

STEWARDS LIMITED
(香港神託會有限公司)
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)

ANNUAL FINANCIAL REPORTS

FOR THE YEAR ENDED 31 MARCH 2013
(For the purpose of Social Welfare Department)



FUNG, YU & CO. CPA LIMITED
馮兆林余錫光會計師事務所有限公司

香港德輔道中161-167號
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Review Report to the Management Board of Stewards Limited

We have audited the financial statements of Stewards Limited for the year ended 31 March 2013 and have issued an unqualified independent auditor's report thereon dated 24 SEP 2013.

We conducted our review of the attached Annual Financial Report on pages 3 to 10 of the company for the year ended 31 March 2013 in accordance with Practice No. 851 "Review of the Annual Financial Report 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 company, on which the above audited financial statements of the company 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 company for the year ended 31 March 2013:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the company; and
- b. no matter have come to our attention during the course of our review, which cause us to believe that the company 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 2013.



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Review Report to the Management Board of Stewards Limited

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)

FUNG Shiu Lam
Practising Certificate Number: P00054

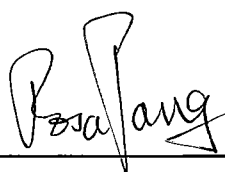


Hong Kong: 24 SEP 2013

STEWARDS LIMITED
ANNUAL FINANCIAL REPORT
1 APRIL 2012 TO 31 MARCH 2013

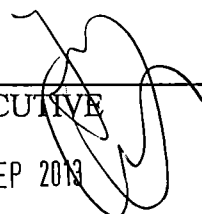
	<u>Notes</u>	<u>2012-13</u> HK\$	<u>2011-12</u> HK\$	<u>Remarks</u>
INCOME				
Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	46,721,115.00	41,737,740.00	
b. Provident Fund	1c	3,798,337.00	3,379,070.00	
Special One-off Grant		-	-	
Fee Income	2	1,747,689.40	1,170,678.00	
Central Items	3	3,931,052.00	3,856,852.00	
Rent and Rates	4	2,870,580.00	2,882,553.00	
Other Income	5	416,531.91	358,015.42	
Interest Received		131,317.57	90,156.56	
TOTAL INCOME		<u>59,616,622.88</u>	<u>53,475,064.98</u>	
EXPENDITURE				
Personal Emoluments				
a. Salaries		39,696,735.20	34,877,261.38	
b. Provident Fund	1c	2,800,543.63	2,451,046.31	
c. Allowances		264,600.00	239,580.00	
Subtotal	6	42,761,878.83	37,567,887.69	
Other Charges	7	4,669,851.21	4,520,738.24	
Central Items	3	3,675,019.47	3,315,428.77	
Rent and Rates	4	3,095,429.60	2,867,940.00	
Special One-off Grant Payments	7a	-	-	
TOTAL EXPENDITURE		<u>54,202,179.11</u>	<u>48,271,994.70</u>	
SURPLUS FOR THE YEAR	8	<u>5,414,443.77</u>	<u>5,203,070.28</u>	

SIGNATURE



CHAIRMAN

DATE: 24 SEP 2013



CHIEF EXECUTIVE

DATE: 24 SEP 2013

STEWARDS LIMITED
NOTES TO THE ANNUAL FINANCIAL REPORT

1 Lump Sum Grant

a. Basis of preparation

The Annual Financial Report (AR) 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 **should not be 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 should be shown under 3. In other words, such PF should **not** be included here (paragraph 3.12 of LSG Manual).

Details are analysed below:

Provident Fund Contribution	<u>Snapshot Staff</u>	<u>6.8% Posts</u>	<u>Total</u>
	HK\$	HK\$	HK\$
Subvention Received	1,634,831.00	2,163,506.00	3,798,337.00
Provident Fund Contribution Paid during the year	1,537,975.12	1,262,568.51	2,800,543.63
Surplus/(Deficit) for the Year	96,855.88	900,937.49	997,793.37
Add : Surplus/(Deficit) b/f	767,287.91	3,454,169.03	4,221,456.94
Surplus c/f	864,143.79	4,355,106.52	5,219,250.31

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.

STEWARDS 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 PF received and contributed for staff under the Central Items should be 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

	<u>2012-13</u>	<u>2011-12</u>
	HK\$	HK\$
<u>Income</u>		
Regularized Programme Assistants / Care Assistants	1,121,852.00	1,098,652.00
After School Care Programme	85,500.00	45,000.00
Programme Workers posts extended for one year in 2012-13	2,563,200.00	2,563,200.00
Training Sponsorship Scheme for two year MOT Programme	150,000.00	150,000.00
Financial Incentive Scheme for Mentors of Employees with Disabilitie	10,500.00	-
Total	<u>3,931,052.00</u>	<u>3,856,852.00</u>
<u>Expenditure</u>		
Regularized Programme Assistants / Care Assistants	1,094,935.63	894,595.27
After School Care Programme	84,408.01	78,182.84
Programme Workers posts extended for one year in 2012-13	2,345,675.83	2,342,650.66
Training Sponsorship Scheme for two year MOT Programme	150,000.00	-
Financial Incentive Scheme for Mentors of Employees with Disabilitie	-	-
Total	<u>3,675,019.47</u>	<u>3,315,428.77</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 should not be 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 need not be included as Other Income in AFR. However, treatment of fees and charges as specified under para. 2.27 to 2.28 of the LSG Manual remains unchanged (paragraph 3.9 of the Manual).

6 Personal Emoluments

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

The analysis on number of posts with annual Personal Emoluments over \$500,000 each is appended below:

Analysis of Personal Emoluments	No of Posts	HK\$
HK\$500,001 - HK\$600,000 p.a.	5	2,639,169.28
HK\$600,001 - HK\$700,000 p.a.	2	1,308,203.39
HK\$700,001 - HK\$800,000 p.a.	3	2,235,798.50
HK\$800,001 - HK\$900,000 p.a.	1	874,840.00
HK\$900,001 - HK\$1,000,000 p.a.	-	-
>HK\$1,000,000 p.a.	-	-

STEWARDS LIMITED
NOTES TO THE ANNUAL FINANCIAL REPORT

7 Other Charges

The breakdown on Other Charges is as follows:

Other Charges	<u>2012-13</u>	<u>2011-12</u>
	HK\$	HK\$
(a) Utilities	926,963.68	844,983.70
(b) Food	299,571.90	320,727.00
(c) Administrative Expenses	210,402.36	199,921.96
(d) Stores and Equipment	974,491.10	737,825.49
(e) Repairs and Maintenance	376,261.04	376,282.90
(f) Special Allowances	1,680,199.50	1,715,994.40
(g) Programme Expenses	(740,500.20)	(432,911.65)
(h) Transportation and Travelling	484,713.88	338,436.10
(i) Insurance	315,900.32	293,562.58
(j) Miscellaneous	141,847.63	125,915.76
Total	<u>4,669,851.21</u>	<u>4,520,738.24</u>

7a Special One-off Grant Payments

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

Special one-off Grant Payments	<u>2012-13</u>	<u>2011-12</u>
	HK\$	HK\$
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total	<u>-</u>	<u>-</u>

STEWARDS LIMITED
NOTES TO THE ANNUAL FINANCIAL REPORT

8 Analysis of Reserve Fund

	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
Income					
Lump Sum Grant	50,519,452.00	-	-	-	50,519,452.00
Special One-off Grant	-	-	-	-	-
Fee Income	1,747,689.40	-	-	-	1,747,689.40
Other Income	416,531.91	-	-	-	416,531.91
Interest Received	131,317.57	-	-	-	131,317.57
Rent and Rates	-	-	2,870,580.00	-	2,870,580.00
Central Items	-	-	-	3,931,052.00	3,931,052.00
Total Income	<u>52,814,990.88</u>	<u>-</u>	<u>2,870,580.00</u>	<u>3,931,052.00</u>	<u>59,616,622.88</u>
Expenditure					
Personal Emoluments	42,761,878.83	-	-	-	42,761,878.83
Other Charges	4,669,851.21	-	-	-	4,669,851.21
Rent and Rates	-	-	3,095,429.60	-	3,095,429.60
Central Items	-	-	-	3,675,019.47	3,675,019.47
Total Expenditure	<u>47,431,730.04</u>	<u>-</u>	<u>3,095,429.60</u>	<u>3,675,019.47</u>	<u>54,202,179.11</u>
Surplus/(Deficit) for the Year	5,383,260.84	-	(224,849.60)	256,032.53	5,414,443.77
Less : Surplus of Provident Fund	(997,793.37)	-	-	-	(997,793.37)
	4,385,467.47	-	(224,849.60)	256,032.53	4,416,650.40
Surplus/(Deficit) b/f	11,622,812.08	-	(12,119.81)	575,156.60	12,185,848.87
Less : Refund to Government	-	-	(16,200.00)	(424,606.07)	(440,806.07)
Surplus/(Deficit) c/f	<u>16,008,279.55</u>	<u>-</u>	<u>(253,169.41)</u>	<u>406,583.06</u>	<u>16,161,693.20</u>

Notes:

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

(2) Accumulated balance Lump Sum Grant Surplus b/f from previous years 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 Programme Assistants, Care Assistants, Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule of Central Items (**Annex 1**).

(4) The level of LSG cumulative reserves (i.e. S) will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.

**SCHEDULE FOR CENTRAL ITEMS
ANALYSIS OF SUBVENTION AND EXPENDITURE
FOR THE PERIOD FROM 1 APRIL 2012 TO 31 MARCH 2013**

ANNEX 1

Name of Agency : STEWARDS LIMITED

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 c/f (Note 6) (f)=(e)+(a)-(d)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d)=(b)-(c)		
		\$	\$	\$	\$				\$
3223 After School Care Programme	Other Charges	85,500.00	84,408.01	1,091.99	-	N.A.	-	-	1,091.99
5162 Visiting Medical Practitioner Scheme	Other Charges	-	-	-	-	-	-	550.53	550.53
6583 Training Sponsorship Scheme for two-year MOT Programme of PolyU	Tuition Fee	150,000.00	150,000.00	-	-	-	-	-	-
684P Programme Worker posts extended for one year in 2012-13	Personal Emoluments	2,563,200.00	2,345,675.83	217,524.17	-	N.A.	-	N.A.	N.A.
684S Regularized Programme Assistant (PA) / Care Assistants (CA)	Personal Emoluments	1,121,852.00	1,094,935.63	26,916.37	-	-	-	N.A.	N.A.
6484 Mentors of Employees with Disabilities	Other Charges	10,500.00	-	10,500.00	-	-	-	-	-
TOTAL		3,931,052.00	3,675,019.47	256,032.53	-	-	-	550.53	1,642.52

Notes :

- 1 The figures of 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 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 can be transferred to the Limp Sum Grant Reserve as stated in our letter ref. (23) in SWD/S/104/2 Pt. 4 dated 16 July 2008.
 - (i) Dementia Supplement for Elderly with Disabilities
 - (ii) Infirmity Care Supplement for the Aged Blind Persons
 - (iii) Dementia Supplement for Residential Elderly Services
 - (iv) Infirmity Care Supplement for Residential Elderly services
 - (v) Regularized Programme Assistants (PA)/Care Assistants (CA)
- 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 assigned by SWD should be filled, if available.
- 8 As the above schedule may not be exhaustive in content, any relevant details in respect of central items released and/or expended during the year may also be included, where appropriate.

**SCHEDULE FOR RENT AND RATES
ANALYSIS OF SUBVENTION AND EXPENDITURE
FOR THE PERIOD FROM 1 APRIL 2012 TO 31 MARCH 2013**

ANNEX 2

Name of Agency : STEWARDS LIMITED

Unit Code and name		Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3)	Deficit (Note 3)
4950	Sha Kok Y & C Centre	Rent Rates	324,000.00 25,800.00	324,000.00 20,600.00	5,200.00	-
		Total	349,800.00	344,600.00	5,200.00	-
5163	Integrated Community Centres for Mental Wellness	Rent Rates	28,080.00 -	225,271.60		(197,191.60)
		Total	28,080.00	225,271.60	-	(197,191.60)
5825	Yiu On Halfway House	Rent Rates	431,820.00 28,500.00	436,320.00 26,000.00	2,500.00	(4,500.00)
		Backpay - Gov't rent	540.00			
		Total	460,860.00	462,320.00	2,500.00	(4,500.00)
5210	Kwong Yuen IT	Rent Rates	348,840.00 34,200.00	354,960.00 30,800.00	3,400.00	(6,120.00)
		Backpay - Gov't rent	5,040.00			
		Total	388,080.00	385,760.00	3,400.00	(6,120.00)
5211	Yiu On Integrated Rehabilitation Service Centre	Rent Rates	492,300.00 40,200.00	498,780.00 41,000.00		(6,480.00) (800.00)
		Total	532,500.00	539,780.00	-	(7,280.00)
5835	Take Your Way	Rent Rates	- -	- -	-	
		Total	-	-	-	-
6625	Take Your Way (revamped to ICCMW)	Rent Rates	247,320.00 22,500.00	247,320.00 16,700.00	5,800.00	
		Total	269,820.00	264,020.00	5,800.00	-
7773	Yiu Tsuen Sheltered Workshop	Rent Rates	736,440.00 105,000.00	752,280.00 121,398.00		(15,840.00) (16,398.00)
		Total	841,440.00	873,678.00	-	(32,238.00)
		Grand Total	2,870,580.00	3,095,429.60	16,900.00	(247,329.60)

Notes :

1. The figures are to be extracted from the payroll for March plus subvention released in late March for the financial year.
2. Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building management fee and Government Rent.
3. Surplus / (Deficit) for each element represents the difference between subvention released and actual expenditure.

Schedule for Investment
Analysis of Investment as at 31 March 2013


Name of Agency : STEWARDS LIMITED

	<u>2012-13</u> HK\$'000	<u>2011-12</u> HK\$'000
LSG Reserve as at 31 March	<u>16,008</u>	<u>11,623</u>
Represented by: HKD Fixed Deposits	<u>16,008</u>	<u>11,623</u>

Confirmed by:-



CHAIRMAN



CHIEF EXECUTIVE