

**ALICE HO MIU LING NETHERSOLE  
CHARITY FOUNDATION  
- ALICE HO MIU LING NETHERSOLE  
NURSING HOME**

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雅麗氏何妙齡那打素慈善基金會  
- 雅麗氏何妙齡那打素護養院

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 31ST MARCH 2016**

**F. S. Li & Co.**  
李福樹會計師事務所  

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CERTIFIED PUBLIC ACCOUNTANTS  
HONG KONG  

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# F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

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## **REVIEW REPORT TO THE BOARD OF GOVERNORS OF ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION**

We have audited the financial statements of the Alice Ho Miu Ling Nethersole Charity Foundation (the "Foundation") for the year ended 31st March 2016 and have issued an unqualified auditors' report thereon dated 7th September 2016.

We conducted our review of the attached Annual Financial Report on pages 2 to 15 of Alice Ho Miu Ling Nethersole Nursing Home (the "Branch") of the Foundation for the year ended 31st March 2016 in accordance with 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 Branch, on which the above audited financial statements of the Foundation 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 Foundation for the year ended 31st March 2016:

- (a) in our opinion the Annual Financial Report has been properly prepared from the books and records of the Foundation; and
- (b) no matters have come to our attention during the course of our review, which cause us to believe that the Foundation has not:
  - (i) properly accounted for the receipt of Lump Sum Grant, Provident Fund 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 (the "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 Provident Fund arrangements during the year ended 31st March 2016.

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.



F. S. Li & Co.  
Certified Public Accountants

Hong Kong, 7th September 2016.

**ANNUAL FINANCIAL REPORT**

**NGO : (019) ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION  
- ALICE HO MIU LING NETHERSOLE NURSING HOME**

**1 APRIL 2015 TO 31 MARCH 2016**

	<u>Notes</u>	<u>2015-16</u> HK\$	<u>2014-15</u> HK\$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	56,209,947.00	53,551,529.00
b. Provident Fund	1c	4,040,861.00	3,860,411.00
2. Special One-off Grant		-	-
3. Fee Income	2	5,511,942.00	5,561,268.00
4. Central Items	3	-	-
5. Rent and Rates	4	649,000.00	621,000.00
6. Other Income	5	3,149,592.13	2,756,734.65
7. Interest Received		<u>231,879.72</u>	<u>193,071.94</u>
<b>TOTAL INCOME</b>		<u>69,793,221.85</u>	<u>66,544,014.59</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		45,588,788.80	40,210,753.35
b. Provident Fund	1c	3,045,474.15	2,565,989.24
c. Allowances		-	-
Sub-total	6	<u>48,634,262.95</u>	<u>42,776,742.59</u>
2. Other Charges	7	17,963,817.45	17,180,583.93
3. Central Items	3	-	-
4. Rent and Rates	4	649,000.00	621,000.00
5. Special One-off Grant Payments	7a	-	-
<b>TOTAL EXPENDITURE</b>		<u>67,247,080.40</u>	<u>60,578,326.52</u>
<b>C. SURPLUS FOR THE YEAR</b>	8	<u>2,546,141.45</u>	<u>5,965,688.07</u>

SIGNATURE

*Pamela Leung*

CHAIRMAN

DATE : 7th September 2016

SIGNATURE

*[Signature]*

NGO HEAD

DATE : 7th September 2016

## NOTES ON THE ANNUAL FINANCIAL REPORT

### 1. Lump Sum Grant ("LSG")

**a. Basis of preparation** The Annual Financial Report (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** like 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 1st April 2000.

6.8% and other posts represent those staff that are employed after 1st April 2000.

Please note that PF 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	1,068,536.00	2,972,325.00	4,040,861.00
Provident Fund Contribution Paid during the year	<u>(1,097,588.69)</u>	<u>(1,947,885.46)</u>	<u>(3,045,474.15)</u>
Surplus/(Deficit) for the Year	(29,052.69)	1,024,439.54	995,386.85
<b>Add</b> : Surplus b/f	1,455,108.78	6,712,762.25	8,167,871.03
Transfer from Snapshot Staff to 6.8% and other posts	(881,436.23)	881,436.23	-
<b>Less</b> : Refund to Government	<u>(476,708.00)</u>	<u>-</u>	<u>(476,708.00)</u>
<b>Surplus c/f</b>	<u><u>67,911.86</u></u>	<u><u>8,618,638.02</u></u>	<u><u>8,686,549.88</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.

## NOTES ON 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 have been 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 the Central Items are as follows:

<b>a. Income</b>	<u>2015-16</u> \$	<u>2014-15</u> \$
Dementia Supplement for Elderly with Disabilities	-	-
Infirmity Care Supplement for the Aged Blind Person	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmity Care Supplement for Residential Elderly Services	-	-
Dementia Supplement for Day Care Centres/units for the Elderly	-	-
Foster Care Allowance/Emergency Foster Care Allowance	-	-
After School Care Programme	-	-
Temporary Financial Aid	-	-
Emergency Fund	-	-
Time-defined Subsidy Scheme for Extended Hours Child Care Services	-	-
Training Subsidy Programme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Short-term Rental Assistance	-	-
One-off Supplementary Grant for Service Re-engineering Plan of the Factory Section of the Factory for the Blind	-	-
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	-	-
Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy	-	-
NSCCP - Subsidy for Fee Reduction/waiving	-	-
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities	-	-
Enhanced After School Care Programme	-	-
Cluster-based Foster Home Pool	-	-
<b>Total</b>	-	-

## NOTES ON THE ANNUAL FINANCIAL REPORT

### 3. Central Items

b. Expenditure	<u>2015-16</u> \$	<u>2014-15</u> \$
Dementia Supplement for Elderly with Disabilities	-	-
Infirmiry Care Supplement for the Aged Blind Person	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmiry Care Supplement for Residential Elderly Services	-	-
Dementia Supplement for Day Care Centres/units for the Elderly	-	-
Foster Care Allowance/Emergency Foster Care Allowance	-	-
After School Care Programme	-	-
Temporary Financial Aid	-	-
Emergency Fund	-	-
Time-defined Subsidy Scheme for Extended Hours Child Care Services	-	-
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Short-term Rental Assistance	-	-
One-off Supplementary Grant for Service Re-engineering Plan of the Factory Section of the Factory for the Blind	-	-
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	-	-
Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy	-	-
NSCCP - Subsidy for Fee Reduction/waiving	-	-
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities	-	-
Enhanced After School Care Programme	-	-
Cluster-based Foster Home Pool	-	-
<b>Total</b>	<u><u>-</u></u>	<u><u>-</u></u>

## NOTES ON THE ANNUAL FINANCIAL REPORT

**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.

	<u>2015-16</u>	<u>2014-15</u>
<u>Other income</u>	\$	\$
(a) Programme income	28,300.00	23,290.00
(b) Purchasing Service Income	2,805,090.00	2,502,153.00
(c) Other income	<u>316,202.13</u>	<u>231,291.65</u>
Total	<u><u>3,149,592.13</u></u>	<u><u>2,756,734.65</u></u>

**6. Personal Emoluments** Personal Emoluments include salary, provident fund and salary-related allowances.

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

<b>Analysis of Personal Emoluments</b>	<b>No of Posts</b>	<b>\$</b>
HK\$500,001 - HK\$600,000 p.a.	5	2,696,356
HK\$600,001 - HK\$700,000 p.a.	5	3,184,045
HK\$700,001 - HK\$800,000 p.a.	3	2,328,591
HK\$800,001 - HK\$900,000 p.a.	-	-
HK\$900,001 - HK\$1,000,000 p.a.	1	962,099
>HK\$1,000,000 p.a.	-	-

## NOTES ON THE ANNUAL FINANCIAL REPORT

**7. Other Charges** The breakdown on Other Charges is as follows:

	<u>2015-16</u>	<u>2014-15</u>
<u>Other Charges</u>	HK\$	HK\$
(a) Utilities	3,376,736.84	3,436,770.32
(b) Food	2,226,794.04	2,194,759.86
(c) Administrative Expenses	772,707.52	728,023.10
(d) Stores and Equipment (Note A)	4,680,841.76	4,235,715.09
(e) Repair and Maintenance	5,468,770.63	5,186,943.02
(f) Special Allowances	-	-
(g) Programme Expenses	51,205.80	35,405.46
(h) Transportation and Travelling	5,980.30	6,299.30
(i) Insurance	440,398.35	365,638.62
(j) Staff Training and Development	-	13,578.06
(k) Miscellaneous (Note B)	<u>940,382.21</u>	<u>977,451.10</u>
Total	<u><u>17,963,817.45</u></u>	<u><u>17,180,583.93</u></u>

<u>Note A</u>	<u>Breakdown of Stores and Equipment Expenses</u>	<u>2015-16</u>	<u>2014-15</u>
		HK\$	HK\$
	1. Printing, Stationery & Sundries	107,372.33	119,082.78
	2. Newspaper & Books	8,208.00	7,592.50
	3. Cleaning Charges & Materials	138,205.00	121,870.10
	4. Linen Items (Uniform & Bedding)	19,498.00	84,438.00
	5. Cooking Utensils	3,122.80	930.00
	6. Electrical Appliance	86,559.60	421,960.80
	7. Furniture	141,970.16	123,245.00
	8. Household Utilities	284,190.62	307,023.78
	9. Medical Equipment	1,146,951.00	472,547.20
	10. Occupational Equipment	117.00	19,500.00
	11. Office Equipment	66,592.81	172,039.33
	12. Physical Equipment	8,130.00	65,150.00
	13. Personal Items for Purchasing Service	<u>2,669,924.44</u>	<u>2,320,335.60</u>
		<u><u>4,680,841.76</u></u>	<u><u>4,235,715.09</u></u>

<u>Note B</u>	<u>Breakdown of Miscellaneous Expenses</u>	<u>2015-16</u>	<u>2014-15</u>
		HK\$	HK\$
	1. Med. Exp. for Staff Recruit.	11,545.00	4,273.00
	2. Buying Services	508,083.40	518,062.28
	3. Medical Expenses	390,009.75	401,172.32
	4. Nursing Home License	900.00	900.00
	5. Gardening & Fish Culture	27,146.06	52,263.50
	6. Miscellaneous Others	<u>2,698.00</u>	<u>780.00</u>
		<u><u>940,382.21</u></u>	<u><u>977,451.10</u></u>

**7a. Special One-off Grant Payments** Details of Special One-off Grant Payments are as follows:

	<u>2015-16</u>	<u>2014-15</u>
<u>Special one-off Grant Payments</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>	<u><u>-</u></u>



**NOTES ON THE ANNUAL FINANCIAL REPORT**

**8. Analysis of Reserve Fund**

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$
<b>Income</b>					
Lump Sum Grant	60,250,808.00	-	-	-	60,250,808.00
Special One-off Grant	-	-	-	-	-
Fee Income	5,511,942.00	-	-	-	5,511,942.00
Other Income	3,149,592.13	-	-	-	3,149,592.13
Interest Received (Note (1))	231,879.72	-	-	-	231,879.72
Rent and Rates	-	-	649,000.00	-	649,000.00
Central Items	-	-	-	-	-
<b>Total Income</b>	<b>69,144,221.85</b>	<b>-</b>	<b>649,000.00</b>	<b>-</b>	<b>69,793,221.85</b>
<b>Expenditure</b>					
Personal Emoluments	48,634,262.95	-	-	-	48,634,262.95
Other Charges	17,963,817.45	-	-	-	17,963,817.45
Rent and Rates	-	-	649,000.00	-	649,000.00
Central Items	-	-	-	-	-
Special One-off Grant Payments	-	-	-	-	-
<b>Total Expenditure</b>	<b>66,598,080.40</b>	<b>-</b>	<b>649,000.00</b>	<b>-</b>	<b>67,247,080.40</b>
<b>Surplus for the Year</b>	<b>2,546,141.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,546,141.45</b>
<b>Less: Surplus of Provident Fund</b>	<b>995,386.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>995,386.85</b>
	1,550,754.60	-	-	-	1,550,754.60
<b>Surplus b/f (Note(2))</b>	<b>42,378,282.73</b>	<b>-</b>	<b>-</b>	<b>49,574.24</b>	<b>42,427,856.97</b>
<b>Less: Refund to Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(49,574.24)</b>	<b>(49,574.24)</b>
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note(3))	-	-	-	-	-
<b>Surplus c/f</b>	<b>43,929,037.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,929,037.33</b>

Notes:

- (1) All the interest received on LSG and PF reserves, Rent and Rates, Central Items, Special One-off Grant is 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 and all interest received in previous years are 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 reserve will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.

**Schedule for Rent and Rates**  
**Analysis of Subvention and Expenditure for the period from 01 Apr 2015 to 31 Mar 2016**

Name of Agency : (019) ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION  
 \_\_\_\_\_ - ALICE HO MIU LING NETHERSOLE NURSING HOME

Unit Code and Name	Subvented Element	Subvention Released HK\$	Actual Expenditure HK\$	Surplus HK\$	Deficit HK\$
1038 Alice Ho Miu Ling Nethersole Nursing Home	Rent Rates 15/16	649,000.00	649,000.00	-	-
	Grand Total	649,000.00	649,000.00	-	-

**Schedule for Investment**  
**Analysis of Investment as at 31 March 2016**

Agency : (019) ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION  
- ALICE HO MIU LING NETHERSOLE NURSING HOME


	<u>2015-16</u> HK\$	<u>2014-15</u> HK\$
LSG Reserve as at 31 March	<u>43,929,037.33</u>	<u>42,378,282.73</u>
Represented by :		
Investments		
a. HKD Bank Account Balances		
- HSBC	8,633,159.86	6,795,347.88
b. HKD Fixed Deposits		
- Bank of China	9,805,946.42	9,763,801.67
- Bank of East Asia	8,803,051.42	9,195,149.57
- Hang Seng Bank	9,731,509.38	9,704,698.84
- Standard Chartered	6,955,370.25	6,919,284.77
d. HKD Certificate of Deposits	-	-
e. HKD Bonds	-	-
	<u>43,929,037.33</u>	<u>42,378,282.73</u>

Note: The investments should be reported at historical cost.

Confirmed by :-

  
 \_\_\_\_\_  
 Chairman

Date : 7th September 2016

  
 \_\_\_\_\_  
 NGO Head

Date : 7th September 2016