Modern CPA Limited

Certified Public Accountants, Hong Kong

METHODIST CENTRE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31ST MARCH 2015

ANNUAL FINANCIAL REPORT
NGO : METHODIST CENTRE
1 APRIL 2014 TO 31 MARCH 2015

	Notes	2014 - 2015 $	2013 - 2014 $
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	22,194,388.00	19,797,248.00
b. Provident Fund	1c	2,192,284.00	1,871,968.00
2. Special One-off grant		0.00	0.00
3. Fee Income	2	380,316.30	248,089.50
4. Central Items	3	1,021,151.00	2,339,912.00
5. Rent and Rates	4	651,624.00	638,711.18
6. Other Income	5	3,916,997.77	4,502,127.48
7. Interest Received		7,096.55	4,619.13
TOTAL INCOME		30,363,857.62	29,402,675.29
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		20,922,694.00	18,917,633.00
b. Provident Fund	1c	1,682,571.91	1,548,783.15
c. Allowances		0.00	0.00
Sub-total	6	22,605,265.91	20,466,416.15
2. Other Charges	7	4,853,416.50	5,446,514.42
3. Central Items	3	1,052,175.70	2,384,080.35
4. Rent and Rates	4	681,117.00	635,424.00
5. Special One-off Grant Payments	7a	0.00	0.00
TOTAL EXPENDITURE		29,191,975.11	28,932,434.92
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	1,171,882.51	470,240.37

SIGNATURE

CHAIRMAN
DATE : 19 FEB 2016

NGO HEAD
DATE : 19 FEB 2016

NOTES ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant

a. Basis of preparation

The Annual Financial Report (AFR) is prepared **on cash basis,** that is, income is recognised upon receipts of cash and expenditure is recognised when expenses are paid. **Non-cash items** like depreciation, provisions and accruals have **not be included** in the AFR.

b. Lump Sum Grant (excluding Provident Fund)

This represents LSG (excluding Provident Fund) received for the year.

b. 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 post as at 1 April 2000.
6.8% and other posts represent those staff that are employed after 1 April 2000.
Please note that the PF received and contributed for staff under the Central Items should be shown under 3.
Details are analysed below :

Provident Fund Contribution	**Snapshot Staff**	**6.8% and Other Posts**	**Total**
	$	$	$
Subvention Received	1,112,761.00	1,079,523.00	2,192,284.00
Provident Fund Contribution Paid during the Year	980,902.70	701,669.21	1,682,571.91
Surplus/ (Deficit) for the Year	131,858.30	377,853.79	509,712.09
Add : Surplus/(Deficit) b/f	561,361.88	2,484,989.67	3,046,351.55
Add : Adjustment for 2012-13 AFR re : SWD SF/SI/4-65/143(712) I dated 23.3.2015	11,070.00	0.00	11,070.00
Add : Adjustment for 2013-14 AFR re : SWD SF/SAS/4-65/1453(712) dated 3.8.2015	24,444.00	0.00	24,444.00
Surplus/(Deficit) c/f	728,734.18	2,862,843.46	3,591,577.64

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 PF received and contributed for staff under the Central Items should be separately included as part of income and expenditure of the relevant items (paragraph 3.13 of LSG Manual). The income and expenditure of each of the Central Items are as follows:

a. Income	2014 - 2015 $	2013 - 2014 $
Dementia Supplement for Elderly with Disabilities		
Infirmary Care Supplement for the Aged Blind Person		
Dementia Supplement for Residential Elderly Services		
Infirmary Care Supplement for Residential Elderly Services		
Dementia Supplement for Day Care Centres/units for the Elderly		
Foster Care Allowance / Emergency Foster Care Assistant		
After School Care Programme	204,750.00	189,000.00
Permanent and/or Time-defined Programme Assistants/ Care Assistants for Elderly Services and Rehabilitation Medical and Social Services		
Temporary Financial Aid		
Emergency Fund		
Time-defined Subsidy Scheme for Extended Hours Child Care Services		
Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential CCC	0.00	0.00
Training Subsidy under for Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services		
Programme Works post extended for one year in 2013-2014	0.00	1,127,808.00
Regularized Programme Assistant / Care Assistants	431,101.00	634,104.00
Subsidy under Home Environment Improvement Scheme for the Elderly		
Short-term Rental Assistance to Newly Discharged Prisoners		
One-off Supplementary Grant for Service Re-engineering Plan of the Factory for The Blind		
Allowances doe Specific Services Arising from the Implementation of the Minimum Wages Ordinance (Overnight On-site-on-call Allowances)		
Neighborhood Service Child Care Project (NSCCP) - Contract Subsidy		
NSCCP - Subsidy for Fee Reduction/waiving		
Time-defined Supplementary Grant to Operator of Wing Lung Bank Golden Jubilee Sheltered Workshop & Hostel / Hang Ngai Workshop & Hostel		
Time-defined Subsidy Scheme for Occasional Child care Services	5,300.00	0.00
Financial Incentive Shame for Mentors of Employees With Disabilities		
Cluster-based Foster Home Pool		
Subsidy for Integrated Support Services for Persons with Service Physical Disabilities		
Training Sponsorship Scheme for 2 years MOT/MPT Programme of POLYU	380,000.00	380,000.00
Total	1,021,151.00	2,330,912.00

b. Expenditure	2014 - 2015 $	2013 - 2014 $
Dementia Supplement for Elderly with Disabilities		
Infirmary Care Supplement for the Aged Blind Person		
Dementia Supplement for Residential Elderly Services		
Infirmary Care Supplement for Residential Elderly Services		
Dementia Supplement for Day Care Centres/units for the Elderly		
Foster Care Allowance / Emergency Foster Care Assistant		
After School Care Programme	187,040.00	163,910.00
Permanent and Time-defined Programme Assistants/ Care Assistants for Elderly Services and Rehabilitation Medical and Social Services		
Temporary Financial Aid		
Emergency Fund		
Time-defined Subsidy Scheme for Extended Hours Child Care Services		
Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential CCC	5,250.00	19,500.00
Training Subsidy under for Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services		
Programme Works post extended for one year in 2013-2014	0.00	1,083,747.75
Regularized Programme Assistant / Care Assistants	479,885.70	696,554.80
Subsidy under Home Environment Improvement Scheme for the Elderly	0.00	79,040.20
Short-term Rental Assistance to Newly Discharged Prisoners		
One-off Supplementary Grant for Service Re-engineering Plan of the Factory for The Blind		
Allowances doe Specific Services Arising from the Implementation of the Minimum Wages Ordinance (Overnight On-site-on-call Allowances)		
Neighborhood Service Child Care Project (NSCCP) - Contract Subsidy		
NSCCP - Subsidy for Fee Reduction/waiving		
Time-defined Supplementary Grant to Operator of Wing Lung Bank Golden Jubilee Sheltered Workshop & Hostel / Hang Ngai Workshop & Hostel		
Time-defined Subsidy Scheme for Occasional Child care Services	0.00	1,337.60
Financial Incentive Shame for Mentors of Employees With Disabilities		
Cluster-based Foster Home Pool		
Subsidy for Integrated Support Services for Persons with Service Physical Disabilities		
Training Sponsorship Scheme for 2 years MOT/MPT Programme of POLYU	380,000.00	340,000.00
Total	1,052,175.70	2,384,090.35

4. Rent and Rates This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditure on rent and rated in respect of premises not recognised by SWD have not been included in AFR.

5. Other Income These 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.

6. Personal Emoluments Personal Emoluments include salary, Provident fund and salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over $500,000 each is appended below:

Analysis of Personal Emoluments	No of Posts	$
HK$500,001 - HK$600,000 p.a.	2	1,114,419.00
HK$600,001 - HK$700,000 p.a.	0	0.00
HK$700,001 - HK$800,000 p.a.	1	797,916.00
HK$800,001 - HK$900,000 p.a.	0.825	865,723.85
HK$900,001 - HK$1,000,000 p.a.	0	0.00
>HK$1,000,000 p.a.	2	2,061,444.00
		4, 839, 502. 85

7. Other Charges

The breakdown on Other Charges is as follows:

Other Charges	2014 - 2015 $	2013 - 2014 $
(a) Utilities	489,275.60	479,729.10
(b) Food	775,140.25	879,770.20
(c) Administrative Expenses	84,606.03	108,933.70
(d) Stores and Equipment	318,291.53	154,813.47
(e) Repair and Maintenance	198,152.24	174,169.20
(f) Special Allowances	0.00	0.00
(g) Programme Expenses	2,528,409.30	3,255,836.63
(h) Transportation and Travelling	22,056.80	21,235.90
(i) Insurance	239,765.00	202,192.62
(j) Staff Training and Development	66,007.45	63,479.64
(k) Miscellaneous	69,044.70	50,573.50
(l) Vehicle Expense	62,667.60	55,780.46
Total	4,853,416.50	5,446,514.42

7a . Special One-off Grant Payments

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

Special one-off Grant Payments	2014 - 2015 $	2013 - 2014 $
(a) Voluntary Retirement Scheme	0.00	0.00
(b) Compensation Scheme	0.00	0.00
(c) Staff Training and Development	0.00	0.00
(d) Other Staff-related Initiatives	0.00	0.00
	0.00	0.00

8. Analysis of Reserve Fund

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	$	$	$	$	$
Income					
Lump Sum Grant	24,386,672.00				24,386,672.00
Special One-off Grant					0.00
Fee Income	380,316.30				380,316.30
Other Income	3,916,997.77				3,916,997.77
Interest Received **(Note (1))**	7,096.55				7,096.55
Rent and Rates			651,624.00		651,624.00
Central Items				1,021,151.00	1,021,151.00
Total Income (a)	28,691,082.62	0.00	651,624.00	1,021,151.00	30,363,857.62
Expenditure					
Personal Emoluments	22,605,265.91				22,605,265.91
Other Charges	4,853,416.50				4,853,416.50
Rent and Rates			681,117.00		681,117.00
Central Items				1,052,175.70	1,052,175.70
Special One-off Grant Payments					0.00
Total Expenditure (b)	27,458,682.41	0.00	681,117.00	1,052,175.70	29,191,975.11
Surplus/(Deficit) for the Year (a) - (b)	1,232,400.21	0.00	(29,493.00)	(31,024.70)	1,171,882.51
Less : Surplus/(Deficit) of Provident Fund	509,712.09	0.00	0.00	0.00	509,712.09
	722,688.12	0.00	(29,493.00)	(31,024.70)	662,170.42
Surplus/(Deficit) b/f (Note (2))	8,440,111.76	0.00	0.98	801,214.40	9,241,327.14
Less : Transfer from LSG Reserve to cover the Salary adjustment for Programme Assistants, Care Assistants, Dementia Supplement and Infirmary Care Supplementary (Note (3))	(48,784.70)	0.00	0.00	48,784.70	0.00
Less : Transfer the Long Service Payment refund from Trustees to Central Item	(41,275.91)	0.00	0.00	41,275.91	0.00
Add : Adjustment for 2012-13 AFR re : SWD SF/SI/4-65/143(712) I dated 23.3.2015	418,351.64	0.00	0.00	0.00	418,351.64
Add : Adjustment for 2013-14 AFR re : SWD SF/SAS/4-65/1453(712) dated 3.8.2015	(297,781.55)	0.00	0.00	0.00	(297,781.55)
Surplus/(Deficit) c/f (Note 5)	9,193,309.36	0.00	(29,492.02)	860,250.31	10,024,067.65

Notes :

(1) All Interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant is included as one item under LSG; and the items is considered as part of LSG reserve.

(2) Accumulated balance Lump Sum Grant Surplus b/f from previous years and all interest received in previous years are included in the surplus b/f under LSG.

(3) Amount of cumulative unspent balance as a 30.11.2014 (i.e. amount of surplus c/f) for permanent/time-defined Care Assistant and Programme Assistant posts., if any, as per Schedule for Central Items

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

(4) The level of LSG cumulative reserves (i.e. S) will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for that year.

Annex 8

Schedule for Investment
Analysis of Investment as at 31 March, 2015

Name of Agency : Methodist Centre

	2015 HK$	2014 HK$
LSG Reserve as at 31 March	**$9,193,309.36**	**$8,440,111.76**
Represented by :		
Investments		
a. HKD Bank Account Balances	$7,531,559.36	$6,785,235.77
b. HKD 24-hour Call Deposits	$0.00	$0.00
c. HKD Fixed Deposits	$1,661,750.00	$1,654,875.99
d. HKD Certificate of Deposits	$0.00	$0.00
e. HKD Bonds (see appendix for breakdown)	$0.00	$0.00
	$9,193,309.36	$8,440,111.76

Note : The investments should be reported at historical cost.

Confirmed By: -

Chairman

Date : 19 FEB 2016

Chief Executive

Date : 19 FEB 2016

Schedule for Central Items
Analysis of Subvention and Expenditure for the period from 1 April 2014 to 31 March 2015

Annex 9

Name of Agency : Methodist Centre

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the Year: Deficit (Note 3) (b)	Deficit for the Year: Deficit transferred to LSG (Note 4) (c)	Deficit for the Year: Adjusted Deficit (d) = (b)-(c)	Surplus b/f (Note 4) (e)	Surplus clawback by SWD (f)	Surplus c/f (Note 5) (g)=(e)+(a)-(d)-(f)
		$	$	$	$			$		$
3225 After School Care Programme	After School Care Programme	204,750.00	187,040.00	17,710.00	0.00	N.A.	0.00	172,359.90	0.00	190,069.90
6584 DECC	Training Sponsorship Scheme For 2 year MOT/MPT programme of POLYU	380,000.00	380,000.00	0.00	0.00	N.A.	0.00	190,000.00	0.00	190,000.00
712P Programme Works post extended for one year in 2013-2014.	* The Long Service Payment refund from Trustees	0.00	0.00	41,275.91	0.00	N.A.	0.00	165,460.50	0.00	206,736.41
712S CA/ PA Posts	Programme Assistants	431,101.00	479,885.70	0.00	(48,784.70)	48,784.70	0.00	0.00	0.00	0.00
Support Team for the Elderly Based at DECC	Subsidy under the Home Environment Improvement Scheme for the Elderly	0.00	0.00	0.00	0.00	N.A.	0.00	256,106.60	0.00	256,106.60
Training Subsidy Scheme for Standalone Child Care Centre (CCC),KG-cum-CCC and Residential CCC	Training Subsidy Scheme for Standalone Child Care Centre (CCC),KG-cum-CCC and Residential CCC	0.00	5,250.00	0.00	(5,250.00)	N.A.	(5,250.00)	12,000.00	0.00	6,750.00
6366 Subsidy Scheme For OCC Service (Time-Defined)	Subsidy Scheme For OCC Service (Time-Defined 31/03/2017)	5,300.00	0.00	0.00	5,300.00	N.A	5,300.00	5,287.40	0.00	10,587.40
Total		1,021,151.00	1,052,175.70	58,985.91	(48,734.70)	48,784.70	50.00	801,214.40	0.00	860,250.31

Notes:

1. The figures for the whole financial year can be extracted from the paylist 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 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 out letter ref.(16) in SWD/S/104/2 Pt. 12 dated 17 July 2013.
   (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
   (v) Regularized Programme Assistant (PA) / Care Assistant (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 name are extracted from the paylist from SWD .

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period
from 1 April 2014 to 31 March 2015

Name of Agency : 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)	66,816.00	70,296.00	0.00	(3,480.00)
	Government Rent	0.00	0.00	0.00	0.00
	Rates	45,000.00	49,680.00	0.00	(4,680.00)
	Total :	111,816.00	119,976.00	0.00	(8,160.00)
7895					
Wanchai DECC	Rent (Note 3)	429,408.00	449,856.00	0.00	(20,448.00)
	Rates	110,400.00	111,285.00	0.00	(885.00)
	Total :	539,808.00	561,141.00	0.00	(21,333.00)
	Grand Total :	651,624.00	681,117.00	0.00	(29,493.00)

Notes :

1. The figures are to be extracted from the paylist 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.