

**YUEN LONG TOWN HALL**  
**MANAGEMENT COMMITTEE LIMITED**

Annual Financial Report  
For the year ended 31 March 2019



## **Review Report on the Annual Financial Report to the Executive Committee of Yuen Long Town Hall Management Committee Limited ("the Association")**

We have audited the financial statements of Yuen Long Town Hall Management Committee Limited for the year ended 31 March 2019 and have issued an unqualified independent auditor's report thereon dated 16 December 2019.

We conducted our review of the attached Annual Financial Report on pages 3 to 10 of the Association for the year ended 31 March 2019 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organizations" issued by the Hong Kong Institute of Certified Public Accountants. The review includes considering the procedures and records relevant to the preparation of the Annual Financial Report and performing procedures to satisfy ourselves that the Annual Financial Report has been properly prepared from the books and records of the Association, on which the above audited financial statements of the Association are based.

### **Review conclusions**

On the basis of the results of our review and having regard to the audit procedures performed by us in relation to the audit of the financial statements of the Association for the year ended 31 March 2019:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Association; and
- b. no matter has come to our attention during the course of our review, which cause us to believe that the Association 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 Tide-over Grant and Provident Fund arrangements during the year ended 31 March 2019.

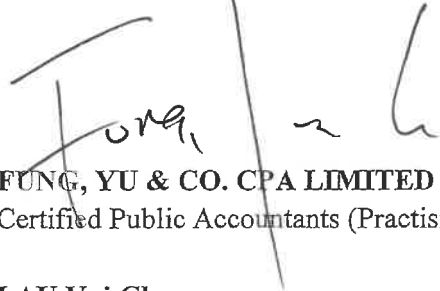


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**Review Report on the Annual Financial Report to the Executive Committee of  
Yuen Long Town Hall Management Committee Limited ("the Association")**

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.



**FUNG, YU & CO. CPA LIMITED**  
Certified Public Accountants (Practising).

**LAU Vui Cheong**  
Practising Certificate Number: P03455



Date: 16 December 2019

**YUEN LONG TOWN HALL MANAGEMENT COMMITTEE LIMITED**  
**ANNUAL FINANCIAL REPORT**  
**1 APRIL 2018 TO 31 MARCH 2019**

	<u>Notes</u>	<u>2018-19</u> \$	<u>2017-18</u> \$
<b>INCOME</b>			
Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	26,840,321.00	24,452,237.00
b. Provident Fund	1c	3,120,210.00	2,905,613.00
Fee Income	2	246,065.00	243,810.00
Central Items	3	78,300.00	83,250.00
Rent and Rates	4	830,032.00	910,672.00
Other Income	5	3,677,850.26	4,980,431.80
Interest Received		3,712.17	565.64
<b>TOTAL INCOME</b>		34,796,490.43	33,576,579.44
<b>EXPENDITURE</b>			
Personal Emoluments			
a. Salaries		26,232,751.95	24,761,179.50
b. Provident Fund	1c	3,285,641.09	3,104,959.59
c. Allowances		-	-
Subtotal	6	29,518,393.04	27,866,139.09
Other Charges	7	4,753,460.35	5,351,186.92
Central Items	3	52,633.90	56,117.00
Rent and Rates	4	815,427.52	849,210.32
<b>TOTAL EXPENDITURE</b>		35,139,914.81	34,122,653.33
<b>DEFICIT FOR THE YEAR</b>	8	(343,424.38)	(546,073.89)

The Annual Financial Report from pages 3 to 10 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE

  
 CHAIRMAN

DATE: 16 December 2019

  
 NGO HEAD

DATE: 16 December 2019

**YUEN LONG TOWN HALL MANAGEMENT COMMITTEE LIMITED**  
**NOTES TO THE ANNUAL FINANCIAL REPORT**

**1 Lump Sum Grant (LSG)**

**a. Basis of preparation**

The Annual Financial Report (AFR) is prepared in respect of all Funding and Service Agreement (FSA) activities (including support services to FSA activities) funded by the Social Welfare Department under the Lump Sum Grant Subvention System. 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 such as depreciation, provisions and accruals **have not been included** in the AFR.

**b. Lump Sum Grant (excluding Provident Fund)**

This represents LSG (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.

The Provident Fund received and contributed for staff under the Central Items have been shown under **Note 3**.

Details are analysed below:

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u>	<u>Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	2,248,744.00	871,466.00	3,120,210.00
Provident Fund Contribution Paid during the year	2,588,575.45	697,065.64	3,285,641.09
Surplus/(Deficit) for the Year	(339,831.45)	174,400.36	(165,431.09)
Add: Surplus/(Deficit) b/f for previous year(s)	-	1,729,613.64	1,729,613.64
Additional subvention received for 2017/18	-	10,830.00	10,830.00
Adjustment for omission of additional subvention for 2015/16 released in 2017/18 (SWD letter of 22 March 2017 under reference SWD/S/8/102/1(2017))	-	28,014.00	28,014.00
Deduct: Gratuities to long serving employees	-	(112,000.00)	(112,000.00)
Absorbed by General Fund of NGO	339,831.45	-	339,831.45
<b>Surplus/(Deficit) c/f</b>	<b>-</b>	<b>1,830,858.00</b>	<b>1,830,858.00</b>

**2 Fee Income**

This represents social welfare fee income received for the year in respect of the fees and charges recognised for the purpose of subvention as set out in the LSG Manual.

**YUEN LONG TOWN HALL MANAGEMENT COMMITTEE LIMITED**  
**NOTES TO THE ANNUAL FINANCIAL REPORT**

**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 Provident Fund 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 3.14 of LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	<u>2018-19</u>	<u>2017-18</u>
<b>Income</b>	\$	\$
After School Care Programme - Fee Waiving Subsidy Scheme	78,300.00	83,250.00
<b>Total</b>	<u>78,300.00</u>	<u>83,250.00</u>
<b>Expenditure</b>		
After School Care Programme - Fee Waiving Subsidy Scheme	52,633.90	56,117.00
<b>Total</b>	<u>52,633.90</u>	<u>56,117.00</u>

**4 Rent and Rates**

This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditures on rent and rates in respect of premises not recognised by SWD 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. In this respect, donations have been included if it is used to finance expenditure reflected in the AFR.

The breakdown on Other Income is as follows:

	<u>2018-19</u>	<u>2017-18</u>
<b>Other Income</b>	\$	\$
(a) Programme income	3,297,674.06	4,826,047.10
(b) Interest Class	219,290.00	-
(c) Donation	24,632.50	5,685.00
(d) Printing Income	4,248.90	1,827.00
(e) Sundry Income	9,444.80	26,272.70
(f) Lecture Fee Income	26,580.00	22,350.00
(g) Rental of Piano Room	95,980.00	98,250.00
	<u>3,677,850.26</u>	<u>4,980,431.80</u>

**YUEN LONG TOWN HALL MANAGEMENT COMMITTEE LIMITED**  
**NOTES TO THE ANNUAL FINANCIAL REPORT**

**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:

Analysis of Personal Emoluments	No of Posts	\$
HK\$700,001 - HK\$800,000 p.a.		
HK\$800,001 - HK\$900,000 p.a.	1	805,161.00
HK\$900,001 - HK\$1,000,000 p.a.		
HK\$1,000,001 - HK\$1,100,000 p.a.		
HK\$1,100,001 - HK\$1,200,000 p.a.	2	2,367,240.00
>HK\$1,200,000 p.a.	3	4,632,400.00

**7 Other Charges**

The breakdown on Other Charges is as follows

	<u>2018-19</u>	<u>2017-18</u>
Other Charges	\$	\$
(a) Utilities	471,941.10	733,453.17
(b) Food	-	-
(c) Administrative Expenses	185,259.10	170,103.50
(d) Stores and Equipment	229,662.00	209,694.55
(e) Repairs and Maintenance	63,559.90	58,188.20
(f) Special Allowances	-	-
(g) Programme Expenses	3,681,943.07	4,034,468.33
(h) Transportation and Travelling	2,906.90	3,149.30
(i) Insurance	93,060.98	87,599.00
(j) Miscellaneous	25,127.30	54,530.87
<b>Total</b>	<u>4,753,460.35</u>	<u>5,351,186.92</u>

**YUEN LONG TOWN HALL MANAGEMENT COMMITTEE LIMITED**  
**NOTES TO THE ANNUAL FINANCIAL REPORT**

**8 Analysis of Lump Sum Grant Reserve and balances of other SWD subventions**

	Lump Sum Grant	Rent and Rates	Central Items	Total
	(LSG)			
	HK\$	HK\$	HK\$	HK\$
<b>Income</b>				
Lump Sum Grant	29,960,531.00	-	-	29,960,531.00
Fee Income	246,065.00	-	-	246,065.00
Other Income	3,677,850.26	-	-	3,677,850.26
Interest Received (Note (1))	3,712.17	-	-	3,712.17
Rent and Rates	-	830,032.00	-	830,032.00
Central Items	-	-	78,300.00	78,300.00
<b>Total Income (a)</b>	<b>33,888,158.43</b>	<b>830,032.00</b>	<b>78,300.00</b>	<b>34,796,490.43</b>
<b>Expenditure</b>				
Personal Emoluments	29,518,393.04	-	-	29,518,393.04
Other Charges	4,753,460.35	-	-	4,753,460.35
Rent and Rates	-	815,427.52	-	815,427.52
Central Items	-	-	52,633.90	52,633.90
<b>Total Expenditure (b)</b>	<b>34,271,853.39</b>	<b>815,427.52</b>	<b>52,633.90</b>	<b>35,139,914.81</b>
<b>Surplus/(Deficit) for the Year (a) - (b)</b>	<b>(383,694.96)</b>	<b>14,604.48</b>	<b>25,666.10</b>	<b>(343,424.38)</b>
Less : Surplus/(Deficit) of Provident Fund	165,431.09	-	-	165,431.09
	(218,263.87)	14,604.48	25,666.10	(177,993.29)
<b>Surplus/(Deficit) b/f (Note (2))</b>	<b>-</b>	<b>(11,373.14)</b>	<b>1,232,171.50</b>	<b>1,220,798.36</b>
	(218,263.87)	3,231.34	1,257,837.60	1,042,805.07
Absorbed by General Fund of NGO	218,263.87	-	-	218,263.87
Less : Refund to Government	-	(1,687.08)	-	(1,687.08)
<b>Surplus/(Deficit) c/f (Note (4))</b>	<b>-</b>	<b>1,544.26</b>	<b>1,257,837.60</b>	<b>1,259,381.86</b>

Notes:

(1) Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant are included as one item under LSG; and the item is considered as part of LSG reserve.

(2) Accumulated balance of Lump Sum Grant Surplus b/f from previous years (including holding account) 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 Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule of Central Items.

(4) The level of LSG cumulative reserves (i.e. S), less LSG Reserve kept in the holding account, will be capped at 25% of the NGO's **operating expenditure** (excluding Provident Fund expenditure) for the year.



## ANNEX 1

SCHEDULE FOR CENTRAL ITEMS  
ANALYSIS OF SUBVENTION AND EXPENDITURE  
FOR THE PERIOD FROM 1 APRIL 2018 TO 31 MARCH 2019

Name of Agency : YUEN LONG TOWN HALL MANAGEMENT COMMITTEE LIMITED STEWARDS

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)	Refund to Government (f)	Surplus c/f (Note 6) (g)=(e)+(a)-(d)-(f)
					Deficit (Note 3) (b)	Adjusted Deficit (d)=(b)-©			
		\$	\$	\$	\$				\$
3235	After School Care Programme-Fee	78,300.00	52,633.90	25,666.10	-	N.A.	1,232,171.50	-	1,257,837.60
<b>TOTAL</b>		<b>78,300.00</b>	<b>52,633.90</b>	<b>25,666.10</b>	<b>-</b>	<b>-</b>	<b>1,232,171.50</b>	<b>-</b>	<b>1,257,837.60</b>

Notes:

- 1 The figures of the whole financial year are extracted from the payroll 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 Limp Sum Grant Reserve as stated in SWD/S/104/2 Pt. 18 dated 20 July 2018.
  - (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
- 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 less refund to Government plus surplus, if any, arising from operations in current year.
- 7 Unit codes and names are extracted from the payroll from SWD.
- 8 The central items as listed above may not be exhaustive and any relevant details of central items released and/or expended during the year, where appropriate, should also be included.

**SCHEDULE FOR RENT AND RATES  
ANALYSIS OF SUBVENTION AND EXPENDITURE  
FOR THE PERIOD FROM 1 APRIL 2018 TO 31 MARCH 2019**

**ANNEX 2**

Name of Agency : YUEN LONG TOWN HALL MANAGEMENT COMMITTEE LIMITED STEWARDS

Unit Code and name		Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3)	Deficit (Note 3)
5695	Yuen Long Town Hall	Rates	131,562.00	131,562.00	-	-
		Government Rent	93,890.00	93,889.52	0.48	-
		Total	225,452.00	225,451.52	0.48	-
5719	Yuen Long Town Hall Jockey Club Yuen Long Children & Youth Integrated Service Centre	Rent	518,100.00	518,100.00	-	-
		Rates	38,000.00	38,000.00	-	-
		Government Rent	28,800.00	28,800.00	-	-
		Total	584,900.00	584,900.00	-	-
7086	Yuen Long Town Hall Mrs Leung Hok Chiu Neighbourhood Elderly Centre	Rates	8,997.00	-	8,997.00	-
		Total	8,997.00	-	8,997.00	-
7343	Yuen Long Town Hall Mr Chan Ying Tseung Neighbourhood Elderly Centre	Rates	5,807.00	-	5,807.00	-
		Government Rent	4,876.00	5,076.00	-	(200.00)
		Total	10,683.00	5,076.00	5,807.00	(200.00)
Grand Total			830,032.00	815,427.52	14,804.48	(200.00)

Notes :

- The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year. Reimbursement for rent and rates relating to previous financial years(s) (i.e. back payments) should not be included.
- Surplus / (Deficit) for each element represents the difference between subvention released and actual expenditure.
- 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 2019

Name of Agency : YUEN LONG TOWN HALL MANAGEMENT COMMITTEE LIMITED STEWARDS

	<u>2018-19</u> HK\$'000	<u>2017-18</u> HK\$'000
LSG Reserve as at 31 March	<u>-</u>	<u>-</u>
Represented by:	<u>-</u>	<u>-</u>

Confirmed by:-

  
CHAIRMAN

  
NGO HEAD