

October 30, 2009

PARTNERS 合夥人：
Sylvia Ng 吳秀華會計師
FCCA, CPA
Gary Suen 孫文輝會計師
FCCA, CPA

The Directors
Hong Kong Evangelical Church
Social Service Limited
5/F No. 5 Tong Yam Street
Tai Hang Tung
Hong Kong

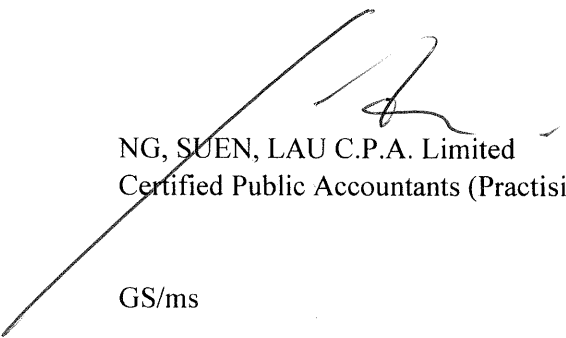
Dear Sirs

RE : MANAGEMENT REVIEW ON ACCOUNTING SYSTEM
- HONG KONG EVANGELICAL CHURCH SOCIAL SERVICE LIMITED

After finalising the audit of your Organisation's accounts for the year ended March 31, 2009, we reported that the accounts were properly prepared in according to the Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants and no significant deficiency in your accounting system have come to our attention as a result of audit procedures performed by us.

Thank you for your attention.

Yours faithfully


NG, SUEN, LAU C.P.A. Limited
Certified Public Accountants (Practising)

GS/ms

ANNUAL FINANCIAL REPORT
NGO : HONG KONG EVANGELICAL CHURCH
SOCIAL SERVICE LIMITED

1 APRIL 2008 TO 31 MARCH 2009

	Notes	Total 2008-09 \$	Total 2007-08 \$	Remarks
A. INCOME				
1. Lump Sum Grant				
a. Lump Sum Grant	1a	5,965,086.00	5,439,228.00	
b. Provident Fund	1b	416,205.00	360,586.00	
2. Special One-off Grant		-	-	
3. Fee Income	2	938,774.70	796,369.15	
4. Central Item	3	327,704.00	312,704.00	
5. Rent & Rates	4	228,420.00	237,567.00	
6. Other Income	5	489,460.55	1,031,343.60	
7. Interest Received		5,833.08	52,311.22	
TOTAL INCOME		8,371,483.33	8,230,108.97	
B. EXPENDITURE				
1. Personal Emoluments	6			
a. Salaries		5,069,641.50	4,689,989.75	
b. Provident Fund	1b	347,407.18	276,072.06	
c. Allowances		-	-	
2. Other Charges	7	1,809,124.66	2,291,274.58	
3. Central Item	3	339,186.00	281,982.60	
4. Rent & Rates	4	240,436.00	255,359.00	
TOTAL EXPENDITURE		7,805,795.34	7,794,677.99	
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	565,687.99	435,430.98	

SIGNATURE



Chairman
Man Chor Kwan
DATE:
8/10/2009



Chief Executive
Lui Hing Chung
DATE:
8/10/2009

NOTES ON THE FINANCIAL REPORT

1. Lump Sum Grant

a. Lump Sum Grant (excluding Provident Fund)

This represents Lump Sum Grant (excluding Provident Fund) received for the year.

b. Provident Fund

This is Provident Fund received and contributed during the year.

Details are analysed below :

<u>Provident Fund Contribution</u>	<u>Existing Staff</u>	<u>6.8% Posts</u>	<u>Total</u>
Subvention Received	163,591.00	252,614.00	416,205.00
Provident Fund Contribution Paid during the Year	222,197.61	125,209.57	347,407.18
Surplus/(Deficit) for the Year	(58,606.61)	127,404.43	68,797.82
Add : Surplus/(Deficit) b/f	250,604.24	514,184.18	764,788.42
Surplus/(Deficit) c/f	191,997.63	641,588.61	833,586.24

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 Lump Sum Grant Manual.

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 SWD's papers and correspondence with the Agency.

	2008-09	2007-08
<u>a. Income</u>	\$	\$
Limited Post for Programme Assistant	64,881.00	64,881.00
Limited Post for Care Assistant	180,323.00	180,323.00
After School Care Programme	82,500.00	67,500.00
Total	327,704.00	312,704.00
<u>d. Expenditure</u>		
Limited Post for Programme Assistant	73,734.00	60,348.75
Limited Post for Care Assistant	182,952.00	154,133.85
After School Care Programme	82,500.00	67,500.00
Total	339,186.00	281,982.60

4. Rent and Rates

This represents the amount paid by Social Welfare Department.

5. Other Income

These include all donations and income other than recognised social welfare fee income received during the year.

6. Personal Emoluments

Personal Emoluments included salary, provident fund, salary-related allowances.

Analysis of Personal Emoluments

<u>No of Posts</u>	\$
N/A	

7. Other Charges

<u>Other Charges</u>	<u>2008-09</u>	<u>2007-08</u>
	\$	\$
a. Utilities	128,841.00	116,075.40
b. Food	501,121.90	438,434.20
c. Administrative Expenses	121,452.00	157,273.70
d. Store & Equipment	86,878.42	687,475.35
e. Repair & Maintenance	83,234.30	99,834.00
f. Special Allowance	-	-
g. Program Expenses	377,226.10	354,728.20
h. Transportaion & Travelling	87,880.68	76,249.82
I. Insurance	2,611.16	65,490.91
j. Miscellaneous	129,269.10	26,678.00
k. Service Contract-out	290,610.00	269,035.00
Total	<u>1,809,124.66</u>	<u>2,291,274.58</u>

8. Analysis of Reserve Fund

Analysis of Reserve Fund							
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Interest Received	Sub-total LSG, SOG and Interest Received	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$	\$	\$
Income							
Lump Sum Grant	6,381,291.00	-	-	6,381,291.00	-	-	6,381,291.00
Special One-off Grant	-	-	-	-	-	-	-
Fee Income	938,774.70	-	-	938,774.70	-	-	938,774.70
Other Income	489,460.55	-	-	489,460.55	-	-	489,460.55
Interest Received	-	-	5,833.08	5,833.08	-	-	5,833.08
Rent and Rates	-	-	-	-	228,420.00	-	228,420.00
Central Items	-	-	-	-	-	327,704.00	327,704.00
Total Income (a)	7,809,526.25	-	5,833.08	7,815,359.33	228,420.00	327,704.00	8,371,483.33
Expenditure							
Personal Emoluments	5,417,048.68	-	-	5,417,048.68	-	-	5,417,048.68
Other Charges	1,809,124.66	-	-	1,809,124.66	-	-	1,809,124.66
Rent & Rates	-	-	-	-	240,436.00	-	240,436.00
Central Items	-	-	-	-	-	339,186.00	339,186.00
Total Expenditure (b)	7,226,173.34	-	-	7,226,173.34	240,436.00	339,186.00	7,805,795.34
Surplus/(Deficit) for the Year (a) - (b)	583,352.91	-	5,833.08	589,185.99	(12,016.00)	(11,482.00)	565,687.99
Less : Surplus/(Deficit) of Provident Fund	68,797.82	-	-	68,797.82	-	-	68,797.82
Surplus/(Deficit) b/f	514,555.09	-	5,833.08	520,388.17	(12,016.00)	(11,482.00)	496,890.17
	1,613,911.99	-	142,757.77	1,756,669.76	(18,594.50)	76,203.77	1,814,279.03
Add/(Less): Transfer from LSG Reserve to cover the salary adjustment for temporary posts (Note 1)	(11,482.00)	-	-	(11,482.00)	-	11,482.00	-
Less : Refund to Government	-	-	-	-	6,210.00	76,203.77	82,413.77
Surplus/(Deficit) c/f (Note 2)	2,116,985.08	-	148,590.85	2,265,575.93	(36,820.50)	-	2,228,755.43

Notes: (1) Amount of LSG Reserve used to cover the salary adjustment for Programme Assistants, Care Assistants, Peer Counsellors and Youth Embassadors, if any as per Annex 1 (a)
(2) The level of cumulative reserves (i.e. S + T) will be capped at 25% of NGO's operating expenditure (excluding PF expenditure) for that year..

9. Analysis of Income and Expenditure by Programme Area and Funding and Service Agreements
(including support services)

	INCOME						EXPENDITURE						Surplus/ (Deficits) (1)-(2)	Remarks
	LSG	Fee Income	Central Items	Rent and Rates	Other Income	Total Income (1)	Personal Emoluments	Other Charges	Central Items	Rent and Rates	Total Expenditure (2)			
Programme Area 3														
FSA 8 Service Unit 2775	690,429.47	15,717.00	64,881.00	133,920.00	481,754.00	1,386,701.47	663,301.00	500,082.00	73,734.00	133,920.00	1,371,037.00		15,664.47	
FSA 10 Service Unit 2776/7	5,633,945.53	923,057.70	180,323.00	94,500.00	7,706.55	6,839,532.78	4,753,747.68	1,253,537.66	182,952.00	106,516.00	6,296,753.34		542,779.44	
Programme Area 8														
Central Administration														
Accounting Support	56,916.00	-	-	-	-	56,916.00	-	55,505.00	-	-	55,505.00		1,411.00	
Service Unit 2773	-	-	82,500.00	-	-	82,500.00	-	-	82,500.00	-	82,500.00		-	
Sub-Total	6,381,291.00	938,774.70	327,704.00	228,420.00	489,460.55	8,365,650.25	5,417,048.68	1,809,124.66	339,186.00	240,436.00	7,805,795.34		559,854.91	
SOG	-	-	-	-	-	-	-	-	-	-	-		-	
Interest Received	-	-	-	-	-	5,833.08	-	-	-	-	-		-	
Total	6,381,291.00	938,774.70	327,704.00	228,420.00	489,460.55	8,371,483.33	5,417,048.68	1,809,124.66	339,186.00	240,436.00	7,805,795.34		565,687.99	