

Youth Outreach

協青社

Annual Financial Report
for the year ended 31 March 2017

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 2017 and have issued unqualified auditor's report thereon dated 3 October 2017.

We conducted our review of the attached Annual Financial Report on pages 2 to 11 of the Association for the year ended 31 March 2017 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 2017:

- (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 2017.

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, 3 October 2017

Annual Financial Report

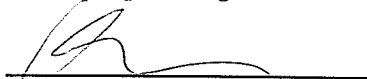
NGO: Youth Outreach (Agency code : 833)

1 April 2016 to 31 March 2017

	Notes	Total 2016-17 \$	Total 2015-16 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	11,864,875	10,967,221
b. Provident Fund #	1c	563,620	521,021
2. Special One-off Grant		-	-
3. Fee Income	2	309,065	314,140
4. Central Items #	3	-	-
5. Rent and Rates	4	727,772	77,516
6. Other Income	5	64,757	186,284
7. Interest Received		22	16
		13,530,111	12,066,198
TOTAL INCOME			
B. EXPENDITURE			
1. Personal Emoluments *	6		
a. Salaries		10,589,458	10,071,730
b. Provident Fund	1c	431,858	417,375
c. Allowances		-	-
Sub-total		11,021,316	10,489,105
2. Other Charges	7	1,309,686	915,177
3. Central Items	3	-	-
4. Rent and Rates *	4	591,500	567,523
5. Special One-off Grant Payments	7a	-	-
		12,922,502	11,971,805
TOTAL EXPENDITURE			
C. SURPLUS FOR THE YEAR	8	607,609	94,393

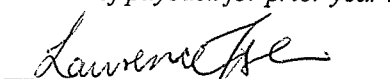
* Expense included absorption of supporting overheads of the organisation

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


Au King Chi

President

Date: 3 October 2017


Tse Ching Yuen

Executive Director

Date: 3 October 2017

NOTES ON THE ANNUAL FINANCIAL REPORT

This Annual Financial Report relating to the years ended 31 March 2017 and 2016 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. 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 on cash basis, that is, income is recognised upon receipt of cash and expenditure is recognised when expenses are paid. Non-cash items like depreciation, provisions and accruals should not be 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. Please note that the PF received and contributed for staff under the Central Items should be shown under 3. In other words, such PF should not be included here (paragraph 3.12 of LSG Manual). Details are analysed below:

<u>Provident Fund Contribution</u>	Snapshot Staff	6.8% and Other Posts	Total
	\$	\$	\$
Subvention Received	-	563,620	563,620
Provident Fund Contribution Paid during the year	-	(431,858)	(431,858)
Surplus/(Deficit) for the Year	-	131,762	131,762
Add: Surplus/(Deficit) b/f	-	433,247	433,247
Surplus/(Deficit) c/f	-	<u>565,009</u>	<u>565,009</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.

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 the 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:

	2016-17 S	2015-16 S
<u>a. Income</u>		
Dementia Supplement for Elderly with Disabilities	N/A	N/A
Infirmity Care Supplement for the Aged Blind Person	N/A	N/A
Dementia Supplement for Residential Elderly Services	N/A	N/A
Infirmity 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	N/A	N/A
Permanent and/or Time-defined Programme Assistants/ Care Assistants for Elderly Services and Rehabilitation Medical and Social Services	N/A	N/A
Temporary Financial Aid	N/A	N/A
Emergency Fund	N/A	N/A
Time-defined Subsidy Scheme for Extended Hours Child Care Services	N/A	N/A
Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential CCC	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
Programme Worker posts extended for one year in 2013-14	N/A	N/A
Regularised Programme Assistants (PA)/Care Assistants (CA)	N/A	N/A
Subsidy under the Home Environment Improvement Scheme for the Elderly	N/A	N/A
Short-term Rental Assistance to Newly Discharged Prisoners	N/A	N/A
One-off Supplementary Grant for Service Re-engineering Plan of the Factory for the Blind	N/A	N/A
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
Time-defined supplementary grant to Operator of Wing Lung Bank Golden Jubilees Sheltered Workshop & Hostel/ Hang Ngai Workshop & Hostel	N/A	N/A
Time-defined Subsidy Scheme for Occasional Child Care Services	N/A	N/A
Financial Incentive Scheme for Mentors of Employees with Disabilities	N/A	N/A
Total	-	-

1. Visting Medical Practitioner Scheme has ceased to be a Central Item with effect from 1 August 2009

2. The programme worker grant represents the gross grant received during the year, excluding adjustment of clawback provision or repayment to SWD

	2016-17 S	2015-16 S
<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	N/A	N/A
Permanent and/or Time-defined Programme Assistants/Care Assistants for Elderly Services and Rehabilitation Medical and Social Services	N/A	N/A
Temporary Financial Aid	N/A	N/A
Emergency Fund	N/A	N/A
Time-defined Subsidy Scheme for Extended Hours Child Care Services	N/A	N/A
Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential CCC	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
Programme Worker posts extended for one year in 2013-14	N/A	N/A
Regularised Programme Assistants (PA)/Care Assistants (CA)	N/A	N/A
Subsidy under the Home Environment Improvement Scheme for the Elderly	N/A	N/A
Short-term Rental Assistance to Newly Discharged Persons	N/A	N/A
One-off Supplementary Grant for Service Re-engineering Plan of the Factory for the Blind	N/A	N/A
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
Time-defined supplementary grant to Operator of Wing Lung Bank Golden Jubilees Sheltered Workshop & Hostel/ Hang Ngai Workshop & Hostel	N/A	N/A
Time-defined Subsidy Scheme for Occasional Child Care Services	N/A	N/A
Financial Incentive Scheme for Mentors of Employees 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 should not be 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 need not be included as Other Income in AFR. However, treatment of fees and charges as specified under para. 2.27 to 2.28 of the Manual remains unchanged (paragraph 3.9 of the Manual).

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.	1	544,210
HK\$600,001 - HK\$700,001 p.a.	N/A	N/A
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\$1,000,000 p.a.	N/A	N/A

7. Other Charges

The breakdown on Other Charges is as follows:

Other Charges

	2016-17	2015-16
	\$	\$
(a) Utilities	334,199	375,539
(b) Food	123,835	124,060
(c) Administrative Expenses	27,489	22,006
(d) Stores and Equipment	92,335	56,302
(e) Repair and Maintenance	5,946	6,967
(f) Special Allowances	-	-
(g) Programme Expenses	599,685	202,801
(h) Transportation and Travelling	12,708	16,569
(i) Insurance	110,652	109,561
(j) Miscellaneous	2,837	1,372
Total	<u>1,309,686</u>	<u>915,177</u>

7a. Special One-off Grant Payments

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

	2016-17	2015-16
	\$	\$
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	<u>N/A</u>	<u>N/A</u>

8. Analysis of Reserve Fund

	Analysis of Reserve Fund				
	Lump Sum Grant	Special One-off Grant*	Rent and Rates*	Central Items*	Total
Income					
Lump Sum Grant	12,428,495	-	-	-	12,428,495
Special One-off Grant	-	-	-	-	-
Fee Income	309,065	-	-	-	309,065
Other Income	64,757	-	-	-	64,757
Interest Received (Note(1))	22	-	-	-	22
Rent and Rates	-	-	-	-	-
-Backpayment 13/14	-	-	22	-	22
-Backpayment 14/15	-	-	355,326	-	355,326
-For 2016/17	-	-	372,424	-	372,424
Central Items	-	-	-	-	-
Total Income (a)	12,802,339	-	727,772	-	13,530,111
Expenditure					
Personal Emoluments	11,021,316	-	-	-	11,021,316
Other Charges	1,309,686	-	-	-	1,309,686
Rent and Rates	-	-	591,500	-	591,500
Central Items	-	-	-	-	-
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	12,331,002	-	591,500	-	12,922,502
Surplus/(Deficit) for the Year (a) - (b)	471,337	-	136,272	-	607,609
Less: Surplus/(Deficit) of Provident Fund	(131,762)	-	-	-	(131,762)
	339,575	-	136,272	-	475,847
Surplus/(Deficit) b/f (Note(2))	1,183,354	-	(845,562)	-	337,792
	1,522,929	-	(709,290)	-	813,639
Deficit absorbed by own resources	-	-	207	-	207
Less: Refund to Government	-	-	-	-	-
Transfer from LSG Reserve to cover the salary adjustment for Programme Assistants, Care Assistants, Dementia Supplement and Infirmary Care Supplementary (Note (3))	-	-	-	-	-
Surplus/(Deficit) c/f (Note (4))	1,522,929	-	(709,083)	-	813,846

Notes:

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

- (1) Interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant should all be included as one item under LSG; and the item 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 should be included in the surplus b/f under LSG.
- (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 Annex 1.
- (4) The level of LSG cumulative reserve (i.e. S) will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.

Schedule for Central Items

Analysis of Subvention and Expenditure for the Period from 1 April 2016 to 31 March 2017

Annex 1

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

Unit Code and Name (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) (c)	Surplus c/f (Note 6) (f) = (e)+(a)-(d)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d) = (b) - (c)		
833 - Youth Outreach	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 Allowance After School Care Programme Programme Assistants/Care Assistants (Permanent)-Elderly Services Programme Assistants/Care Assistants (Permanent)-Rehabilitation Medical and Social Services Temporary Financial Aid Emergency Fund Extension of Time-defined Subsidy Scheme for Extended Hours Child Care Services (1 April 2011 to 31 Mar 2014) Visiting Medical Practitioner Scheme Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential CCC Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services Programme Worker posts extended for one year in 2014-15 Regularised Programme Assistants (PA)/Care Assistants (CA) Subsidy under the Home Environment Improvement Scheme for the Elderly Short-term Rental Assistance to Newly Discharged Prisoners Overnight On-ite-on-call Allowance Neighbourhood Service Child Care Project (NSCCP) – Contract Subsidy NSCCP – Subsidy for Fee Reduction/waiting Time-defined Subsidy Scheme for Occasional Child Care Services Financial Incentive Scheme for Mentors of Employees and Disabilities	\$	\$	\$	\$	\$	\$	\$	
TOTAL		-	-	-	-	-	-	-	

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) Infirmity Care Supplement for the Aged Blind Persons
 - (iii) Dementia Supplement for Residential Elderly Services
 - (iv) Infirmity 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.

Schedule for Rent and rates

Subvention and Expenditure for the period from 1 April 2016 to 31 March 2017

Agency: Youth Outreach

Unit Code and Name		Subvention Released	Actual Expenditure		Surplus/ (Deficit)
5790 Residential Crisis Center	Rent (Note 3): Government Rent 16/17	28,325	51,574		(23,249)
	Building management fee 16/17	-	454,958		(454,958)
	Backpayment 14/15 -Government Rent	12,202	-		12,202
	-Building management fee	-	-		-
	Total	40,527	506,532		(466,005)
	Other Rental Items 16/17	293,088	-		293,088
	Rates 16/17	51,011	84,968		(33,957)
	Backpayment 13/14 -Rates	-	-		-
	-Other Rental Items	22	-		22
	Backpayment 14/15 -Rates	20,336	-		20,336
	-Other Rental Items	322,788	-		322,788
	Total	687,245	84,968		602,277
	Grand Total	727,772	591,500		136,272

**Schedule for Investment
Analysis of Investment as at 31 March 2017**

Agency: Youth Outreach (Agency code :833)

	2015-16 HK\$	2015-16 HK\$
LSG Reserve as at 31 March	<u>1,522,929</u>	<u>1,183,354</u>

Represented by :

Investments

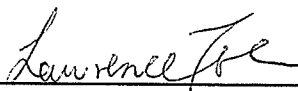
a. HKD Bank Account Balances	1,522,929	1,183,354
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	-
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	<u>1,522,929</u>	<u>1,183,354</u>

Note: The investments should be reported at historical cost.

Confirmed by:-



Au King Chi
President
Date: 3 October 2017



Tse Ching Yuen
Executive Director
Date: 3 October 2017