LUTHERAN PHILIP HOUSE LIMITED

FOR THE YEAR ENDED 31 MARCH 2015

(Re : Lump Sum Grant)

ANNUAL FINANCIAL REPORT

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譚許謝何會計師行有限公司

TAM, HUI, TSE & HO CPA LIMITED

CERTIFIED PUBLIC ACCOUNTANTS

HONG KONG

TAM, HUI, TSE & HO CPA LIMITED

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DANNY L. T. HUI 許立德會計師 FRANKIE T. S. HO 何達成會計師

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

We have audited the financial statements of School Management Committee of Lutheran Philip House Limited (the "Organisation") for the year ended 31 March 2015 and have issued an unqualified auditors' report thereon dated 30 DEC 2015

We conducted our review of the attached Annual Financial Report on pages 2 to 9 of the Organisation for the year ended 31 March 2015 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 2015:

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 Department 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 2015.

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

TAM, HUI, TSE & HO CPA LIMITED
Certified Public Accountants

Hong Kong, 30 DEC 2015

譚許謝何會計師行有限公司

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ANNUAL FINANCIAL REPORT
LUTHERAN PHILIP HOUSE LIMITED
1 APRIL 2014 to 31 MARCH 2015

	Note	**Total 2014-15 HK$**	Total 2013-14 HK$	Remarks
A. INCOME				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	**3,861,244.00**	3,371,544.00	
b. Provident Fund	1c	**251,825.00**	217,703.00	
2. Special One-off Grant		**-**	-	
3. Fee Income	2	**115,777.60**	106,896.20	
4. Central Items	3	**50,520.00**	18,720.00	
5. Rent and Rates	4	**-**	-	
6. Other Income	5	**1,000.00**	2,386.70	
7. Interest Received		**406.55**	376.80	
TOTAL INCOME		**4,280,773.15**	3,717,626.70	
B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries		**3,440,989.10**	3,136,585.24	
b. Provident Fund	1c	**168,998.05**	151,650.63	
c. Allowances		**117,961.16**	94,193.50	
Sub-total	6	**3,727,948.31**	3,382,429.37	
2. Other Charges	7	**309,544.98**	293,008.00	
3. Central Items	3	**21,507.00**	25,000.00	
4. Rent and Rates	4	**-**	-	
5. Special One-off Grant Payment	7a.	**-**	-	
TOTAL EXPENDITURE		**4,059,000.29**	3,700,437.37	
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	**221,772.86**	17,189.33	

Approved and authorised for issued by the Board of Directors on 30 DEC 2015

Chairman

General Secretary

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 **have not been 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 1April 2000.
6.8% and other posts represent those staff that are employed after 1 April 2000.
Please note that the PF received and cintributed for satff under the Central Items should be shown under 3.
Details are analysed below:

Provident Fund Contribution	Snapshot Staff HK$	6.8% & Other Posts HK$	Total HK$
Subvention Received	16,953.00	234,872.00	251,825.00
Provident Fund Contribution Paid during the Year	18,672.00	150,326.05	168,998.05
(Deficit)/Surplus for the Year	(1,719.00)	84,545.95	82,826.95
Add : Surplus b/f	62,955.43	940,283.01	1,003,238.44
Less: Previous Year Adjustment	-		-
Surplus/(Deficit) c/f	61,236.43	1,024,828.96	1,086,065.39

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

	2014/15 HK$	2013/14 HK$
a. Income		
Dementia Supplement for Residential Elderly Services	-	-
Infirmary Care Supplement for Residential Elderly Services	-	-
After School Care Program	-	-
Permanent and/or Time-defined Programme Assistants/Care Assistants for Elderly Services and Rehabilitation Medical and Social Services	-	-
Time-defined Subsidy Scheme for Extended Hours Child Care Services	**18,720.00**	18,720.00
Time-defined Subsidy Scheme for Occasional Child Care Service	**31,800.00**	-
Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential CC(	-	-
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Total	**50,520.00**	18,720.00
b. Expenditure		
Dementia Supplement for Residential Elderly Services	-	-
Infirmary Care Supplement for Residential Elderly Services	-	-
After School Care Program	-	-
Permanent and/or Time-defined Programme Assistants/Care Assistants for Elderly Services and Rehabilitation Medical and Social Services	-	-
Time-defined Subsidy Scheme for Extended Hours Child Care Services	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential CC(	**21,507.00**	25,000.00
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Total	**21,507.00**	25,000.00

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 have not been included as Other Income in AFR

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

	No. of Posts	HK$
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:

Other Charges	2014/15 HK$	2013/14 HK$
(a) Utitities	3,978.00	4,249.00
(b) Food	24,864.50	18,223.29
(c) Administrative Expenses	93,492.30	95,896.40
(d) Stores and Equipment	34,744.22	31,377.30
(e) Repair and Maintenance	4,192.90	4,159.00
(f) Special Allowance	-	-
(g) Programme Expenses	97,790.80	88,699.70
(h) Transportation and Travelling	34,283.20	29,107.80
(i) Insurance	1,608.00	1,636.01
(j) Staff Development	300.00	8,440.00
(k) Miscellaneous	14,291.06	11,219.50
Total	309,544.98	293,008.00

7a. SPECIAL ONE-OFF GRANT PAYMENTS

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

Special one off Grant Payments	2014/15 HK$	2013/14 HK$
(a) Voluntary Retirement Scheme		
(b) Compensation Scheme		
(c) Staff Training and Development		
(d) Other Staff-related Initiatives		
Total	-	-

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	4,113,069.00	-	-	-	4,113,069.00
Special One-off Grant	-				-
Fee Income	115,777.60	-	-	-	115,777.60
Other Income	1,000.00	-	-	-	1,000.00
Interest Received **(Note (1))**	406.55	-	-	-	406.55
Rent and Rates	-	-	-	-	-
Central Items	-	-	-	50,520.00	50,520.00
Total Income (a)	4,230,253.15	-	-	50,520.00	4,280,773.15
Expenditure					
Personal Emoluments	3,727,948.31	-	-	-	3,727,948.31
Other Charges	309,544.98		-	-	309,544.98
Rent and Rates	-	-	-	-	-
Central Items	-	-	-	21,507.00	21,507.00
Special One-off Grant Payments		-			
Total Expenditure (b)	4,037,493.29	-	-	21,507.00	4,059,000.29
Surplus for the Year (a) - (b)	192,759.86	-	0.00	29,013.00	221,772.86
Less: Surplus of Provident Fund	82,826.95	-	-	-	82,826.95
	109,932.91	-	0.00	29,013.00	138,945.91
Surplus/(Deficit) b/f (Note (2))	2,380,784.09	-	(18,392.00)	165,740.00	2,528,132.09
Adjustment for Surplus/(Deficit)b/f		-			0.00
	2,490,717.00	-	(18,392.00)	194,753.00	2,667,078.00
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))	2,490,717.00	-	(18,392.00)	194,753.00	2,667,078.00

Notes:

(1) All the 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 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 are 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 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 the year.

Schedule for Central Items

Analysis of Subvention and Expenditure for the period from 1.4.2014 to 31.3.2015

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: Deficit (Note 3) (b)	Deficit for the Year: Deficit transferred to LSG (Note4) (c)	Deficit for the Year: Adjusted Deficit (d)=(b)-(c)	Refund to Government	Surplus b/f (Note 5) (e)	Surplus c/f (Note 5) (d)=(e)+(a)-(b)
		HK$	HK$	HK$	HK$				HK$	HK$
(3922) Hing Man CC(	Extension of Time-defined Subsidy Scheme For Extended Hour Child Care Service (1 September 2009 - 31 March 2012)	18,720.00	-	18,720.00	-	-	-	-	56,160.00	74,880.00
(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	-	21,507.00	- 21,507.00	-			-	66,280.00	44,773.00
(6355) ALL CCC	Time Defined Subsidy Scheme for Occasional Child Care Servi (1.1.2014 to 31.3.2015)	31,800.00	-	31,800.00	- - -	-	-	-	39,750.00	71,550.00 - -
TOTAL		50,520.00	21,507.00	29,013.00	-	-	-	-	165,740.00	194,753.00

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 are transferred to the Lump Sum Grant Reseve as stated in SWD's 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 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.
7. Unit codes and names are extracted from the paylist from SWD.

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period from 1.4.2014 to 31.3.2015
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$
	Rent	-	-	-	-
	Rates	-	-	-	-
	Total	-	-	-	-
	Rent			-	-
	Rates			-	-
	Total	-	-	-	-
	Rent			-	-
	Rates			-	-
	Total	-	-	-	-
	Rent			-	-
	Rates			-	-
	Total	-	-	-	-
	Rent			-	-
	Rates			-	-
	Total	-	-	-	-
	Rent			-	-
	Rates			-	-
	Total	-	-	-	-
	Grand Total	-	-	-	-

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.

Schedule for Investment

Analysis of Investment as at 31 March 2015

Agency: LUTHERAN PHILIP HOUSE LIMITED

	2,015 **HK$'000**	2,014 HK$'000
LSG Reserve as at 31 March	**3,576**	3,384
Represented by:		
Investments		
a. HKD Bank Account Balances	**3,576**	3,384
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		-
	3,576	3,384

Note: The investments should be reported at historical cost.

Remarks:

	2015 **HK$**	2014 HK$
LSG Surplus	**2,490,717.00**	2,380,784.09
P. Fund Surplus	**1,086,065.39**	1,003,238.44
	3,576,782.39	3,384,022.53

Confirmed by:-

× 梁[illegible]
Chairman

Date : 30 DEC 2015

× [illegible]
General Secretary

Date : 30 DEC 2015