LUTHERAN PHILIP HOUSE LIMITED
SCHOOL MANAGEMENT COMMITTEE

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Tam Cheung Lai Sheung & Co.
Certified Public Accountants (Practising)
譚張麗嫦會計師事務所

LUTHERAN PHILIP HOUSE LIMITED
SCHOOL MANAGEMENT COMMITTEE

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Tam Cheung Lai Sheung & Co.
Certified Public Accountants (Practising)
譚張麗嫦會計師事務所

LUTHERAN PHILIP HOUSE LIMITED
SCHOOL MANAGEMENT COMMITTEE
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

CONTENTS **Pages**

INDEPENDENT AUDITOR'S REPORT..... 1 to 2

STATEMENT OF FINANCIAL POSITION..... 3

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME..... 4

STATEMENT OF CHANGES IN EQUITY..... 5

STATEMENT OF CASH FLOWS..... 6

NOTES TO THE FINANCIAL STATEMENTS..... 7 to 18

Tam Cheung Lai Sheung & Co.
Certified Public Accountants - Practising
譚張麗嫦會計師事務所
Telephone 電話: (852) 2789-1671 Fax 傳眞: (852) 2789-1567
E-mail 電子郵件: tamcls@tamcls.com.hk

INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF LUTHERAN PHILIP HOUSE LIMITED
RE : SCHOOL MANAGEMENT COMMITTEE

Opinion

We have audited the financial statements of the School Management Committee of Lutheran Philip House Limited ("the Committee") set out on pages 3 to 18, which comprise the statement of financial position as at 31 March 2017, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Committee as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the "Rules on the Use of Social Welfare Subventions" and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Committee in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

As required by the "Guide to Social Welfare Subventions" and "Lump Sum Grant Manual", the directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Committee's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Committee or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Committee's financial reporting process.

Room 906, Nathan Centre, 580G-K Nathan Road, Kowloon, Hong Kong.
香港九龍彌敦道580G-K號彌敦中心906室

Tam Cheung Lai Sheung & Co.
Certified Public Accountants - Practising
譚張麗嫦會計師事務所
Telephone 電話: (852) 2789-1671 Fax 傳眞: (852) 2789-1567
E-mail 電子郵件: tamcls@tamcls.com.hk

INDEPENDENT AUDITOR'S REPORT (Cont'd)
TO THE BOARD OF DIRECTORS OF LUTHERAN PHILIP HOUSE LIMITED
RE : SCHOOL MANAGEMENT COMMITTEE

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Committee's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Committee's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Committee to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Tam Cheung Lai Sheung & Co.

Tam Cheung Lai Sheung & Co.
Certified Public Accountants (Practising)
Hong Kong, 11 October, 2017

Room 906, Nathan Centre, 580G-K Nathan Road, Kowloon, Hong Kong.
香港九龍彌敦道580G-K號彌敦中心906室

LUTHERAN PHILIP HOUSE LIMITED
SCHOOL MANAGEMENT COMMITTEE
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	**2017**	2016
		HK$	HK$
ASSETS			
Non-current assets			
Plant and equipment	6	**219,407.60**	402,121.19
Current assets			
Deposits paid		**15,948.00**	14,000.00
Sundry debtors		**1,086,110.09**	1,179,037.99
Prepayment		**600.00**	-
Cash and cash equivalents	7	**4,493,602.17**	4,188,866.33
		5,596,260.26	5,381,904.32
Total assets		**5,815,667.86**	5,784,025.51
RESERVES			
General Reserves	8	**5,765,877.28**	5,486,343.97
Lotteries Fund Reserve	9	**2,979.37**	15,410.67
		5,768,856.65	5,501,754.64
LIABILITIES			
Accruals		**46,798.21**	282,117.07
Receipt in advance		**13.00**	153.80
		46,811.21	282,270.87
Total equity and liabilities		**5,815,667.86**	5,784,025.51

Approved by:

Kwan Yim Chi
Board Chairperson
Date: 11 October, 2017

Lee Kwok Chuen
General Secretary
Date: 11 October, 2017

The notes on pages 7 to 18 form an integral part of these financial statements.

LUTHERAN PHILIP HOUSE LIMITED
SCHOOL MANAGEMENT COMMITTEE
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Note	**2017** **HK$**	2016 HK$
Income			
Subventions	11	**5,767,436.40**	5,018,943.40
Other income	12	**56,850.49**	65,441.01
		5,824,286.89	5,084,384.41
Expenses			
Administrative and other operating expenses	13	**(5,557,184.88)**	(5,194,474.88)
Surplus/(deficit) for the year		**267,102.01**	(110,090.47)
Salaries surplus refunded to government		**-**	(157,764.95)
Adjusted Surplus/(adjusted deficit) for the year		**267,102.01**	(267,855.42)
Other comprehensive income/(loss)		**-**	-
Total comprehensive income/(loss)		**267,102.01**	(267,855.42)

The notes on pages 7 to 18 form an integral part of these financial statements.

LUTHERAN PHILIP HOUSE LIMITED
SCHOOL MANAGEMENT COMMITTEE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	General Reserve HK$	Lotteries Fund Reserve HK$	Total HK$
Balance at 1 April 2015	5,766,180.89	3,429.17	5,769,610.06
Total comprehensive loss	(267,855.42)	-	(267,855.42)
Reallocation	(11,981.50)	11,981.50	-
Balance at 31 March 2016	5,486,343.97	15,410.67	5,501,754.64
Balance at 1 April 2016 as per above	5,486,343.97	15,410.67	5,501,754.64
Total comprehensive income	267,102.01	-	267,102.01
Reallocation	12,431.30	(12,431.30)	-
Balance at 31 March 2017	**5,765,877.28**	**2,979.37**	**5,768,856.65**

The notes on pages 7 to 18 form an integral part of these financial statements.

LUTHERAN PHILIP HOUSE LIMITED
SCHOOL MANAGEMENT COMMITTEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017	2016
		HK$	HK$
Cash flow from operating activities			
Adjusted surplus/(adjusted deficit) for the year		**267,102.01**	(267,855.42)
Adjustments for:			
Depreciation		**204,468.59**	359,644.81
Interest income		**(418.50)**	(440.95)
		471,152.10	91,348.44
Changes in working capital			
Prepayment		**(600.00)**	-
Accounts receivables		-	8,205.62
Sundry debtors		**92,927.90**	(195,182.98)
Accruals		**(235,318.86)**	175,650.34
Deposit paid		**(1,948.00)**	-
Receipt in advance		**(140.80)**	(339.00)
Cash generated from operating activities		**326,072.34**	79,682.42
Cash flow from investing activities			
Purchase of plant and equipment		**(21,755.00)**	(304,045.00)
Interest income		**418.50**	440.95
Net cash used in investing activities		**(21,336.50)**	(303,604.05)
Net increase/(decrease) in cash and cash equivalents		**304,735.84**	(223,921.63)
Cash and cash equivalents at beginning of year		**4,188,866.33**	4,412,787.96
Cash and cash equivalents at end of year	7	**4,493,602.17**	4,188,866.33

The notes on pages 7 to 18 form an integral part of these financial statements.

1. GENERAL INFORMATION

The School Management Committee of Lutheran Philip House Limited (the "Committee") is a non-governmental organisation operating on Lump Sum Grant provided by the Government of the Hong Kong Special Administrative Region. It is controlled by Lutheran Philip House Limited which is incorporated and domiciled in Hong Kong. Its principal place of business is Unit A107, 6/F., Cheong Wah Factory Building, 39 Sheung Heung Road, To Kwa Wan, Kowloon, Hong Kong.

During the year, the Committee was involved in the following principal activities:

- carrying out social welfare activities.
- running day nurseries.

2. SUMMARY OF BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The basis and principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Committee have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants. They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Committee's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Standards, amendment and interpretations
The Committee has adopted all relevant standards, amendment and interpretations effective for the financial period. The Directors are of the opinion that the adoption does not have any impact on the Committee's financial statements.

The Committee has not adopted any relevant standards, amendment and interpretations issued subsequent to but not being effective at 31 March 2017 of which the Directors are of the opinion that there will be no material impact on the financial statements for the period of initial application.

2.2 Plant and equipment

The plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Committee and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

2. SUMMARY OF BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Plant and equipment (cont'd)

Depreciation of plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Furniture, fixtures and decoration	25% - 33.33%
Office equipment	25% - 33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.3 Impairment of non-financial assets

Assets that have an indefinite useful life or have not yet available for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.4 Financial assets

Classification

The classification of financial assets depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The Committee classifies its financial assets as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables comprise 'Sundry debtors' and 'cash and cash equivalents' in the statement of financial position.

Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date being the date on which the Committee commits to purchase or sell the assets. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Committee has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2. SUMMARY OF BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial assets (cont'd)

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Committee or the counterparty.

2.5 Impairment of financial assets

The Committee assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.7 Other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. SUMMARY OF BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Employee benefits

Employee benefits represent short term employee benefits and contributions to defined contribution retirement plans.

Salaries annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2.9 Revenue recognition

Revenue comprises the fair value of the nursery operating income and subventions in the ordinary course of the Committee's activities.

The Committee recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Committee's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the receipts and income have been resolved. The Committee bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Subventions, grants and subsidies received
On actual receipt basis.

(b) Interest income
Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Committee reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Committee's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk, and liquidity risk. The management has unwritten policies to focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Committee's financial performance as follows:-

(a) Market risk

(i) Foreign exchange risk
The Committee's business transactions are mainly denominated in Hong Kong dollar and hence its exposure to foreign exchange risk is insignificant.

(ii) Price risk
As at 31 March 2017, the Committee had no material assets or liabilities of which the carrying values are affected by the prevailing market. Hence, the price risk is insignificant.

(iii) Cash flow and fair value interest rate risk
As the Committee has no significant interest-bearing assets and liabilities, its income and operating cash flows are substantially independent of changes in market interest rates.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(b) Credit risk

As at 31 March 2017, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Company is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Committee's credit risk primarily arises from cash at bank as it is a non-governmental organisation operating on Lump Sum Grant provided by the Government of the Hong Kong Special Administrative Region.

For banks and financial institutions, only those registered as financial institutions are accepted.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash for operation.

During 2017, the Committee finances its working capital requirements through the fund generated from operations. In general, the Committee operates with a working capital surplus.

3.2 Capital risk management

The Committee's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide services to the public. The Committee operates without involving any gearing.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There being no significant accounting estimates and judgements involving in the preparation of the financial statement.

5. FINANCIAL INSTRUMENTS BY CATEGORY

In accordance with HKFRS 7, the financial assets and financial liabilities of the Company as shown in the statement of financial positions are classified as follows:

(a) Other debtors and cash and bank balances are categorised as loans and receivables and carried at amortised cost using the effective interest method; and

(b) Other creditors are categorised as financial liabilities and carried at amortise cost using the effective interest method.

6. PLANT AND EQUIPMENT

Hing Man

	Furniture, fixtures and decoration		Office equipment		Total	
	2017 HK$	2016 HK$	2017 HK$	2016 HK$	2017 HK$	2016 HK$
Cost						
Balance brought forward	**836,481.90**	836,481.90	**179,281.60**	179,281.60	**1,015,763.50**	1,015,763.50
Addition	-	-	-	-	-	-
Balance carried forward	**836,481.90**	836,481.90	**179,281.60**	179,281.60	**1,015,763.50**	1,015,763.50
Aggregate depreciation						
Balance brought forward	**835,950.00**	834,617.75	**177,455.40**	175,375.70	**1,013,405.40**	1,009,993.45
Charge	**531.90**	1,332.25	**1,004.40**	2,079.70	**1,536.30**	3,411.95
Balance carried forward	**836,481.90**	835,950.00	**178,459.80**	177,455.40	**1,014,941.70**	1,013,405.40
Net book value						
At 31 March	-	531.90	**821.80**	1,826.20	**821.80**	2,358.10

Kai Kip

	Furniture, fixtures and decoration		Office equipment		Total	
	2017 HK$	2016 HK$	2017 HK$	2016 HK$	2017 HK$	2016 HK$
Cost						
Balance brought forward	**1,030,356.00**	1,030,356.00	**199,395.00**	199,395.00	**1,229,751.00**	1,229,751.00
Addition	-	-	-	-	-	-
Balance carried forward	**1,030,356.00**	1,030,356.00	**199,395.00**	199,395.00	**1,229,751.00**	1,229,751.00
Aggregate depreciation						
Balance brought forward	**1,007,847.80**	898,261.40	**199,395.00**	198,929.80	**1,207,242.80**	1,097,191.20
Charge	**22,508.20**	109,586.40	-	465.20	**22,508.20**	110,051.60
Balance carried forward	**1,030,356.00**	1,007,847.80	**199,395.00**	199,395.00	**1,229,751.00**	1,207,242.80
Net book value						
At 31 March	-	22,508.20	-	-	-	22,508.20

6. PLANT AND EQUIPMENT (CONT'D)

Ma Tau Wai

	Furniture, fixtures and decoration		Office Equipment		Total	
	2017	2016	**2017**	2016	**2017**	2016
	HK$	HK$	**HK$**	HK$	**HK$**	HK$
Cost						
Balance brought forward	**649,154.00**	345,109.00	**95,542.00**	95,542.00	**744,696.00**	440,651.00
Addition	**-**	304,045.00	**-**	-	**-**	304,045.00
Balance carried forward	**649,154.00**	649,154.00	**95,542.00**	95,542.00	**744,696.00**	744,696.00
Aggregate depreciation						
Balance brought forward	**370,446.20**	345,109.00	**95,542.00**	92,506.50	**465,988.20**	437,615.50
Charge	**76,011.60**	25,337.20	**-**	3,035.50	**76,011.60**	28,372.70
Balance carried forward	**446,457.80**	370,446.20	**95,542.00**	95,542.00	**541,999.80**	465,988.20
Net book value						
At 31 March	**202,696.20**	278,707.80	**-**	-	**202,696.20**	278,707.80

Oi Lun

	Furniture, fixtures and decoration		Office Equipment		Total	
	2017	2016	**2017**	2016	**2017**	2016
	HK$	HK$	**HK$**	HK$	**HK$**	HK$
Cost						
Balance brought forward	**1,206,280.00**	1,206,280.00	**147,199.00**	147,199.00	**1,353,479.00**	1,353,479.00
Addition	**-**	-	**-**	-	**-**	-
Balance carried forward	**1,206,280.00**	1,206,280.00	**147,199.00**	147,199.00	**1,353,479.00**	1,353,479.00
Aggregate depreciation						
Balance brought forward	**1,111,004.21**	908,892.45	**147,199.00**	143,925.10	**1,258,203.21**	1,052,817.55
Charge	**95,275.79**	202,111.76	**-**	3,273.90	**95,275.79**	205,385.66
Balance carried forward	**1,206,280.00**	1,111,004.21	**147,199.00**	147,199.00	**1,353,479.00**	1,258,203.21
Net book value						
At 31 March	**-**	95,275.79	**-**	-	**-**	95,275.79

6. PLANT AND EQUIPMENT (CONT'D)

Central

	Furniture, fixtures and decoration		Office Equipment		Total	
	2017	2016	**2017**	2016	**2017**	2016
	HK$	HK$	**HK$**	HK$	**HK$**	HK$
Cost						
Balance brought forward	**31,825.00**	31,825.00	**157,032.70**	157,032.70	**188,857.70**	188,857.70
Addition	**-**	-	**21,755.00**	-	**21,755.00**	-
Balance carried forward	**31,825.00**	31,825.00	**178,787.70**	157,032.70	**210,612.70**	188,857.70
Aggregate depreciation						
Balance brought forward	**31,825.00**	31,825.00	**153,761.40**	141,338.50	**185,586.40**	173,163.50
Charge	**-**	-	**9,136.70**	12,422.90	**9,136.70**	12,422.90
Balance carried forward	**31,825.00**	31,825.00	**162,898.10**	153,761.40	**194,723.10**	185,586.40
Net book value						
At 31 March	**-**	-	**15,889.60**	3,271.30	**15,889.60**	3,271.30
Total Net book value						
At 31 March	**202,696.20**	397,023.69	**16,711.40**	5,097.50	**219,407.60**	402,121.19

7. CASH AND CASH EQUIVALENTS

	2017	2016
	HK$	HK$
Cash in hand	**1,000.00**	21.71
Cash at bank	**4,492,602.17**	4,188,844.62
	4,493,602.17	4,188,866.33

Cash, cash equivalents and bank overdrafts include the following for the purposes of the statement of cash flows:

	2017	2016
	HK$	HK$
Cash and cash equivalents	**4,493,602.17**	4,188,866.33
Bank overdraft	**-**	-
	4,493,602.17	4,188,866.33

8. GENERAL RESERVES

Year ended 31 March 2017

	Hing Man	Kai Yip	Ma Tau Wai	Oi Lun	Central	Social Welfare Development Fund (Gov)	Social Welfare Development Fund (SMC)	Total
	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$
Brought forward	**1,977,873.83**	**925,629.97**	**1,205,285.95**	**876,582.07**	**212,980.15**	**287,979.10**	**12.90**	**5,486,343.97**
Surplus/ (Deficit) for the year	**60,291.94**	**30,698.80**	**299,440.19**	**(105,536.40)**	**119,290.63**	**(137,083.15)**	**-**	**267,102.01**
Salaries surplus refunded to Government	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Surplus transferred from Lotteries fund reserve	**-**	**-**	**-**	**-**	**12,431.30**	**-**	**-**	**12,431.30**
	2,038,165.77	**956,328.77**	**1,504,726.14**	**771,045.67**	**344,702.08**	**150,895.95**	**12.90**	**5,765,877.28**

Year ended 31 March 2016

	Hing Man	Kai Yip	Ma Tau Wai	Oi Lun	Central	Social Welfare Development Fund (Gov)	Social Welfare Development Fund (SMC)	Total
	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$
Brought forward	1,922,694.36	1,025,561.52	1,199,011.36	1,059,442.03	300,563.12	258,895.60	12.90	5,766,180.89
Surplus/ (Deficit) for the year	55,179.47	(99,931.55)	6,274.59	(182,859.96)	42,405.53	68,841.45	-	(110,090.47)
Salaries surplus refunded to Government	-	-	-	-	(118,007.00)	(39,757.95)	-	(157,764.95)
Surplus transferred to Lotteries fund reserve	-	-	-	-	(11,981.50)	-	-	(11,981.50)
	1,977,873.83	925,629.97	1,205,285.95	876,582.07	212,980.15	287,979.10	12.90	5,486,343.97

9. LOTTERIES FUND RESERVE - MOVEMENT OF THE F & E REPLENISHMENT AND MINOR WORKS BLOCK GRANT RESERVE

	2017	2016
	HK$	HK$
Balance brought forward	**15,410.67**	3,429.17
Block Grant received during the year	**71,000.00**	63,000.00
Expenditure on furniture, equipment and decoration	**(83,431.30)**	(63,018.50)
	2,979.37	3,410.67
Add back the BG balance for minor work	**-**	12,000
Balance carried forward	**2,979.37**	15,410.67

10. COMMITMENTS

As at 31 March 2017, the Committee has no outstanding commitments in respect of F & E Replenishment and Minor Works Grant.

Operating lease commitments - where the Committee is lessee
At the end of the reporting period, the Committee leased an office under non-cancellable operating lease agreement. The lease terms is 2 years.

The future aggregate minimum lease payments under non-cancellable operating lease is as follows:

	2017	2016
	HK$	HK$
Not later than 1 year	**92,680**	29,645.00
Later than 1 year and not later than 5 years	**70,400**	-
	163,080	29,645.00

11. SUBVENTION

	Hing Man	Kai Yip	Ma Tau Wai	Oi Lun	Central	Social Welfare Development Fund (Gov)	Social Welfare Development Fund (SMC)	**2017**	2016
	HK$	HK$	HK$	HK$	HK$	HK$	HK$	**Total**	Total
								HK$	HK$
Lump Sum Grant									
- Integrated programmes	939,977.00	1,045,153.00	741,415.00	769,250.00	-	-	-	**3,495,795.00**	3,357,141.00
- Occasional child care fee	92,722.00	52,361.00	52,361.00	95,961.00	-	-	-	**293,405.00**	277,853.00
- Extended hours service fee	125,045.00	125,045.00	104,252.00	125,045.00	-	-	-	**479,387.00**	315,697.00
- Administrative support	-	-	-	-	653,629.00	-	-	**653,629.00**	555,529.00
Occasional child care fee	42,902.40	19,184.00	11,776.00	10,128.00	-	-	-	**83,990.40**	77,664.00
Occasional child care fee – Mess	5,056.00	1,958.40	1,260.80	1,107.20	-	-	-	**9,382.40**	8,115.20
Extend hours service fee	17,513.60	11,713.00	481.00	21,528.00	-	-	-	**51,235.60**	46,727.20
Special one-off grant									-
Lotteries Fund Block Grant	21,300.00	21,300.00	318,245.00	14,200.00	-	-	-	**375,045.00**	63,000.00
Project subsidy	-	-	-	-	-	272,000.00	-	**272,000.00**	254,000.00
Occasional Child Care Subsidy	-	-	-	-	31,800.00	-	-	**31,800.00**	31,800.00
Extend hours service fee subsidy	-	-	-	-	21,767.00	-	-	**21,767.00**	31,417.00
Lotteries Fund for Purchase of Fixed asset	-	-	-	-	-	-	-	-	-
	1,244,516.00	1,276,714.40	1,229,790.80	1,037,219.20	707,196.00	272,000.000	-	**5,767,436.40**	5,018,943.40

12. OTHER INCOME

	Hing Man HK$	Kai Yip HK$	Ma Tau Wai HK$	Oi Lun HK$	Central HK$	Social Welfare Development Fund (Gov) HK$	Social Welfare Development Fund (SMC) HK$	**2017 Total HK$**	2016 Total HK$
Bank interest income	11.35	1.40	8.55	2.80	372.25	22.15	-	**418.50**	440.95
Sundry Income	-		-	-	41,478.29	-	14,953.70	**56,431.99**	65,000.06
Agency/Individual Contribution	-	-	-	-	-	-	-	-	-
	11.35	1.40	8.55	2.80	41,850.54	22.15	14,953.70	**56,850.49**	65,441.01

13. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	Hing Man HK$	Kai Yip HK$	Ma Tau Wai HK$	Oi Lun HK$	Central HK$	Social Welfare Development Fund (Gov) HK$	Social Welfare Development Fund (SMC) HK$	**2017 Total HK$**	2016 Total HK$
Personal emoluments									
Salaries and allowances	979,704.00	1,064,813.00	748,373.15	919,269.18	404,320.00	16,000.00	-	**4,132,479.33**	3,837,069.10
Salary – Relief worker	-	-	650.00	-	-	-	-	**650.00**	29,015.00
Provident fund and mandatory fund contribution	48,419.20	52,413.10	37,299.41	45,037.13	20,216.00	-	-	**203,384.84**	192,571.82
Staff allowance	33,699.10	32,868.80	33,774.60	33,797.90	-	-	-	**134,140.40**	93,866.20
	1,061,822.30	1,150,094.90	820,097.16	998,104.21	424,536.00	16,000.00	-	**4,470,654.57**	4,152,522.12
Operating charges									
Audit fee	-	-	-	-	34,000.00	-	-	**34,000.00**	32,000.00
Bank charges	70.00	200.00	403.30	250.00	1,150.00	-	-	**2,073.30**	1,926.90
Consultancy fee	-	-	-	-	-	10,200.00	1,800.00	**12,000.00**	18,000.00
Cleaning	619.90	-	-	-	10,862.00	-	-	**11,481.90**	37,654.80
Depreciation	1,536.30	22,508.20	76,011.60	95,275.79	9,136.70	-	-	**204,468.59**	359,644.81
Electricity	-	-	-	-	4,617.00	-	-	**4,617.00**	3,848.00
Food for children	12,729.91	2,331.60	-	-	-	-	-	**15,061.51**	27,510.78
Insurance	-	-	-	-	4,391.40	-	-	**4,391.40**	1,781.00
Minor purchase	1,446.80	-	2,028.00	-	7,613.30	-	-	**11,088.10**	11,222.50
Newspaper and magazine	-	-	-	-	-	-	-	-	931.70
Postage	170.00	-	-	-	578.00	-	-	**748.00**	551.20
Printing and stationery	-	-	-	-	14,544.41	-	-	**14,544.41**	18,316.92
Programme expenses	40,520.90	15,200.00	13,700.00	11,500.00	2,400.00	13,018.00	-	**96,338.90**	125,346.55
Rent and rate		-	-	-	90,139.00	-	-	**90,139.00**	29,645.00
Repair and maintenance	2,223.00	350.00	-	-	2,850.00	-	-	**5,423.00**	7,645.00
Staff training	50.00	100.00	-	11,428.40	-	243,825.00	13,153.70	**268,557.10**	228,322.00
Sundry expenses	-	-	-	-	4,895.00	-	-	**4,895.00**	3,200.00
Telephone, fax and nets	-	-	-	-	11,010.00	-	-	**11,010.00**	9,677.00
Toys and education	22,605.70	54,432.30	18,119.10	26,200.00	288.00	126,062.30	-	**247,707.40**	91,861.20
Travelling expenses	40,440.60	800.00	-	-	6,745.10	-	-	**47,985.70**	32,867.40
	122,413.11	95,922.10	110,262.00	144,654.19	205,219.91	393,105.30	14,953.70	**1,086,530.31**	1,041,952.76
	1,184,235.41	1,246,017.00	930,359.16	1,142,758.40	629,755.91	409,105.30	14,953.70	**5,557,184.88**	5,194,474.88

14. TAX STATUS

The committee is exempted from Hong Kong Profits Tax under section 88 of the Inland Revenue Ordinance.

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year's presentation.

16. APPROVAL OF FINANCIAL STATEMENT

The financial statements were approved and authorised for issued by the Board of Directors on 11 October, 2017.

Disclosure in NGO's Audited Financial Statements
Use of the Social Welfare Development Fund (SWDF) Phase 2 funded by Lotteries Fund
for the Financial Year 2016-17

Name of NGO: LUTHERAN PHILIP HOUSE LIMITED
Code of NGO: 492

	Particulars	$	$
(a)	Balance of SWDF brought forward :		287,979.10
(b)	Allocation from SWDF during the financial year :		84,000.00
(c)	Interest received during the financial year :		22.15
(d)	Expenditure under SWDF during the year:		
	1. Expenditure for projects under scope A	345,800.30	
	2. Expenditure for projects under scope B(non-IT)	10,200.00	
	3. Expenditure for projects under scope B(IT)	-	
	4. Expenditure for projects under scope C	-	
	5. Expenditure for administrative support	16,000.00	
	Total expenditure during the financial year :		372,000.30
(e)	Balance carried forward to the next financial year : (e) = (a) + (b) + (c) - (d)		0.95

The above expenditures under the SWDF have been incurred in accordance with the requirements stipulated in SWDF Guidance Notes for Application, SWD's approval letter(s) and the procurement of projects and services are in line with the procedures specified in the Lotteries Fund Manual.

Signature	:		
Name in Block Letter	:	KWAN YIM CHI	LEE KWOK CHUEN
Title	:	Board Chairperson	General Secretary
Date	:	11 October, 2017	11 October, 2017

Notes:
1. The above information should be audited by external auditors and included as part of the notes to the Agency's audited financial statements submitted to SWD.

2. After completion of external audit, the above information together with the Auditors' Report should be submitted to SWD's Finance Branch (8/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong) and copied to Subventions Section (38/F., 248 Queen's Road East, Wanchai, Hong Kong).

Disclosure in NGO's Audited Financial Statements
Use of the Social Welfare Development Fund (SWDF) Phase 3 funded by Lotteries Fund
for the Financial Year 2016-17

Name of NGO: LUTHERAN PHILIP HOUSE LIMITED
Code of NGO: 492

	Particulars	$	$
(a)	Balance of SWDF brought forward :		-
(b)	Allocation from SWDF during the year :		188,000.00
(c)	Interest received during the year :		-
(d)	Expenditure under SWDF during the year :		
	1. Expenditure for projects under scope A	37,105.00	
	2. Expenditure for projects under scope B(non-IT)	-	
	3. Expenditure for projects under scope B(IT)	-	
	4. Expenditure for projects under scope C	-	
	5. Expenditure for administrative support	-	
	Total expenditure during the financial year :		37,105.00
(e)	Balance carried forward to the next financial year : (e) = (a) + (b) + (c) - (d)		150,895.00

The above expenditure under SWDF has been incurred in accordance with the requirements stipulated in SWD's Guidance Notes for Application, SWD's approval letter(s) and the procurement of projects and services are in line with the procedures specified in the Lotteries Fund Manual.

Signature	:		
Name in Block Letter	:	KWAN YIM CHI	LEE KWOK CHUEN
Title	:	Board Chairperson	General Secretary
Date	:	11 October, 2017	11 October, 2017

Notes:

1. The above information should be audited by external auditors and included as part of the notes to the Agency's audited financial statements submitted to SWD.
2. After completion of external audit, the audited financial statements, in which the above information must be included, together with the Auditors' SWD's Finance Branch (8/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong). A copy of the notes to the audited financial statements in respect of SWDF extracted from the audited financial statements should be submitted to Subventions Section (38/F., 248 Queen's Road East, Wanchai, Hong Kong).

LUTHERAN PHILIP HOUSE LIMITED

Details of the Use of the F&E Replenishment and Minor Works Block Grant -

(a) Expenditure in the year 2016-2017 and

(b) Outstanding commitment as at 31 March 2017

		(a) Expenditure in the year 2016-2017				(b) Outstanding Commitments as at 31 March 2017 – Contracted for but not provided under the Expenditure Column			
Item No.	Name of the SWD-subvented Unit (Note 1)	Minor Works ($)	Furniture And Equipment ($)	Vehicle Overhauling ($)	Total Expenditure ($)	Minor Works ($)	Furniture and Equipment ($)	Vehicle Overhauling ($)	Total Outstanding Commitment ($)
1	Hing Man Nursery School	-	21,736.10	-	21,736.10	-	-	-	-
2	Kai Yip Nursery School	-	21,300.00	-	21,300.00	-	-	-	-
3	Ma Tau Wai Nursery School	-	14,195.20	-	14,195.20	-	-	-	-
4	Oi Lun Nursery School	-	26,200.00	-	26,200.00	-	-	-	-
	Total (Note 3):	-	83,431.30	-	83,431.30	-	-	-	-

In pursuance of paragraph 4.4.4 of the Lotteries Fund Manual we forward herewith the proforma showing the use of F&E Replenishment and Minor Works Block Grant. We also confirm that expenditure from the Block Grant has been incurred in accordance with the provisions of the Lotteries Fund Manual.

KWAN YIM CHI
Board Chairperson
Date: 11 October, 2017

LEE KWOK CHUEN
General Secretary
Date: 11 October, 2017

Notes:

1 One premises-tied SWD-subvented unit should not appear more than once in the proforma.

2 The Chief Executive Office of the NGO should initial at the left bottom of each and every page except for the final page which should be signed by both the Chief Executive Officer and the Chairman of the NGO.

3 The total figures should tally with those disclosed in the NGO's audited financial statements under paragraph 4.4.3 of the LF Manual.