

METHODIST CENTRE

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**



華德會計師事務所

CW CPA Certified Public Accountants

W www.cwhkcpa.com | **E** cw@cwhkcpa.com

ANNUAL FINANCIAL REPORT

NGO: METHODIST CENTRE

1 APRIL 2020 TO 31 MARCH 2021

	Notes	2020-21 HK\$	2019-20 HK\$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	47,756,266.00	32,745,188.00
b. Provident Fund	1c	3,585,170.00	2,771,612.00
2. Fee Income	2	190,657.50	1,592,936.50
3. Central Items	3	23,898,432.00	18,589,866.00
4. Rent and Rates	4	654,709.00	2,549,726.00
5. Other Income	5	1,417,653.41	2,199,201.84
6. Interest Received		109,402.34	74,832.83
TOTAL INCOME		<u>77,612,290.25</u>	<u>60,523,363.17</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		41,638,742.21	31,550,975.84
b. Provident Fund	1c	2,900,494.00	2,279,533.59
c. Allowances		0.00	0.00
Sub-total	6	44,539,236.21	33,830,509.43
2. Other Charges	7	4,731,228.90	5,903,027.49
3. Central Items	3	18,373,181.37	16,736,510.68
4. Rent and Rates	4	918,332.00	2,527,968.00
TOTAL EXPENDITURE		<u>68,561,978.48</u>	<u>58,998,015.60</u>
C. SURPLUS FOR THE YEAR	8	<u>9,050,311.77</u>	<u>1,525,347.57</u>

The Annual Financial Report from pages 1 to 5 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



Rev Yu Yan Ming
CHAIRMAN
Date: - 5 OCT 2021



Wong Man Lai
NGO HEAD
Date: - 5 OCT 2021

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 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 should be 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	804,038.00	2,781,132.00	3,585,170.00
Provident Fund Contribution Paid during the Year	766,467.00	2,134,027.00	2,900,494.00
Surplus/(Deficit) for the Year	37,571.00	647,105.00	684,676.00
Add : Surplus/(Deficit) b/f Additional Subvention received for previous year(s)	459,674.83	5,097,839.74	5,557,514.57
	0.00	9,714.00	9,714.00
Less: Refund to Government	(59,197.00)	0.00	(59,197.00)
Surplus/(Deficit) c/f	438,048.83	5,754,658.74	6,192,707.57

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 should be separately included as part of income and expenditure of relevant items (paragraph 3.14 of LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	2020-21	2019-20
	HK\$	HK\$
a. Income		
After School Care Programme	301,728.00	129,600.00
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy Programmes	640,000.00	270,000.00
Time-defined Subsidy Scheme for Occasional Child Care Services	5,300.00	5,300.00
Pilot Scheme on Multi-Disciplinary Outreaching Support Teams for the Elderly (MOSTE) - HKE Cluster	20,814,996.00	18,019,736.00
MOSTE – Annual Rent and Rates	1,694,390.00	0.00
Child Care Training for Grandparents	238,945.00	122,972.00
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	0.00	42,258.00
Ethnic Minority District Ambassador Posts	203,073.00	0.00
Total	23,898,432.00	18,589,866.00
	2020-21	2019-20
	HK\$	HK\$
b. Expenditure		
After School Care Programme	174,777.00	90,800.00
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy Programmes	270,000.00	270,000.00
Pilot Scheme on Multi-Disciplinary Outreaching Support Teams for the Elderly - HKE Cluster	16,135,115.92	16,375,710.68
MOSTE – Annual Rent and Rates	1,694,390.00	0.00
Child Care Training for Grandparents	8,895.60	0.00
Ethnic Minority District Ambassador Posts	90,002.85	0.00
Total	18,373,181.37	16,736,510.68

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 in the AFR.

The breakdown on Other Income is as follows:

	2020-21	2019-20
Other Income	HK\$	HK\$
(a) Fees and charges for services incidental to the operation of subvented services	0.00	0.00
(b) Others	<u>1,417,653.41</u>	<u>2,199,201.84</u>
Total	<u>1,417,653.41</u>	<u>2,199,201.84</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:

<u>Analysis of Personal Emoluments Paid under LSG</u>	No. of Posts	HK\$
HK\$700,001 - HK\$800,000 p.a.	2	1,456,610.40
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.	2	2,760,207.00

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

	2020-21	2019-20
Other Charges	HK\$	HK\$
(a) Utilities	317,108.00	410,055.60
(b) Food	146,289.20	604,335.40
(c) Administrative Expenses	263,444.47	255,886.33
(d) Stores and Equipment	1,244,170.86	1,063,043.13
(e) Repair and Maintenance	541,552.69	543,711.33
(f) Special Allowances	0.00	0.00
(g) Programme Expenses	1,336,638.73	2,473,958.13
(h) Transportation and Travelling	151,050.43	72,321.20
(i) Insurance	456,107.19	351,825.28
(j) Miscellaneous	<u>274,867.33</u>	<u>127,891.09</u>
Total	<u>4,731,228.90</u>	<u>5,903,027.49</u>

NOTES TO THE ANNUAL FINANCIAL REPORT (continued)

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

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP- FWSS	Rent and Rates	Central Items	Total
	HKS	HKS	HKS	HKS	HKS
Income					
Lump Sum Grant	51,341,436.00				51,341,436.00
Fee Income	190,657.50				190,657.50
Other Income	1,417,653.41				1,417,653.41
Interest Received (Note (1))	109,402.34				109,402.34
Rent and Rates			654,709.00		654,709.00
Central Items				23,898,432.00	23,898,432.00
Total Income (a)	53,059,149.25	0.00	654,709.00	23,898,432.00	77,612,290.25
Expenditure					
Personal Emoluments	44,539,236.21				44,539,236.21
Other Charges	4,731,228.90				4,731,228.90
Rent and Rates		*	918,332.00		918,332.00
Central Items				18,373,181.37	18,373,181.37
Total Expenditure (b)	49,270,465.11	0.00	918,332.00	18,373,181.37	68,561,978.48
Surplus/(Deficit) for the Year (a) – (b)	3,788,684.14	0.00	(263,623.00)	5,525,250.63	9,050,311.77
Less : Surplus/(Deficit) of Provident Fund	684,676.00	0.00	0.00	0.00	684,676.00
	3,104,008.14	0.00	(263,623.00)	5,525,250.63	8,365,635.77
Surplus/(Deficit) b/f (Note (2))	10,560,817.92	0.00	(389,137.02)	3,249,944.97	13,421,625.87
Add : Refund from Government			124,345.00		124,345.00
Less : Refund to Government			(5,062.00)	(47,558.00)	(52,620.00)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement (Note (3))					
Adjustment for utilized allocation under Enhanced ASCP – FWSS (over-estimated) / under-estimated in previous year(s)					
Surplus/(Deficit) c/f (Note (4))	13,664,826.06	0.00	(533,477.02)	8,727,637.60	21,858,986.64

NOTES TO THE ANNUAL FINANCIAL REPORT (continued)

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

Notes :

- (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

黃華燊 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 2021 (the “Combined Financial Statements”) and have issued an unqualified auditors’ report thereon dated 5 October 2021.

We conducted our review of the attached Annual Financial Report on pages 1 to 5 of the Centre in relation to those Operation Units with SWD Subventions for the year ended 31 March 2021 (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 2021:

- (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 2021.

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, - 5 OCT 2021

● Hong Kong 香港

Suites 2111-13, 21/F, Prudential Tower,
 The Gateway, Harbour City,
 21 Canton Road, Tsimshatsui,
 Kowloon, Hong Kong
 香港九龍尖沙咀廣東道21號海港城
 英國保誠保險大樓21樓2111-13室
 Tel: +852 2956 3798

● Shenzhen 深圳

Room 5, 15/F, Yunsong Building,
 No. 8 Terna Road, Chegongmiao, Futian District,
 Shenzhen 518040, China
 深圳市福田區車公廟泰然八路
 雲松大廈15層05室
 郵編: 518040
 Tel: +86 (755) 8273 5001

● Guangzhou 廣州

Room 048, 11/F, International Finance Centre,
 No. 5 Zhujiang West Road, Tianhe District,
 Guangzhou 510000, China
 廣州市天河區珠江西路5號
 國際金融中心11層048室
 郵編: 510000
 Tel: +86 (20) 8135 0412

● Shanghai 上海

Room 2591, 25/F, Shanghai Central Plaza,
 No. 381 Middle Huailhai Road, Huangpu District,
 Shanghai 200020, China
 中國上海市黃浦區淮海中路381號
 中環廣場25樓2591室
 郵編: 200020
 Tel: +86 (21) 6032 3609

● Barcelona 巴塞隆納

c/o ILV Silver
 C/ Santaló 10, 1º
 08021 Barcelona
 Spain
 Tel: +34 911 436 488

● London 倫敦

35 Little Russell Street
 London, WC1A 2HH
 UK

● Bogotá 波哥大

Carrera 15 # 99-13,
 Office 411, Bogotá
 Colombia
 Tel: +57 313 3818759

Schedule for Central Items
Analysis of Subvention and Expenditure for the period from 1 April 2020 to 31 March 2021

Annex 1

Name of NGO : Methodist Centre

Unit Code and Name (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit (Note 3) (b)	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 transferred to LSG (Note 4) (c)	Adjusted Deficit (d)=(b)+(c)			
3225 After School Care Programme	After School Care Programme	\$ 301,728.00	\$ 174,777.00	\$ 126,951.00	\$ 0.00	N.A.	0.00	\$ 363,039.90	0.00	\$ 489,990.90
6584 DECC	Training Sponsorship Scheme For Two year MOT/MPT programme of POLYU	640,000.00	270,000.00	370,000.00	0.00	N.A.	0.00	270,000.00	0.00	640,000.00
6366 Time-Defined Subsidy Scheme For Occasional Child Care Service	Time-defined Subsidy Scheme For Occasional Child Care Service	5,300.00	0.00	5,300.00	0.00	N.A.	0.00	5,300.00	5,300.00	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)	20,814,996.00	16,135,115.92	4,679,880.08	0.00	N.A.	0.00	2,446,375.07	0.00	7,126,255.15
5844 Pilot Scheme on Multi-Disciplinary Outreaching Support Teams for the Elderly - HKE Cluster	MOSTE - Annual Rent and Rates	1,694,390.00	1,694,390.00	0.00	0.00	N.A.	0.00	0.00	0.00	0.00
3220 Subsidy For Child Card Training For Grandparents - Contract Sum	Project on Child Care Training for Grandparents - Contract Subsidy	238,945.00	8,895.60	230,049.40	0.00	N.A.	0.00	122,972.00	0.00	353,021.40
6584 DECC	Ethnic Minority District Ambassador Posts	203,073.00	90,902.85	113,070.15	0.00	N.A.	0.00	0.00	0.00	113,070.15
5244 Integrated Home Care Services	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	0.00	0.00	0.00	0.00	N.A.	0.00	42,258.00	42,258.00	0.00
Total		23,898,432.00	18,373,181.37	5,525,250.63	0.00	0.00	0.00	3,249,944.97	47,558.00	8,727,637.60

Notes:

- The figures for the whole financial year are extracted from the paylist for March (Final) of remittance advice(s) issued by the Treasury or allocation letter(s) issued by Social Welfare Department 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.e. 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
 - Dementia 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 paylist 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.
- 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.

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period
from 1 April 2020 to 31 March 2021

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	98,268.00	0.00	(58,293.00)
	Rates	53,666.00	47,760.00	5,906.00	0.00
	Total :	93,641.00	146,028.00	5,906.00	(58,293.00)
7895					
Wanchai DECC	Rent (Note 3)	429,408.00	598,104.00	0.00	(168,696.00)
	Rates	131,660.00	98,200.00	33,460.00	0.00
	Total :	561,068.00	696,304.00	33,460.00	(168,696.00)
5244					
Integrated Home Care Services	Rent (Note 3)	0.00	45,600.00	0.00	(45,600.00)
	Rates	0.00	0.00	0.00	0.00
	Total :	0.00	45,600.00	0.00	(45,600.00)
6690					
Enhanced Home & Care Services-Eastern	Rent (Note 3)	0.00	30,400.00	0.00	(30,400.00)
	Rates	0.00	0.00	0.00	0.00
	Total :	0.00	30,400.00	0.00	(30,400.00)
	Grand Total :	654,709.00	918,332.00	39,366.00	(302,989.00)

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, 2021

Name of NGO : Methodist Centre

	2021 <u>HK\$</u>	2020 <u>HK\$</u>
LSG Reserve as at 31 March	<u>\$13,664,826.06</u>	<u>\$10,560,817.92</u>
Represented by :		
Investments		
a. HKD Bank Account Balances	\$2,881,958.02	\$4,846,065.06
b. HKD 24-hour Call Deposits	\$0.00	\$0.00
c. HKD Fixed Deposits	\$10,782,868.04	\$5,714,752.86
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><u>\$13,664,826.06</u></u>	<u><u>\$10,560,817.92</u></u>

Note : The investments should be reported at historical cost.

Confirmed By: -



Rev Yu Yan Ming
Chairman

Date : -5 OCT 2021



Wong Man Lai
NGO Head

Date : -5 OCT 2021