
LUTHERAN PHILIP HOUSE LIMITED
FOR THE YEAR ENDED 31 MARCH 2013

(Re : Lump Sum Grant)

ANNUAL FINANCIAL REPORT
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**REVIEW REPORT ON THE ANNUAL FINANCIAL REPORT
TO THE BOARD OF DIRECTORS OF LUTHERAN PHILIP HOUSE LIMITED**

We have audited the financial statements of Lutheran Philip House Limited (the "Organisation") for the year ended 31 March 2013 and have issued an unqualified auditors' report thereon dated 31 DEC 2013

We conducted our review of the attached Annual Financial Report on pages 2 to 9 of the Organisation for the year ended 31 March 2013 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 Organisation, on which the above audited financial statements of the Organisation 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 Organisation for the year ended 31 March 2013:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Organisation; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Organisation has not:
 - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund, Special-One-Off Grant 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 Organisation of the Government of the HKSAR;
 - iii. prepared the Annual Financial Report 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 2013.

This report is intended for filing with the Social Welfare Committee of the Government of the HKSAR and should not be used for any other purpose.



C. W. LEUNG & CO.


Certified Public Accountants

Hong Kong, 31 DEC 2013

ANNUAL FINANCIAL REPORT
LUTHERAN PHILIP HOUSE LIMITED
1 APRIL 2012 to 31 MARCH 2013

	Note	Total 2012-13 HK\$	Total 2011-12 HK\$	Remarks
A. INCOME				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	3,266,514.00	3,128,448.00	
b. Provident Fund	1c	209,470.00	199,325.00	
2. Special One-off Grant		-	-	
3. Fee Income	2	72,652.50	83,067.15	
4. Central Items	3	58,470.00	18,720.00	
5. Rent and Rates	4	-	-	
6. Other Income	5	-	-	
7. Interest Received		429.10	486.60	
TOTAL INCOME		<u>3,607,535.60</u>	<u>3,430,046.75</u>	
B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries		2,724,725.20	2,229,513.24	
b. Provident Fund	1c	134,620.99	107,524.77	
c. Allowances		101,110.55	99,110.10	
Sub-total	6	<u>2,960,456.74</u>	<u>2,436,148.11</u>	
2. Other Charges	7	563,282.74	814,593.85	
3. Central Items	3	-	4,182.00	
4. Rent and Rates	4	12,200.00	-	
5. Special One-off Grant Paymen	7a.	-	-	
TOTAL EXPENDITURE		<u>3,535,939.48</u>	<u>3,254,923.96</u>	
C. SURPLUS FOR THE YEAR	8	<u>71,596.12</u>	<u>175,122.79</u>	

Approved and authorised for issued by the Board of Directors on 31 DEC 2013


Chairman


General Secretary

LUTHERAN PHILIP HOUSE LIMITED
 NOTES TO THE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED 31 MARCH 2013

1. Lump Sum Grant

- a. Basis of preparation** This Annual Financial Report (ARF) 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 for holding against subvented posts as 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 (LSG Circular No.1/2001). Details are analysed below:

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u>	<u>6.8% & Other Posts</u>	<u>Total</u>
	HK\$	HK\$	HK\$
Subvention Received	15,579.00	193,891.00	209,470.00
Provident Fund Contribution Paid during the Year	16,823.00	117,797.99	134,620.99
Surplus for the Year	- 1,244.00	76,093.01	74,849.01
Add : Surplus b/f	65,840.43	796,496.63	862,337.06
Less: Previous Year Adjustment	-	-	-
Surplus c/f	64,596.43	872,589.64	937,186.07

LUTHERAN PHILIP HOUSE LIMITED
NOTES TO THE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2013

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 Lump Sum Grant 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 (LSG Circular No.1/2001). The income and expenditure of each of the Central Items are as follows:

	<u>2012/13</u>	<u>2011/12</u>
	<u>HK\$</u>	<u>HK\$</u>
a. Income		
Dementia Supplement for Residential	-	-
Elderly Services	-	-
Infirmity Care Supplement for	-	-
Residential Elderly Services	-	-
Program Assistant & Care Assistant	-	-
After School Care Program	-	-
Employment of Youth Ambassador	-	-
Extended Hour Service for Nursery	18,720.00	18,720.00
Occasional Service for Nursery	39,750.00	-
Training Subsidy 2008-09	-	-
Training Subsidy 2009-10	-	-
Training Subsidy 2010-11	-	-
Total	<u>58,470.00</u>	<u>18,720.00</u>
b. Expenditure		
Dementia Supplement for Residential	-	-
Elderly Services	-	-
Infirmity Care Supplement for	-	-
Residential Elderly Services	-	-
Program Assistant & Care Assistant	-	-
After School Care Program	-	-
Employment of Youth Ambassador	-	-
Extended Hour Service for Nursery	-	-
Training Subsidy 2008-09	-	-
Training Subsidy 2009-10	-	-
Training Subsidy 2010-11	-	4,182.00
Total	<u>-</u>	<u>4,182.00</u>

LUTHERAN PHILIP HOUSE LIMITED
NOTES TO THE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2013

- 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.2.29 to 2.30 of the Manual remains unchanged (LSG Circular No.1/2001).
- 6. Personal Emoluments** Personal Emoluments include salary, provident fund, salary-related allowances.
The analysis on number of posts with annual Personal Emoluments over \$500,000 each is appended below:

Analysis of Personal Emoluments

	<u>No. of Posts</u>	<u>HK\$</u>
HK\$500,001 - HK\$600,000 p.a.	Nil	Nil
HK\$600,001 - HK\$700,000 p.a.	Nil	Nil
HK\$700,001 - HK\$800,000 p.a.	Nil	Nil
HK\$800,001 - HK\$900,000 p.a.	Nil	Nil
HK\$900,001 - HK\$1,000,000 p.a.	Nil	Nil
>HK\$1,000,000 p.a.	Nil	Nil

7. Other Charges

The breakdown on Other Charges is as follows:

	<u>2012/13</u>	<u>2011/12</u>
<u>Other Charges</u>	<u>HK\$</u>	<u>HK\$</u>
(a) Utilities	2,731.30	2,287.90
(b) Food	23,314.30	14,705.05
(c) Administrative Expenses	79,852.50	55,377.50
(d) Stores and Equipment	234,178.01	254,781.54
(e) Repair and Maintenance	7,497.00	76,438.00
(f) Special Allowance	-	-
(g) Programme Expenses	103,721.20	91,787.80
(h) Transportation and Travelling	63,854.80	68,887.60
(i) Insurance	2,138.63	1,548.00
(j) Staff Development	5,415.30	6,750.10
(k) Miscellaneous	40,579.70	242,030.36
Total	<u>563,282.74</u>	<u>814,593.85</u>

7a Special One-off Grant Payments

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

	<u>2012/13</u>	<u>2011/12</u>
<u>Special one-off Grant Payments</u>	<u>HK\$</u>	<u>HK\$</u>
(a) Voluntary Retirement Scheme		
(b) Compensation Scheme		
(c) Staff Training and Development		
(d) Other Staff-related Initiatives		
Total	<u>-</u>	<u>-</u>

8. Analysis of Reserve Fund (Revised)

	Analysis of Reserve Fund				
	Lump Sum Grant LSG	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
Income					
Lump Sum Grant	3,475,984.00	-	-	-	3,475,984.00
Special One-off Grant	-	-	-	-	-
Fee Income	72,652.50	-	-	-	72,652.50
Other Income	-	-	-	-	-
Interest Received (Note (1))	429.10	-	-	-	429.10
Rent and Rates	-	-	-	-	-
Central Items	-	-	-	58,470.00	58,470.00
Total Income (a)	3,549,065.60	-	-	58,470.00	3,607,535.60
Expenditure					
Personal Emoluments	2,960,456.74	-	-	-	2,960,456.74
Other Charges	563,282.74	-	-	-	563,282.74
Rent and Rates	-	-	12,200.00	-	12,200.00
Central Items	-	-	-	-	-
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	3,523,739.48	-	12,200.00	-	3,535,939.48
Surplus/(Deficit) for the Year (a) - (b)	25,326.12	-	(12,200.00)	58,470.00	71,596.12
<u>Less: Surplus of Provident Fund</u>	<u>74,849.01</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,849.01</u>
	(49,522.89)	-	(12,200.00)	58,470.00	(3,252.89)
Surplus/(Deficit) b/f (Note (2))	2,875,310.42	-	(6,192.00)	113,550.00	2,982,668.42
	2,825,787.53	-	(18,392.00)	172,020.00	2,979,415.53
<u>Less: Refund to Government</u>	<u>402,420.40</u>	<u>-</u>			<u>402,420.40</u>
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))	2,423,367.13	-	(18,392.00)	172,020.00	2,576,995.13

Notes :

- (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 2.
- (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 the year.

Schedule for Central Items

Analysis of Subvention and Expenditure for the period from 1.4.2012 to 31.3.2013

Name of Agency: LUTHERAN PHILIP HOUSE LIMITED (0492)

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the Year		Refund to Government	Surplus b/f (Note 5) (e)	Surplus c/f (Note 5) (d)=(e)+(a)-(b)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)			
(3922) Hing Man CC	Extension of Time-defined Subsidy Scheme For Extended Hours Child Care Service (1 September 2009 - 31 March 2012)	HK\$ 18,720.00	HK\$ -	HK\$ 18,720.00	HK\$ -	-	-	HK\$ 18,720.00	HK\$ 37,440.00
(0492) ALL CCC	Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Works in Pre-school Rehabilitation Services	-	-	-	-	-	-	3,550.00	3,550.00
(0492) ALL CCC	Training Subsidy under Training Scheme for Standalone Child Centre Kindergarten-cum-Child Care Centre and Residential Child Care Centre	-	-	-	-	-	-	91,280.00	91,280.00
(6355) ALL CCC	Time Defined Subsidy Scheme for Occasional Child Care (1.1.2013 to 31.3.2014)	39,750.00	-	39,750.00	-	-	-	-	39,750.00
TOTAL		58,470.00	-	58,470.00	-	-	-	113,550.00	172,020.00

Notes:

- The figures for the whole financial year can be extracted from the payroll for March (Final) 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 can be transferred to the Lump Sum Grant Reserve as stated in our letter ref.(23) in SWD/s/104/2 Pt.4 dated 16 July 2008.
 - 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
 - Regularized Programme Assistants (PA) / Care Assistants (CA)
- "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
- "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
- Unit codes and names assigned by SWD should be filled, if available.
- As the above schedule may not be exhaustive in content, any relevant details in respect of central items released and or expended during the year may also be included, where appropriate.

Name of Agency: LUTHERAN PHILIP HOUSE LIMITED (0492)

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
		HK\$	HK\$	HK\$	HK\$
Central Adm. (LPH) Uni 3918	Rent Rates	-	12,200.00	-	(12,200.00)
		-	-	-	-
	Total	-	12,200.00	-	(12,200.00)
	Rent Rates			-	-
				-	-
	Total	-	-	-	-
	Rent Rates			-	-
				-	-
	Total	-	-	-	-
	Rent Rates			-	-
				-	-
	Total	-	-	-	-
	Rent Rates			-	-
				-	-
	Total	-	-	-	-
	Rent Rates			-	-
				-	-
	Total	-	-	-	-
	Grand Total	-	12,200.00	-	(12,200.00)

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 2013

Agency: LUTHERAN PHILIP HOUSE LIMITED

	2013	2012
	HK\$'000	HK\$'000
LSG Reserve as at 31 March	3,361	3,738

Represented by:


Investments

a. HKD Bank Account Balances	3,361	3,738
b. HKD 24-hour Call Deposits		-
c. HKD Fixed Deposits		-
d. HKD Certificate of Deposits		-
e. HKD Bonds (see appendix for breakdown)		-
f. Loan to centres for cash flow		-
#	<u>3,361</u>	* <u>3,738</u>

Note: The investments should be reported at historical cost.

Remarks:	LSG Surplus	2,423,367.13	2,875,310.42
	P. Fund Surplus	<u>937,186.07</u>	<u>862,337.06</u>
	#	<u>3,360,553.20</u>	* <u>3,737,647.48</u>

Confirmed by:-


Chairman

Date : 31 DEC 2013


General Secretary

Date : 31 DEC 2013