,336,681.00
Provident Fund Contribution paid during the year	<u>(620,895.45)</u>	<u>(3,251,470.81)</u>	<u>(3,872,366.26)</u>
Surplus for the year	125,276.55	339,038.19	464,314.74
Add : Surplus b/f	438,048.83	5,754,658.74	6,192,707.57
Additional subvention received for previous year(s)	0.00	19,871.00	19,871.00
Adjustment for accounting inspection 2019/20	0.00	398,083.88	398,083.88
Less : Refund to Government	(28,989.00)	0.00	(28,989.00)
Adjustment for accounting inspection 2019/20	<u>(383,532.38)</u>	<u>0.00</u>	<u>(383,532.38)</u>
Surplus c/f	<u>150,804.00</u>	<u>6,511,651.81</u>	<u>6,662,455.81</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.

NOTES TO THE ANNUAL FINANCIAL REPORT (continued)

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:

	2021-22	2020-21
	HK\$	HK\$
a. Income		
After School Care Programme	479,232.00	301,728.00
Training Sponsorship Scheme for Master in Occupational Therapy	1,280,000.00	640,000.00
Time-defined Subsidy Scheme for Occasional Child Care Services	5,300.00	5,300.00
Pilot Scheme on Multi-Disciplinary Outreach Support Teams for the Elder (MOSTE) - HKE Cluster	20,823,996.00	20,814,996.00
MOSTE - Annual Rent and Rates	835,130.00	1,694,390.00
Child Care Training for Grandparents - Contract Subsidy	115,973.00	238,945.00
Time-defined Allocation of Ethnic Minority District Ambassador Posts - salary and provident fund	187,114.00	203,073.00
Time-defined Allocation of Ethnic Minority District Ambassador Posts - other charges	16,123.00	0.00
Total	23,742,868.00	23,898,432.00
b. Expenditure		
After School Care Programme	355,680.00	174,777.00
Training Sponsorship Scheme for Master in Occupational Therapy	640,000.00	270,000.00
Pilot Scheme on Multi-Disciplinary Outreach Support Teams for the Elder (MOSTE) - HKE Cluster	22,720,762.97	16,135,115.92
MOSTE - Annual Rent and Rates	1,676,260.00	1,694,390.00
Child Care Training for Grandparents - Contract Subsidy	17,033.87	8,895.60
Time-defined Allocation of Ethnic Minority District Ambassador Posts - salary and provident fund	175,875.25	90,002.85
Time-defined Allocation of Ethnic Minority District Ambassador Posts - other charges	200.00	0.00
Total	25,585,812.09	18,373,181.37

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.

NOTES TO THE ANNUAL FINANCIAL REPORT (continued)

- 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:

	2021-22	2020-21
Other Income	HK\$	HK\$
(a) Fees and charges for services incidental to the operation of subvented services	0.00	0.00
(b) Utilised allocation under Central Items (CI) - After School Care Programme (ASCP) / Enhanced ASCP - Fee Waiving Subsidy Scheme (FWSS) which forms as part of Other Income*	479,232.00	301,728.00
(c) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	0.00	0.00
(d) Others	1,721,086.20	1,417,653.41
Sub-Total	2,200,318.20	1,719,381.41
Less: Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS which forms as part of Other Income *	(479,232.00)	(301,728.00)
Total	1,721,086.20	1,417,653.41

* For those programmes which are regarded as FSA-related activities only

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\$
HK\$700,001 - HK\$800,000 p.a.	5	3,629,140.04
HK\$800,001 - HK\$900,000 p.a.		
HK\$900,001 - HK\$1,000,000 p.a.		
HK\$1,000,001 - HK\$1,100,000 p.a.		
HK\$1,100,001 - HK\$1,200,000 p.a.		
> HK\$1,200,000 p.a.	1	1,589,112.00

NOTES TO THE ANNUAL FINANCIAL REPORT (continued)

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

	2021-22	2020-21
Other Charges	HK\$	HK\$
(a) Utilities	449,905.40	317,108.00
(b) Food	420,591.00	146,289.20
(c) Administrative Expenses	334,957.84	263,444.47
(d) Stores and Equipment	1,372,554.52	1,244,170.86
(e) Repair and Maintenance	729,440.10	541,552.69
(f) Programme Expenses	2,441,978.47	1,638,366.73
(g) Transportation and Travelling	318,515.67	151,050.43
(h) Insurance	751,403.29	456,107.19
(i) Miscellaneous	426,370.21	274,867.33
Sub-Total	7,245,716.50	5,032,956.90
<u>Less:</u> Utilised allocation under CI - ASCP / Enhanced ASCP – FWSS * which forms as part of Other Income to fund the operating expenses of FSA-related activities	(479,232.00)	(301,728.00)
Total	6,766,484.50	4,731,228.90

* For those programmes which are regarded as FSA-related activities only

NOTES TO THE ANNUAL FINANCIAL REPORT (continued)

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

	Lump Sum Grant (LSG)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP - FWSS	Rent and Rates	Central Items (CI)	Total
	HKS	HKS	HKS	HKS	HKS
Income					
Lump Sum Grant	65,542,875.00				65,542,875.00
Fee Income	905,565.30				905,565.30
Other Income	2,200,318.20	(479,232.00)			1,721,086.20
Interest Received (Note (1))	31,141.15				31,141.15
Rent and Rates			696,709.00		696,709.00
Central Items				23,742,868.00	23,742,868.00
Total Income (a)	68,679,899.65	(479,232.00)	696,709.00	23,742,868.00	92,640,244.65
Expenditure					
Personal Emoluments	59,876,182.14				59,876,182.14
Other Charges	7,245,716.50	(479,232.00)			6,766,484.50
Rent and Rates			1,213,031.35		1,213,031.35
Central Items				25,585,812.09	25,585,812.09
Total Expenditure (b)	67,121,898.64	(479,232.00)	1,213,031.35	25,585,812.09	93,441,510.08
Surplus/(Deficit) for the Year (a) - (b)	1,558,001.01	0.00	(516,322.35)	(1,842,944.09)	(801,265.43)
Less : Surplus/(Deficit) of Provident Fund	464,314.74	0.00	0.00	0.00	464,314.74
Surplus/(Deficit) b/f (Note (2))	1,093,686.27	0.00	(516,322.35)	(1,842,944.09)	(1,265,580.17)
	13,664,826.06	0.00	(533,477.02)	8,727,637.60	21,858,986.64
<u>Add</u> : Refund from Government					
<u>Less</u> : Refund to Government			(39,366.00)	(144,734.00)	(184,100.00)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement (Note (3))					
Adjustment for Accounting Inspection 2019/20 Ref: SWD SF/SI/4-165/143(712) III	(63,384.00)				(63,384.00)
Adjustment for utilised allocation under Enhanced ASCP - FWSS* (over-estimated) / under-estimated in previous year(s)					
Surplus/(Deficit) c/f (Note (4))	14,695,128.33	0.00	(1,089,165.37)	6,739,959.51	20,345,922.47

NOTES TO THE ANNUAL FINANCIAL REPORT (continued)

8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions (continued)

Notes:

** For those programmes which are regarded as FSA-related activities only*

- (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 LSG 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 (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.



Partners

黃華榮 執業會計師
THOMAS W S WONG, FCPA (Practising)

蔡懿德 執業會計師
ROSANNA Y T CHOI, FCPA (Practising)

REVIEW REPORT TO THE BOARD OF DIRECTORS OF METHODIST CENTRE ("THE CENTRE")

We have audited the combined financial statements of the Centre (including those Operation Units with and without SWD subventions) for the year ended 31 March 2022 (the "Combined Financial Statements") and have issued an unqualified auditors' report thereon dated **28 SEP 2022**.

We conducted our review of the attached Annual Financial Report on pages 1 to 7 of the Centre in relation to those Operation Units with SWD Subventions for the year ended 31 March 2022 (the "AFR") 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 AFR and performing procedures to satisfy ourselves that the AFR 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 Combined Financial Statements of the Centre for the year ended 31 March 2022:

- (a) in our opinion the AFR 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 Hong Kong Special Administrative Region;
 - iii. prepared the AFR 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 2022.

This report is intended for filing with the Social Welfare Department of the Government of the Hong Kong Special Administrative Region and should not be used for any other purpose.

CW CPA
Certified Public Accountants

HONG KONG, **28 SEP 2022**

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Schedule for Central Items
Analysis of Subvention and Expenditure for the period from 1 April 2021 to 31 March 2022

Name of NGO : Methodist Centre

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)	Adjustment (Note 9) (g)	Surplus c/f (Note 6) (g)=(e)+(a)-(d)-(-f)+/-(g)	
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d) = (b)-(c)					
		\$	\$	\$	\$		\$	\$			\$	
3225	After School Care Programme	After School Care Programme	479,232.00	355,680.00	123,552.00	0.00	N.A.	0.00	489,990.90	0.00	0.00	613,542.90
6584	DECC	Training Sponsorship Scheme for MOT/MPT programmes	1,280,000.00	640,000.00	640,000.00	0.00	N.A.	0.00	640,000.00	0.00	0.00	1,280,000.00
6366	Subsidy Scheme For OCC Service (Time-Defined)	Subsidy Scheme For OCC Service (Time-Defined)	5,300.00	0.00	5,300.00	0.00	N.A.	0.00	5,300.00	5,300.00	0.00	5,300.00
5844	Pilot Scheme on Multi- Disciplinary Outreaching Support Teams for the Elderly - HKE Cluster	Pilot Scheme on Multi-Disciplinary Outreaching Support Teams for The Elderly (MOSTE)	20,823,996.00	22,720,762.97	0.00	1,896,766.97	N.A.	1,896,766.97	7,126,255.15	0.00	0.00	5,229,488.18
5844	Pilot Scheme on Multi- Disciplinary Outreaching Support Teams for the Elderly - HKE Cluster	MOSTE – Annual Rent and Rates	835,130.00	1,676,260.00	0.00	841,130.00	N.A.	841,130.00	0.00	139,434.00	0.00	(980,564.00)
3220	Subsidy For Child Care Training for Grandparents	Child Care Training for Grandparents - Contract Subsidy	115,973.00	17,033.87	98,939.13	0.00	N.A.	0.00	353,021.40	0.00	0.00	451,960.53
6584	DECC	Time-defined Allocation of Ethnic Minority District Ambassador Posts - Salary and Mandatory Provident Fund	187,114.00	175,875.25	11,238.75	0.00	N.A.	0.00	113,070.15	0.00	0.00	124,308.90
6584	DECC	Time-defined Allocation of Ethnic Minority District Ambassador Posts - Other Charges	16,123.00	200.00	15,923.00	0.00	N.A.	0.00	0.00	0.00	0.00	15,923.00
Total			23,742,868.00	25,585,812.09	894,952.88	2,737,896.97	0.00	2,737,896.97	8,727,637.60	144,734.00	0.00	6,739,959.51

Schedule for Central Items
Analysis of Subvention and Expenditure for the period from 1 April 2021 to 31 March 2022 (continued)

Name of NGO : **Methodist Centre**

Notes:

1. The figures for the whole financial year are extracted from the payroll for March (Final) or remittance advice(s) issued by the Treasury or allocation letter(s) issued by Social Welfare Department 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 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.
 - (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
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 less refund to Government plus surplus, if any, arising from operations in current year.
7. Unit code and name / remittance advice no. are extracted from the payroll from SWD and remittance advice from the Treasury respectively.
8. 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.
9. For ASCP/ Enhanced ASCP, the adjustment includes the amount of expenditure overstated / (understated) in previous year(s) after taking into account the actual claw-back amount(s) per SWD's allocation letter(s), if any.
10. For NGOs with Visiting Medical Practitioner Service Team which arrange delivery of the service under the Programme to all private and self-financing RCHEs, RCHDs as well as contract homes operated by private operators only.

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period
from 1 April 2021 to 31 March 2022

Name of NGO : Methodist Centre

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
5240		\$	\$	\$	\$
Aldrich Bay IT Cum CSSS	Rent (Note 3)	39,975.00	99,756.00	0.00	(59,781.00)
	Rates	53,666.00	44,160.00	9,506.00	0.00
	Total :	93,641.00	143,916.00	9,506.00	(59,781.00)
7895					
Wanchai DECC	Rent (Note 3)	429,408.00	598,104.00	0.00	(168,696.00)
	Rates	131,660.00	101,800.00	29,860.00	0.00
	Total :	561,068.00	699,904.00	29,860.00	(168,696.00)
5244					
Integrated Home Care Services	Rent (Note 3)	42,000.00	45,600.00	0.00	(3,600.00)
	Rates	0.00	0.00	0.00	0.00
	Total :	42,000.00	45,600.00	0.00	(3,600.00)
6690					
Enhanced Home & Care Services-Eastern	Rent (Note 3)	0.00	100,493.74	0.00	(100,493.74)
	Rates	0.00	223,117.61	0.00	(223,117.61)
	Total :	0.00	323,611.35	0.00	(323,611.35)
	Grand Total :	696,709.00	1,213,031.35	39,366.00	(555,688.35)

Notes:

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year.
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 (Year)

Name of NGO: Methodist Centre

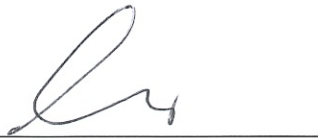
	2022 HK\$	2021 HK\$
LSG Reserve as at 31 March	<u>14,695,128.33</u>	<u>13,664,626.06</u>
Represented by :		
Investments		
a. HKD Bank Account Balances	3,896,854.27	2,881,958.02
b. HKD 24-hour Call Deposits	0.00	0.00
c. HKD Fixed Deposits	10,798,274.06	10,782,868.04
d. HKD Certificate of Deposits	0.00	0.00
e. HKD Bonds (see appendix for breakdown)	<u>0.00</u>	<u>0.00</u>
	<u>14,695,128.33</u>	<u>13,664,826.06</u>

Note : The investments should be reported at historical cost.

Confirmed by :



Rev Yu Yan Ming
CHAIRMAN
Date: 28 SEP 2022



Wong Man Lai
NGO HEAD
Date: 28 SEP 2022