

STEWARDS LIMITED
香港神託會有限公司

(Limited by Guarantee)

ANNUAL FINANCIAL REPORTS

FOR THE YEAR ENDED 31 MARCH 2012
(For the purpose of Social Welfare Department)

STEWARDS LIMITED
香港神託會有限公司

**ANNUAL FINANCIAL REPORTS
FOR THE YEAR ENDED 31 MARCH 2012
(For the purpose of Social Welfare Department)**

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華強會計師事務所

LKY CHINA

Certified Public Accountants (Practising), Hong Kong

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**REVIEW REPORT TO THE DIRECTORS OF
STEWARDS LIMITED**

We have audited the financial statements of **STEWARDS LIMITED** for the year ended 31 March 2012 and have issued an unqualified auditor's report thereon dated **28 SEP 2012**.

We conducted our review of the attached Annual Financial Report on pages 2 to 9 of the Company for the year ended 31 March 2012 in accordance with the 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 Company, on which the above audited financial statements of Stewards Limited 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 2012;

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Company; and
- b. no matters 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 Statement 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 2012.

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.

LKY China
Certified Public Accountants (Practising)

Hong Kong, **28 SEP 2012**

香港中環德輔道中99-105號大新人壽大廈五字樓

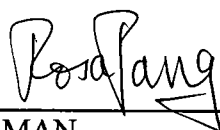
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STEWARDS LIMITED
ANNUAL FINANCIAL REPORT
1 APRIL 2011 TO 31 MARCH 2012

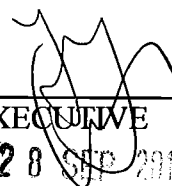
	<u>Notes</u>	<u>2011-12</u> HK\$	<u>2010-11</u> HK\$	<u>Remarks</u>
INCOME				
Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	41,737,740.00	34,518,751.00	
b. Provident Fund	1c	3,379,070.00	2,901,239.00	
Special One-off Grant		-	-	
Fee Income	2	1,170,678.00	666,472.00	
Central Items	3	3,856,852.00	3,429,148.00	
Rent and Rates	4	2,882,553.00	3,043,567.00	
Other Income	5	358,015.42	304,562.35	
Interest Received		90,156.56	31,521.11	
TOTAL INCOME		<u>53,475,064.98</u>	<u>44,895,260.46</u>	
EXPENDITURE				
Personal Emoluments				
a. Salaries		34,877,261.38	30,349,195.53	
b. Provident Fund	1c	2,451,046.31	2,241,732.55	
c. Allowances		239,580.00	239,580.00	
Subtotal	6	<u>37,567,887.69</u>	<u>32,830,508.08</u>	
Other Charges	7	4,520,738.24	4,599,080.53	
Central Items	3	3,315,428.77	3,256,481.38	
Rent and Rates	4	2,867,940.00	2,809,080.00	
Special One-off Grant Payments	7a	-	-	
TOTAL EXPENDITURE		<u>48,271,994.70</u>	<u>43,495,149.99</u>	
SURPLUS FOR THE YEAR	8	<u>5,203,070.28</u>	<u>1,400,110.47</u>	

SIGNATURE



CHAIRMAN

DATE: 28 SEP 2012



CHIEF EXECUTIVE

DATE: 28 SEP 2012

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, provision 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 (LSG Circular No.

Details are analysed below:

Provident Fund Contribution	<u>Snapshot Staff</u>	<u>6.8% Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	1,535,281.00	1,843,789.00	3,379,070.00
Provident Fund Contribution Paid during the year	1,453,570.38	997,475.93	2,451,046.31
Surplus for the Year	<u>81,710.62</u>	<u>846,313.07</u>	<u>928,023.69</u>
Add : Surplus b/f	685,577.29	2,587,169.62	3,272,746.91
Refund to Government per accounts inspection reply letter dated 15 Sept	-	20,686.34	20,686.34
Surplus c/f	<u><u>767,287.91</u></u>	<u><u>3,454,169.03</u></u>	<u><u>4,221,456.94</u></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 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 (LSG Circular No. 1/2001). The income and expenditure of each of the Central Items are as follows:

	<u>2011-12</u>	<u>2010-11</u>
<u>Income</u>	\$	\$
Regularized Programme Assistants / Care Assistants	1,098,652.00	843,448.00
After School Care Programme	45,000.00	22,500.00
Programme Workers posts extended for one year in 2011-12	2,563,200.00	2,563,200.00
Training Sponsorship Scheme for two year MOT Programme	150,000.00	-
 Total	 <u><u>3,856,852.00</u></u>	 <u><u>3,429,148.00</u></u>
 <u>Expenditure</u>		
Regularized Programme Assistants / Care Assistants	894,595.27	808,352.27
After School Care Programme	78,182.84	59,515.42
Programme Workers	2,342,650.66	2,388,613.69
Training Sponsorship Scheme for two year MOT Programme	-	-
 Total	 <u><u>3,315,428.77</u></u>	 <u><u>3,256,481.38</u></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. 2.29 to 2.30 of the Manual remains unchanged (LSG Circular No. 1/2001).

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\$500,001 - HK\$600,000 p.a.	1	530,382.10
HK\$600,001 - HK\$700,000 p.a.	-	-
HK\$700,001 - HK\$800,000 p.a.	3	2,108,136.00
HK\$800,001 - HK\$900,000 p.a.	1	807,876.00
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>2011-12</u>	<u>2010-11</u>
	\$	\$
(a) Utilities	844,983.70	828,167.95
(b) Food	320,727.00	320,371.80
(c) Administrative Expenses	199,921.96	157,173.88
(d) Stores and Equipment	737,825.49	701,815.85
(e) Repairs and Maintenance	376,282.90	366,063.50
(f) Special Allowances	1,715,994.40	1,719,260.30
(g) Programme Expenses	(432,911.65)	(280,119.73)
(h) Transportation and Travelling	338,436.10	341,771.82
(i) Insurance	293,562.58	284,389.83
(j) Miscellaneous	125,915.76	160,185.33
Total	<u><u>4,520,738.24</u></u>	<u><u>4,599,080.53</u></u>

7a Special One-off Grant Payments

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

Special one-off Grant Payments	<u>2011-12</u>	<u>2010-11</u>
	\$	\$
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total	<u><u>-</u></u>	<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\$	\$	\$	\$
Income					
Lump Sum Grant	45,116,810.00	-	-	-	45,116,810.00
Special One-off Grant	-	-	-	-	-
Fee Income	1,170,678.00	-	-	-	1,170,678.00
Other Income	358,015.42	-	-	-	358,015.42
Interest Received	90,156.56	-	-	-	90,156.56
Rent and Rates	-	-	2,882,553.00	-	2,882,553.00
Central Items	-	-	-	3,856,852.00	3,856,852.00
Total Income	46,735,659.98	-	2,882,553.00	3,856,852.00	53,475,064.98
Expenditure					
Personal Emoluments	37,567,887.69	-	-	-	37,567,887.69
Other Charges	4,520,738.24	-	-	-	4,520,738.24
Rent and Rates	-	-	2,867,940.00	-	2,867,940.00
Central Items	-	-	-	3,315,428.77	3,315,428.77
Total Expenditure	42,088,625.93	-	2,867,940.00	3,315,428.77	48,271,994.70
Surplus/(Deficit) for the Year	4,647,034.05	-	14,613.00	541,423.23	5,203,070.28
Less : Surplus of Provident Fund	(928,023.69)	-	-	-	(928,023.69)
	3,719,010.36	-	14,613.00	541,423.23	4,275,046.59
Surplus/(Deficit) b/f	7,213,434.70	-	28,107.19	210,232.57	7,451,774.46
Add: Adjustments:					
Refund to Government per accounts inspection reply letter dated 15 Sept 2011	690,367.02	-	-	-	690,367.02
Recovery of ICCMW rent for 2010/11	-	-	(14,040.00)	-	(14,040.00)
Adjustment of deficit in ASC for 2011/12	-	-	-	33,182.84	33,182.84
Less : Refund to Government	-	-	(40,800.00)	(209,682.04)	(250,482.04)
Surplus/(Deficit) c/f (Note 2)	11,622,812.08	-	(12,119.81)	575,156.60	12,185,848.87

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 Infirmity Care Supplement, if any, as per Annex 2.
- (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 2011 TO 31 MARCH 2012**

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	45,000.00	78,182.84		33,182.84	N.A.	33,182.84	N.A.	N.A.
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				-	150,000.00
684P Programme Worker posts for 3 years from 2008-09 to 2010-11	Personal Emoluments	2,563,200.00	2,342,650.66	220,549.34		N.A.		N.A.	N.A.
684S Care Assistant(CA)/Programme Assistant (PA) posts	Personal Emoluments	1,098,652.00	894,595.27	204,056.73		-	-	N.A.	N.A.
TOTAL		3,856,852.00	3,315,428.77	574,606.07	33,182.84	-	33,182.84	550.53	150,550.53

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) Infirmary Care Supplement for the Aged Blind Persons
 - (iii) Dementia Supplement for Residential Elderly Services
 - (iv) Infirmary Care Supplement for Residential Elderly services
 - (v) Programme Assistants (PA)/Care Assistants (CA) allocated vide our letter ref. (17) in SWD/S/203/1 Pt. 8 dated 17 March 2007.
- 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 2011 TO 31 MARCH 2012**

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 24,600.00	324,000.00 21,300.00	3,300.00	-
		Total	348,600.00	345,300.00	3,300.00	-
5163	Integrated Community Centres for Mental Wellness	Rent Rates	28,080.00 -	28,080.00	-	-
		Backpay - Rent	14,040.00			
		Total	42,120.00	28,080.00	-	-
5825	Yiu On Halfway House	Rent Rates	431,820.00 28,500.00	433,800.00 25,800.00	2,700.00	(1,980.00)
		Total	460,320.00	459,600.00	2,700.00	(1,980.00)
5210	Kwong Yuen IT	Rent Rates	348,840.00 34,200.00	352,080.00 30,000.00	4,200.00	(3,240.00)
		Total	383,040.00	382,080.00	4,200.00	(3,240.00)
5211	Yiu On Integrated Rehabilitation Service Centre	Rent Rates	492,300.00 40,200.00	495,180.00 39,000.00	1,200.00	(2,880.00)
		Backpay - Govt rent	720.00			
		Total	533,220.00	534,180.00	1,200.00	(2,880.00)
5835	Take Your Way	Rent Rates	- -	- -	-	-
		Backpay - rates	2,193.00			
		Total	2,193.00	-	-	-
6625	Take Your Way (revamped to ICCMW)	Rent Rates	247,320.00 22,500.00	247,320.00 17,700.00	4,800.00	-
		Total	269,820.00	265,020.00	4,800.00	-
7773	Yiu Tsuen Sheltered Workshop	Rent Rates	736,440.00 105,000.00	743,280.00 110,400.00		(6,840.00) (5,400.00)
		Backpay - Govt rent	1,800.00			
		Total	843,240.00	853,680.00	-	(12,240.00)
Grand Total			2,882,553.00	2,867,940.00	16,200.00	(20,340.00)

Notes :

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

Schedule for Investment
Analysis of Investment as at 31 March 2012

Name of Agency : STEWARDS LIMITED

	<u>2011-12</u> HK\$'000	<u>2010-11</u> HK\$'000
LSG Reserve as at 31 March	<u>11,623</u>	<u>7,213</u>
Represented by: HKD Fixed Deposits	<u>11,623</u>	<u>7,213</u>

Confirmed by:-



CHAIRMAN



CHIEF EXECUTIVE