

**HONG KONG JUVENILE CARE CENTRE**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2018**

**SIMON Y. P. CHAN & CO.**

Certified Public Accountants

**陳以波會計師事務所**

HONG KONG



# SIMON Y. P. CHAN & CO.

Certified Public Accountants

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## REVIEW REPORT ON THE ANNUAL FINANCIAL REPORT

### TO THE EXECUTIVE COMMITTEE OF HONG KONG JUVENILE CARE CENTRE

("THE CENTRE")

We have audited the financial statements of the Centre for the year ended 31 March 2018 and have issued an unqualified auditors' report thereon dated 29 SEP 2018

We conducted our review of the attached Annual Financial Report on pages 2 to 8 of the Centre for the year ended 31 March 2018 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 Centre, on which the above audited financial statements of the Centre 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 Centre for the year ended 31 March 2018.

- (a) in our opinion the Annual Financial Report has been properly prepared from the books and records of the Centre; and
- (b) no matters have come to our attention during the course of our review, which cause us to believe that the Centre has not-
  - (i) 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;
  - (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 Special One-off Grant and Provident Fund arrangements during the year ended 31 March 2018.

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.

Simon Y.P. Chan & Co.

Certified Public Accountants (Practising)

Practising Certificate number 1350

Hong Kong, 29 SEP 2018

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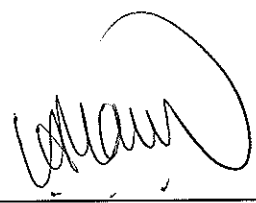
**HONG KONG JUVENILE CARE CENTRE**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE PERIOD FROM 1 APRIL 2017 TO 31 MARCH 2018**

		2017-18	2016-17
		<u>HK\$</u>	<u>HK\$</u>
		Note	
<b>A. INCOME</b>			
1.	Lump Sum Grant		
	a. Lump Sum Grant (excluding provident fund)	1b	16,835,812.00
	b. Provident fund	1c	16,171,625.00
2.	Special One-off Grant		1,690,732.00
3.	Fee income	2	-
4.	Central items	3	304,093.00
5.	Rent and rates	4	183,000.00
6.	Other income	5	74,011.00
7.	Interest received		6,916.35
	TOTAL INCOME		<u>18,426,943.27</u>
			<u>19,110,263.35</u>
<b>B. EXPENDITURE</b>			
1.	Personal emoluments		
	a. Salaries		12,974,568.90
	b. Provident fund	1c	1,429,420.08
	c. Allowances		-
	Sub Total	6	<u>14,403,988.98</u>
2.	Other charges	7	2,495,432.84
3.	Central items	3	272,199.92
4.	Rent and rates	4	183,000.00
5.	Special One-off Payments	7a	-
	TOTAL EXPENDITURE		<u>17,354,621.74</u>
			<u>17,835,856.21</u>
<b>C. SURPLUS FOR THE YEAR</b>			
		8	<u>1,072,321.53</u>
			<u>1,274,407.14</u>



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Ms. Jolanda Y. Chan  
Chairman  
Date: 23 SEP 2018



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Mr. Tam Kwok Keung  
Superintendent  
Date: 23 SEP 2018

**HONG KONG JUVENILE CARE CENTRE**  
**NOTES TO THE ANNUAL FINANCIAL REPORT**  
**FOR THE PERIOD FROM 1 APRIL 2017 TO 31 MARCH 2018**

**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 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 have been shown under 3. Details are analysed below :-

<u>Provident fund contribution</u>	<u>Snapshot Staff</u> <u>HK\$</u>	<u>6.8% and Other Posts</u> <u>HK\$</u>	<u>Total</u> <u>HK\$</u>
Subvention received	1,131,973.00	560,000.00	1,691,973.00
Provident fund contribution paid during the year	1,059,490.95	439,236.30	1,498,727.25
Surplus for the year	72,482.05	120,763.70	193,245.75
Add : Surplus brought forward	177,624.50	1,263,326.19	1,440,950.69
Less: Refund to government	(70,850.00)	-	(70,850.00)
Surplus carried forward	<u>179,256.55</u>	<u>1,384,089.89</u>	<u>1,563,346.44</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 Lump Sum Grant Manual.

**HONG KONG JUVENILE CARE CENTRE**  
**NOTES TO THE ANNUAL FINANCIAL REPORT**  
**FOR THE PERIOD FROM 1 APRIL 2017 TO 31 MARCH 2018**

**3. CENTRAL ITEMS**

These are subvented service activities which are not included in Lump Sum Grant and are subject to their own procedures as set out in other Social Welfare Department's papers and correspondence with the Centre. The PF received and contributed for staff under the Central Items have been 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:

	<u>2017-18</u>	<u>2016-17</u>
	<u>HKS</u>	<u>HKS</u>
<b><u>a. Income</u></b>		
Dementia supplement for elderly with disabilities	-	-
Infirmiry care supplement for the aged blind person	-	-
Dementia supplement for residential elderly services	-	-
Infirmiry 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	-	-
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	321,246.00	304,093.00
<b>Total</b>	<u>321,246.00</u>	<u>304,093.00</u>
<b><u>b. Expenditure</u></b>		
Dementia supplement for elderly with disabilities	-	-
Infirmiry care supplement for the aged blind person	-	-
Dementia supplement for residential elderly services	-	-
Infirmiry 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	-	-
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	324,519.17	272,199.92
<b>Total</b>	<u>324,519.17</u>	<u>272,199.92</u>

**HONG KONG JUVENILE CARE CENTRE**  
**NOTES TO THE ANNUAL FINANCIAL REPORT**  
**FOR THE PERIOD FROM 1 APRIL 2017 TO 31 MARCH 2018**

4. **RENT AND RATES** This represents the amount paid by Social Welfare Department in respect of premises recognised by Social Welfare Department. Expenditure on rent and rates in respect of premises not recognised by Social Welfare Department have not been 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 \$700,000 each paid under LSG is appended below:

		<u>2018</u>	<u>2017</u>
		<u>HK\$</u>	<u>HK\$</u>
<u>Analysis of personal emoluments paid under LSG</u>	<u>No. of posts</u>		
HK\$700,001 - HK\$800,000 p.a.	1	770,385.00	748,374.00
HK\$800,001 - HK\$900,000 p.a.	-	-	-
HK\$900,001 - HK\$1,000,000 p.a.	-	-	-
>HK\$1,000,000.00 p.a	1	1,137,465.00	1,116,489.00

7. **OTHER CHARGES**

The breakdown on Other Charges is as follows:

	<u>2018</u>	<u>2017</u>
	<u>HK\$</u>	<u>HK\$</u>
<u>Other Charges</u>		
(a) Utilities	486,772.08	509,656.22
(b) Food	1,264,794.24	1,198,308.10
(c) Administrative expenses	49,005.20	32,928.40
(d) Stores and equipment	259,319.05	281,275.73
(e) Repair and maintenance	134,679.45	139,675.80
(f) Special Allowances	-	-
(g) Programme expenses	126,557.10	156,047.90
(h) Transportation and travelling	102,491.38	57,200.87
(i) Insurance	68,405.55	66,870.72
(j) Miscellaneous	38,966.50	53,469.10
	<u>2,530,990.55</u>	<u>2,495,432.84</u>

7a. **SPECIAL ONE-OFF GRANT PAYMENTS**

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

	<u>2018</u>	<u>2017</u>
	<u>HK\$</u>	<u>HK\$</u>
<u>Special One-off Grant Payments</u>		
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
	<u>-</u>	<u>-</u>

**HONG KONG JUVENILE CARE CENTRE**  
**NOTES TO THE ANNUAL FINANCIAL REPORT**  
**FOR THE PERIOD FROM 1 APRIL 2017 TO 31 MARCH 2018**

8. ANALYSIS OF RESERVE FUND

	Analysis of reserve fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and rates	Central items	Total
<b>Income</b>					
Lump sum grant	18,527,785.00	-	-	-	18,527,785.00
Special One-off Grant	-	-	-	-	-
Fee income	-	-	-	-	-
Other income	66,402.00	-	-	-	66,402.00
Interest received (Note 1)	6,916.35	-	-	-	6,916.35
Rent and rates	-	-	187,914.00	-	187,914.00
Central items	-	-	-	321,246.00	321,246.00
<b>Total income (a)</b>	<b>18,601,103.35</b>	<b>-</b>	<b>187,914.00</b>	<b>321,246.00</b>	<b>19,110,263.35</b>
<b>Expenditure</b>					
Personal emoluments	14,797,346.49	-	-	-	14,797,346.49
Other charges	2,530,990.55	-	-	-	2,530,990.55
Rent and rates	-	-	183,000.00	-	183,000.00
Central items	-	-	-	324,519.17	324,519.17
Special One-off Grant Payments	-	-	-	-	-
<b>Total expenditure (b)</b>	<b>17,328,337.04</b>	<b>-</b>	<b>183,000.00</b>	<b>324,519.17</b>	<b>17,835,856.21</b>
Surplus for the year (a)-(b)	1,272,766.31	-	4,914.00	(3,273.17)	1,274,407.14
Less : (Deficit) of provident fund	(193,245.75)	-	-	-	(193,245.75)
Surplus/(Deficit) b/f (Note 2)	1,079,520.56	-	4,914.00	(3,273.17)	1,081,161.39
	1,232,702.98	-	-	48,274.03	1,280,977.01
Less : Refund/backpayment to Government	2,312,223.54	-	4,914.00	45,000.86	2,362,138.40
Transfer from LSG Reserve to cover the salary adjustment for, Dementia Supplement and Infirmary Care Supplementary (Note 3)	(70,850.00)	-	-	(48,274.03)	(119,124.03)
Surplus c/f (Note 4)	2,241,373.54	-	4,914.00	(3,273.17)	2,243,014.37

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 brought forward from previous years and all interest received in previous years are included in the surplus brought forward under LSG.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule of Central Items.
- (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.

**HONG KONG JUVENILE CARE CENTRE**  
**FOR THE PERIOD FROM 1 APRIL 2017 TO 31 MARCH 2018**

**SCHEDULE FOR CENTRAL ITEMS**

9. Analysis of Subvention and Expenditure

Unit Code and Name	Subvented element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the Year			Surplus/b/f (Note 5) (e)	Surplus/df (Note 6) (f)-(e)+(a)-(d)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d)		
340 Hong Kong Juvenile Care Centre	Overnight On-site-on-call Allowance	HK\$ 321,246.00	HK\$ 324,519.17	HK\$ (3,273.17)	HK\$ -	HK\$ -	HK\$ 48,274.03	HK\$ (3,273.17)	
<b>Total</b>		HK\$ 321,246.00	HK\$ 324,519.17	HK\$ (3,273.17)	HK\$ -	HK\$ -	HK\$ 48,274.03	HK\$ (3,273.17)	

Notes:

- The figures for the whole financial year are extracted from the payroll of March (Final) of the financial years.
- 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 are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref. (16) in SWD/S/2 Pt. 14 date 22 July 2015.
  - Dementia Supplement for Elderly with Disabilities
  - Infirmity Care Supplement for the Aged Blind Person
  - Dementia Supplement for Residential Elderly Services
  - Infirmity 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 code and name are extracted from the payroll from SWD.
- The income and expenditure for the Special one-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmity Care as allocated via SWD's letter ref SWD/S/E/R/C/3 pt. 4 dated 4 March 2015 should also be included in the income/expenditure of the respective times.
- The Central items as listed above may be exhaustive and any relevant details of central items released and/or expended during the year, where appropriate, should also be included.



## HONG KONG JUVENILE CARE CENTRE

### SCHEDULE FOR RENT AND RATES

10. Analysis of subvention and Expenditure for the period from 1 April 2017 to 31 March 2018

UNIT code and name	Subvented element	Subvention released (Note 1)	Actual expenditure	Surplus (Note 2)	Deficit (Note 2)
		HK\$	HK\$	HK\$	HK\$
Unit 3066 - Bradbury Hostel	Rent (Note 3)	1,000.00	(1,000.00)	-	-
	Rates	186,914.00	(182,000.00)	4,914.00	-
	Total	187,914.00	(183,000.00)	4,914.00	-
Unit 3065 - Accounting Support	Rent (Note 3)	-	-	-	-
	Rates	-	-	-	-
	Total	-	-	-	-
	Grand Total	187,914.00	(183,000.00)	4,914.00	-

**Notes:**

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.

**DISCLOSURE IN NGO'S AUDITED FINANCIAL STATEMENTS**  
**MOVEMENT OF THE F&E REPLENISHMENT AND MINOR WORKS**  
**BLOCK GRANT RESERVE**

	<u>HK\$</u>	<u>HK\$</u>
<b>Balance of Block Grant Reserve brought forward from previous financial year</b>		-
<b>Add :</b>		
Block Grant received during the year	275,000.00	
Interest received	2.12	
Other income	-	
	-	275,002.12
<b>Less :</b>		
Expenditure during the year (Note 1)		
Minor Works Projects	73,071.25	
Furniture and Equipment	170,219.20	
Other	31,709.55	
	275,000.00	275,000.00
<b>Balance of Block Grant Reserve carried forward to the next financial year</b>		2.12

**CAPITAL COMMITMENTS**

At 31 March 2018, the outstanding commitments in respect of Furniture and Fixture Replenishment and Minor Works Grant were as follows:

Contracted for but not provided in the financial statements		-
Authorised but not contracted for		-
		-
		-

**Notes:**

- (1) Expenditure charged to Block Grant during the year should be full expenditure amount, i.e. the actual expenditure incurred in 2017-18.

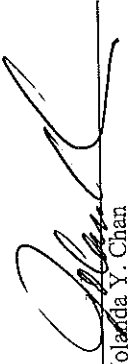
**HONG KONG JUVENILE CARE CENTRE**

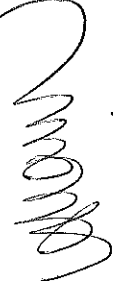
## Details of the Use of the F&amp;E Replenishment and Minor Works Block Grant -

- (a) Expenditure in the year 2017-18 and  
 (b) Outstanding commitment as at 31 March 2018

Item No.	Name of the SWD-subvented Unit (Note 1)	Service Nature (e.g. Sheltered Workshop)	(a) Expenditure in the year 2017-18				(b) Outstanding Commitment as at 31 March 2018 - Contracted for but not provided under the Expenditure Column(a)			
			Furniture and Equipment HK\$	Minor Works HK\$	Vehicle Overhauling (with Registration No. provided) HK\$	Total Expenditure HK\$	Furniture and Equipment HK\$	Minor Works HK\$	Vehicle Overhauling HK\$	Total outstanding Commitment HK\$
1.	Bradbury Hostel	Boys' Home	170,219.20	73,071.25	31,709.55 (GM7860)	275,000.00	-	-	-	-
Total:			170,219.20	73,071.25	31,709.55	275,000.00	-	-	-	-

In pursuance of paragraph 4.4.4 of the Lotteries Fund Manual we forward herewith the schedule 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.

  
 Ms. Jolanda Y. Chan  
 Chairman  
 Date: 23 SEP 2018

  
 Mr. Tam Kwok Keung  
 Superintendent  
 Date: 23 SEP 2018

## Notes:

1. One premises-tied SWD-subvented unit should not appear more than once in the schedule.
2. Each Furniture and Equipment item should not exceed HK\$50,000.
3. The Head 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 Head of the NGO and the Chairman of the Board of the NGO.
4. The total figures should tally with those disclosed in the NOG's audited financial statements under paragraph 4.4.3 of the LF Manual.

**SCHEDULE FOR INVESTMENT**  
**ANALYSIS OF INVESTMENT AS AT 31 MARCH 2018**  
**HONG KONG JUVENILE CARE CENTRE**

	<u>2018</u> HK\$	<u>2017</u> HK\$
LSG Reserve as at 31 March	2,241,373.54	1,232,702.98

Represented by:

Investment

a. HKD Bank Account Balances	-	-
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	2,241,373.54	1,232,702.98
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	2,241,373.54	1,232,702.98

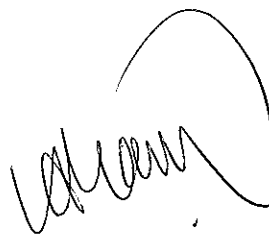
Note: The investments should be reported as historical cost.

Confirmed by:-



Ms. Jolanda Y. Chan  
Chairman

DATE: 23 SEP 2018



Mr. Tam Kwok Keung  
Superintendent

DATE: 23 SEP 2018

**DETAILED ANALYSIS OF BONDS/NOTES AS AT 31 MARCH 2018**  
**HONG KONG JUVENILE CARE CENTRE**  
**INVESTMENT IN HK\$ BONDS/NOTES**

	Issuer	Nominal amount HK\$	Cost of Acquisition HK\$	Maturity Date	Coupon % p.a.	Effective Yield % p.a.	Credit Rating	Custodian Bank
1		-	-					
2		-	-					
3		-	-					
4		-	-					
	<b>Total</b>	-	-					- -

Note: The amount will be reduced in accordance with the proportion of the disposal of the investment.

**DISCLOSURE IN NGO'S AUDIT FINANCIAL STATEMENTS****USE OF THE SOCIAL WELFARE DEVELOPMENT FUND (SWDF) PHASE 3 FUNDED BY LOTTERIES FUND FOR THE FINANCIAL YEAR 2017-18**

Name of NGO: HONG KONG JUVENILE CARE CENTRE  
Code of NGO: (340)

Particulars		HKS	HKS
I.	Balance of SWDF brought forward (a)		203,316.56 (a)
II	Allocation from SWDF during the year (b)		368,675.00 (b)
III.	Interest received during the year ( c)		30.06 (c)
IV.	Expenditure under SWDF during the year		
	1. Expenditure for projects under scope A	247,406.00	
	2. Expenditure for projects under scope B (non-IT)	0.00	
	3. Expenditure for projects under scope B (IT)	0.00	
	4. Expenditure for projects under scope C	0.00	
	5. Expenditure for administrative support	0.00	
	Total expenditure during the year (d)		247,406.00 (d)
V.	Balance carried forward to the next financial year ( e) (e) = (a) + (b) + (c) - (d)		324,615.62 (e)

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.

## 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 Auditor's Report should be submitted to SWD's Financial 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).