

YUEN LONG TOWN HALL
MANAGEMENT COMMITTEE LIMITED

Annual Financial Report
For the year ended 31 March 2021



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 2021 and have issued an unqualified independent auditor's report thereon dated 22 October 2021.

We conducted our review of the attached Annual Financial Report on pages 3 to 10 of the Association for the year ended 31 March 2021 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

- 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 2021.

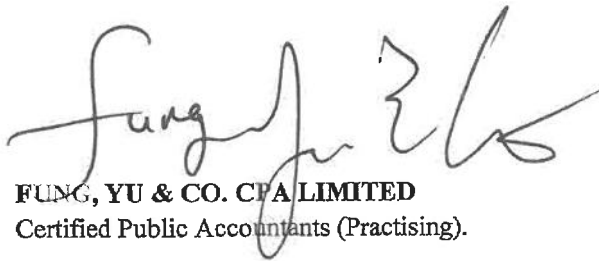


FUNG, YU & CO. CPA LIMITED
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**Review Report on the Annual Financial Report to the Executive Committee of
Yuen Long Town Hall Management Committee Limited ("the Association")**

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: 22 OCT 2021

YUEN LONG TOWN HALL MANAGEMENT COMMITTEE LIMITED
ANNUAL FINANCIAL REPORT
1 APRIL 2020 TO 31 MARCH 2021


	<u>Notes</u>	<u>2020-2021</u>	<u>2019-2020</u>
		\$	\$
INCOME			
Lump Sum Grant			
a. Lump Sum Grant	1b	30,016,124.00	29,598,810.00
(excluding Provident Fund)			
b. Provident Fund	1c	3,343,295.00	3,343,172.00
Fee Income	2	181,125.00	219,285.00
Central Items	3	35,712.00	43,200.00
Rent and Rates	4	888,523.00	878,600.00
Other Income	5	1,170,466.62	4,013,615.64
Interest Received		717.34	4,355.27
TOTAL INCOME		<u>35,635,962.96</u>	<u>38,101,037.91</u>
EXPENDITURE			
Personal Emoluments			
a. Salaries		29,591,275.78	29,305,464.71
b. Provident Fund	1c	3,417,226.22	3,509,013.24
SUBTOTAL	6	<u>33,008,502.00</u>	<u>32,814,477.95</u>
Other Charges	7	1,625,502.36	4,337,691.59
Central Items	3	31,466.58	18,273.60
Rent and Rates	4	826,134.96	865,875.92
TOTAL EXPENDITURE		<u>35,491,605.90</u>	<u>38,036,319.06</u>
SURPLUS FOR THE YEAR	8	<u>144,357.06</u>	<u>64,718.85</u>

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: 22 OCT 2021



NGO HEAD
DATE: 22 OCT 2021

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>	Snapshot Staff \$	6.8% and other Posts \$	Total \$
Subvention Received	2,323,331.00	1,019,964.00	3,343,295.00
Adjustment from last year from SWD	-	5,972.00	5,972.00
Provident Fund Contribution Paid during the year	2,717,774.85	699,451.37	3,417,226.22
Surplus / (deficit) for the Year	(394,443.85)	326,484.63	(67,959.22)
Add:			
Surplus b/f	-	1,933,408.01	1,933,408.01
Deduct:			
Gratuities to long serving employee	-	(127,500.00)	(127,500.00)
Absorbed by General Fund of NGO	394,443.85	-	394,443.85
Surplus c/f	-	2,132,392.64	2,132,392.64

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>2020-2021</u>	<u>2019-2020</u>
	\$	\$
Income		
After School Care Programme-Fee Waiving Subsidy Scheme	35,712.00	43,200.00
Total	<u>35,712.00</u>	<u>43,200.00</u>
Expenditure		
After School Care Programme-Fee Waiving Subsidy Scheme	31,466.58	18,273.60
Total	<u>31,466.58</u>	<u>18,273.60</u>

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 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>2020-2021</u>	<u>2019-2020</u>
	\$	\$
Other Income		
a) Program Income	1,050,673.62	3,547,572.14
b) Interest Class	37,435.00	286,845.00
c) Donation	2,474.00	45,265.70
d) Printing Income	2,220.50	4,210.30
e) Sundry Income	323.50	8,822.50
f) Lecture Fee Income	24,100.00	26,810.00
g) Rental of Piano Room	53,240.00	94,090.00
	<u>1,170,466.62</u>	<u>4,013,615.64</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:

<u>Analysis of Personal Emoluments paid under LSG</u>	<u>No. of Posts</u>	<u>\$</u>
HK\$700,001-HK\$800,000 p.a.	5	3,715,216.00
HK\$800,001-HK\$900,000 p.a.	1	847,527.00
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.		
>HK\$1,200,000 p.a.	5	7,270,555.00

7 Other Charges

The breakdown on Other Charges is as follows:

	<u>2020-2021</u>	<u>2019-2020</u>
	<u>\$</u>	<u>\$</u>
a) Utilities	280,627.35	592,207.90
b) Administrative Expenses	202,105.70	193,649.80
c) Stores and Equipment	136,088.69	253,045.00
d) Repairs and Maintenance	77,053.15	71,628.80
e) Programme Expenses	572,142.57	3,006,295.59
f) Transportation and Travelling	1,001.40	3,059.60
g) Insurance	343,616.70	202,573.15
h) Miscellaneous	12,866.80	15,231.75
Total	<u>1,625,502.36</u>	<u>4,337,691.59</u>

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

8 Analysis of Lump Sum Grant Reserve and balance of other SWD subventions

	<u>LSG</u>	<u>Rent and Rates</u>	<u>Central Items</u>	<u>Total</u>
	\$	\$	\$	\$
Income				
Lump Sum Grant	33,359,419.00	-	-	33,359,419.00
Fee Income	181,125.00	-	-	181,125.00
Other Income	1,170,466.62	-	-	1,170,466.62
Interest Received (note1)	717.34	-	-	717.34
Rent and Rates	-	888,523.00	-	888,523.00
Central items	-	-	35,712.00	35,712.00
Total Income (a)	<u>34,711,727.96</u>	<u>888,523.00</u>	<u>35,712.00</u>	<u>35,635,962.96</u>
Expenditure				
Personal Emoluments	33,008,502.00	-	-	33,008,502.00
Other Charges	1,625,502.36	-	-	1,625,502.36
Rent and Rates	-	826,134.96	-	826,134.96
Central Items	-	-	31,466.58	31,466.58
Total Expenditure (b)	<u>34,634,004.36</u>	<u>826,134.96</u>	<u>31,466.58</u>	<u>35,491,605.90</u>
Surplus/(Deficit) for the Year (a)-(b)	77,723.60	62,388.04	4,245.42	144,357.06
Less: Surplus/(Deficit) of Provident Fund	<u>(67,959.22)</u>	<u>-</u>	<u>-</u>	<u>(67,959.22)</u>
	145,682.82	62,388.04	4,245.42	212,316.28
Surplus/(Deficit) b/f (note 2)	<u>192,909.61</u>	<u>(536.14)</u>	<u>1,282,764.00</u>	<u>1,475,137.47</u>
	338,592.43	61,851.90	1,287,009.42	1,687,453.75
Absorbed by General Fund of NGO	-	-	(1,287,009.42)	(1,287,009.42)
Less: Refund to Govt.	<u>(3,944.50)</u>	<u>(12,894.08)</u>	<u>-</u>	<u>(16,838.58)</u>
Surplus/(Deficit) c/f (note 4)	<u>334,647.93</u>	<u>48,957.82</u>	<u>-</u>	<u>383,605.75</u>

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 Infirmity Care Supplement, if any, as per Schedule for Central Items.
- (4) The level of LSG cumulative reserve (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.

**SCHEDULE FOR CENTRAL ITEMS
ANALYSIS OF SUBVENTION AND EXPENDITURE
FOR THE PERIOD FROM 1 APRIL 2020 TO 31 MARCH 2021**

Name of Agency: YUEN LONG TOWN HALL MANAGEMENT COMMITTEE LIMITED

ANNEX1

Unit Code and name	Subvented Element	Subvention Released (note1)	Actual Expenditure (note2)	Surplus (note3) (a)	Deficit (note3) (b)	Deficit for the year		Adjusted Deficit (d) = (b) - (c)	Surplus b/f (note5) (e)	Refund to Govt (f)	Surplus/(note6) (g) = (e) + (a) - (d) - (f)
						Deficit transferred to LSG (note4)	Deficit (d) = (b) - (c)				
3235	After School Care Programme Fee	35,712.00	31,466.58	4,245.42	-	NA	-	-	-4,245.42	-	0.00
		35,712.00	31,466.58	4,245.42	-	-	-	-	-4,245.42	-	0.00

Notes:

1. The figures for the whole financial year can be extracted from the payroll for March (Final) of the financial year.
2. Actual expenditure represents the total expenditure incurred including provision 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 can be transferred to the Lump Sum Grant Reserve as stated in the relevant letter issued by SWD.
 - (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 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 2020 TO 31 MARCH 2021**

ANNEX 2

Name of Agency: YUEN LONG TOWN MANAGEMENT COMMITTEE LIMITED

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	139,431.00	114,598.44	24,832.56	-
		Govt Rent	97,363.00	93,889.52	3,473.48	-
		Clawback				(1,404.08)
		Total	236,794.00	208,487.96	28,306.04	(1,404.08)
5719	Yuen Long Town Hall Jockey Club Yuen Long Children & Youth Integrated Service Centre	Rent	555,780.00	555,670.00	110.00	-
		Rates	44,923.00	28,110.00	16,813.00	-
		Govt Rent	29,866.00	28,800.00	1,066.00	-
		Clawback				(3,830.00)
Total	630,569.00	612,580.00	17,989.00	(3,830.00)		
7086	Yuen Long Town Hall Mrs Leung Hok Chiu Neighbourhood Elderly Centre	Rates	9,535.00	-	9,535.00	-
		Clawback				(3,885.00)
		Total	9,535.00	-	9,535.00	(3,885.00)
7343	Yuen Long Town Hall Mr Chan Ying Tseung Neighbourhood Elderly Centre	Rates	6,155.00	-	6,155.00	-
		Govt Rent	5,470.00	5,067.00	403.00	-
		Clawback				(3,775.00)
		Total	11,625.00	5,067.00	6,558.00	(3,775.00)
Grand Total			888,523.00	826,134.96	62,388.04	(12,894.08)

Notes:

1. 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 year(s) (i.e. back payments) should not be included.
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 31 MARCH 2021**

Name of Agency: YUEN LONG TOWN MANAGEMENT COMMITTEE LIMITED

	2020-21 HK\$'000	2019-20 HK\$'000
LSG Reserve as at 31 March	<u>335.00</u>	<u>193.00</u>
Represented by :		
Investments		
a. HKD Bank Account Balances	335.00	193.00
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	-
d. HKD Certificate of Deposits	-	-
e. HKD Bonds	<u>-</u>	<u>-</u>
	<u>335.00</u>	<u>193.00</u>

Confirmed by:-



 CHAIRMAN
 DATE: 22 OCT 2021



 NGO HEAD
 DATE: 22 OCT 2021