

**STEWARDS LIMITED**  
香港神託會有限公司

(Limited by Guarantee)

**ACCOMPANYING FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2011**  
(For the purpose of Social Welfare Department)

**STEWARDS LIMITED**  
香港神託會有限公司

**ACCOMPANYING FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011  
(For the purpose of Social Welfare Department)**

**Contents**

	<b>Pages</b>
Auditor's Review Report	1
Annual Financial Report	2 to 7
Schedule for Central Items	8
Schedule for Rent and Rates	9
Schedule of Investment	10



華強會計師事務所

**LKY CHINA**

Certified Public Accountants (Practising), Hong Kong

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

Partners:

甄達華會計師  
JOSEPH T. W. YAN  
FCPA (Practising), ACA,  
FCCA, FTIHK, MSCA

高志強會計師  
ALBERT C.K. KO  
FCPA (Practising), ACA,  
ASA, FTIHK, BBA, MA

蔡少芬會計師  
NATALIE S.F. CHOY  
CPA (Practising), FCCA,  
MA (Acctg)

We have audited the financial statements of **STEWARDS LIMITED** for the year ended 31 March 2011 and have issued an unqualified auditor's report thereon dated **19 OCT 2011**.

We conducted our review of the attached Annual Financial Report on pages 2 to 10 of the Company for the year ended 31 March 2011 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 2011;

- 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 2011.

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, **19 OCT 2011**

**STEWARDS LIMITED**  
**ANNUAL FINANCIAL REPORT**  
**1 APRIL 2010 TO 31 MARCH 2011**

	<u>Notes</u>	<u>2010-11</u> \$	<u>2009-10</u> \$	<u>Remarks</u>
<b>INCOME</b>				
Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	34,518,751.00	31,571,568.00	
b. Provident Fund	1c	2,901,239.00	2,689,017.00	
Special One-off Grant		-	145,000.00	
Fee Income	2	666,472.00	685,626.00	
Central Items	3	3,429,148.00	3,433,566.00	
Rent and Rates	4	3,043,567.00	2,761,152.00	
Other Income	5	304,562.35	309,632.49	
Interest Received		31,521.11	27,013.26	
<b>TOTAL INCOME</b>		<u>44,895,260.46</u>	<u>41,622,574.75</u>	
<b>EXPENDITURE</b>				
Personal Emoluments				
a. Salaries		30,349,195.53	28,250,147.79	
b. Provident Fund	1c	2,241,732.55	2,211,713.31	
c. Allowances		239,580.00	257,760.00	
Subtotal	6	<u>32,830,508.08</u>	<u>30,719,621.10</u>	
Other Charges	7	4,599,080.53	4,548,157.15	
Central Items	3	3,256,481.38	3,438,593.13	
Rent and Rates	4	2,809,080.00	2,797,800.00	
Special One-off Grant Payments	7a	-	297,343.60	
<b>TOTAL EXPENDITURE</b>		<u>43,495,149.99</u>	<u>41,801,514.98</u>	
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	8	<u>1,400,110.47</u>	<u>(178,940.23)</u>	

SIGNATURE

*Marcus Chin*

CHAIRMAN  
DATE: 19 OCT 2011<sup>1</sup>



CHIEF EXECUTIVE  
DATE: 19 OCT 2011

**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. 1/2001).

Details are analysed below:

Provident Fund Contribution	<u>Snapshot Staff</u>	<u>6.8% Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	1,551,748.00	1,349,491.00	2,901,239.00
Provident Fund Contribution Paid during the year	1,382,513.07	859,219.48	2,241,732.55
Surplus/(Deficit) for the Year	<u>169,234.93</u>	<u>490,271.52</u>	<u>659,506.45</u>
Add : Surplus/(Deficit) b/f	<u>516,342.36</u>	<u>2,096,898.10</u>	<u>2,613,240.46</u>
Surplus c/f	<u><u>685,577.29</u></u>	<u><u>2,587,169.62</u></u>	<u><u>3,272,746.91</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

	<u>2010-11</u>	<u>2009-10</u>
<u>Income</u>	\$	\$
Programme Assistants / Care Assistants	843,448.00	843,448.00
After School Care Programme	22,500.00	22,500.00
Visiting Medical Practitioner Scheme	-	4,418.00
Programme Workers	2,563,200.00	2,563,200.00
<b>Total</b>	<u><u>3,429,148.00</u></u>	<u><u>3,433,566.00</u></u>
<u>Expenditure</u>		
Programme Assistants / Care Assistants	808,352.27	898,954.84
After School Care Programme	59,515.42	37,249.84
Visiting Medical Practitioner Scheme	-	4,203.65
Programme Workers	2,388,613.69	2,498,184.80
<b>Total</b>	<u><u>3,256,481.38</u></u>	<u><u>3,438,593.13</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

Analysis of Personal Emoluments	No of Posts	\$
HK\$500,001 - HK\$600,000 p.a.	-	-
HK\$600,001 - HK\$700,000 p.a.	3	1,947,470.00
HK\$700,001 - HK\$800,000 p.a.	1	732,900.00
HK\$800,001 - HK\$900,000 p.a.	-	-
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>2010-11</u>	<u>2009-10</u>
	\$	\$
(a) Utilities	828,167.95	855,839.15
(b) Food	320,371.80	367,774.40
(c) Administrative Expenses	157,173.88	149,833.32
(d) Stores and Equipment	701,815.85	618,799.16
(e) Repairs and Maintenance	366,063.50	223,923.00
(f) Special Allowances	1,719,260.30	1,710,964.50
(g) Programme Expenses	(280,119.73)	(85,230.40)
(h) Transportation and Travelling	341,771.82	313,274.70
(i) Insurance	284,389.83	186,678.54
(j) Miscellaneous	160,185.33	206,300.78
Total	<u>4,599,080.53</u>	<u>4,548,157.15</u>

**7a. Special One-off Grant Payments**

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

Special one-off Grant Payments	<u>2010-11</u>	<u>2009-10</u>
	\$	\$
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	297,343.60
(d) Other Staff-related Initiatives	-	-
Total	<u>-</u>	<u>297,343.60</u>

**STEWARDS LIMITED**  
**NOTES TO THE ANNUAL FINANCIAL REPORT**

**8. Analysis of Reserve Fund**

	Lump Sum Grant (LSG) HK\$	Special One-off Grant (SOG) HK\$	Rent and Rates HK\$	Central Items HK\$	Total HK\$
Income					
Lump Sum Grant	37,419,990.00	-	-	-	37,419,990.00
Special One-off Grant	-	-	-	-	-
Fee Income	666,472.00	-	-	-	666,472.00
Other Income	304,562.35	-	-	-	304,562.35
Interest Received	31,521.11	-	-	-	31,521.11
Rent and Rates	-	-	3,043,567.00	-	3,043,567.00
Central Items	-	-	-	3,429,148.00	3,429,148.00
Total Income	<u>38,422,545.46</u>	<u>-</u>	<u>3,043,567.00</u>	<u>3,429,148.00</u>	<u>44,895,260.46</u>
Expenditure					
Personal Emoluments	32,830,508.08	-	-	-	32,830,508.08
Other Charges	4,599,080.53	-	-	-	4,599,080.53
Rent and Rates	-	-	2,809,080.00	-	2,809,080.00
Central Items	-	-	-	3,256,481.38	3,256,481.38
Total Expenditure	<u>37,429,588.61</u>	<u>-</u>	<u>2,809,080.00</u>	<u>3,256,481.38</u>	<u>43,495,149.99</u>
Surplus/(Deficit) for the Year	992,956.85	-	234,487.00	172,666.62	1,400,110.47
Less : Surplus of Provident Fund	<u>(659,506.45)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(659,506.45)</u>
Surplus/(Deficit) b/f	333,450.40	-	234,487.00	172,666.62	740,604.02
Add: Adjustments:	6,879,984.30	(4.80)	(252,279.81)	50,815.89	6,678,515.58
Adjustment of deficit in SOG for 2009/10		4.80			4.80
Adjustment of deficit in ASC for 2009/10				14,749.84	14,749.84
Adjustment of deficit in ASC for 2010/11				37,015.42	37,015.42
Refunded by SWD per SWD letter dated 19/7/10			57,000.00		57,000.00
Less : Refund to Government			(11,100.00)	(65,015.20)	(76,115.20)
Surplus/(Deficit) c/f (Note 2)	<u>7,213,434.70</u>	<u>-</u>	<u>28,107.19</u>	<u>210,232.57</u>	<u>7,451,774.46</u>



**STEWARDS LIMITED**  
**NOTES TO THE ANNUAL FINANCIAL REPORT**

**8. Analysis of Reserve Fund**

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 Informary 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 2010 TO 31 MARCH 2011**

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)	Adjusted Deficit (d)=(b)-(c)		
3223 After School Care Programme	Other Charges	\$ 22,500.00	\$ 59,515.42	\$ -	\$ 37,015.42	N.A.	N.A.	N.A.
5162 Visiting Medical Practitioner Scheme	Other Charges	-	-	-	-	N.A.	550.53	550.53
684P Programme Worker posts for 3 years from 2008-09 to 2010-11	Emoluments	2,563,200.00	2,388,613.69	174,586.31	-	N.A.	N.A.	N.A.
684S Care Assistant(CA)/Programme Assistant (PA) posts	Emoluments	843,448.00	808,352.27	35,095.73	-	-	N.A.	N.A.
<b>TOTAL</b>		<b>3,429,148.00</b>	<b>3,256,481.38</b>	<b>209,682.04</b>	<b>37,015.42</b>	<b>-</b>	<b>550.53</b>	<b>550.53</b>

**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.e. 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 2010 TO 31 MARCH 2011**

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	324,000.00	324,000.00		-
		Rates	24,600.00	19,200.00	5,400.00	
		Total	348,600.00	343,200.00	5,400.00	-
5825	Yiu On Halfway House	Rent	431,820.00	432,360.00		(540.00)
		Rates	30,000.00	23,400.00	6,600.00	
		Backpay - Govt rent	70,200.00			
		Backpay - rates	1,800.00			
		Total	533,820.00	455,760.00	6,600.00	(540.00)
5210	Kwong Yuen IT	Rent	348,840.00	350,640.00		(1,800.00)
		Rates	34,200.00	27,600.00	6,600.00	
		Total	383,040.00	378,240.00	6,600.00	(1,800.00)
5211	Yiu On Integrated Rehabilitation Service Centre	Rent	492,300.00	493,020.00		(720.00)
		Rates	42,600.00	35,400.00	7,200.00	
		Backpay - Govt rent	99,720.00			
		Backpay - rates	2,400.00			
		Total	637,020.00	528,420.00	7,200.00	(720.00)
5833	School Social Work	Rent	-	-		
		Rates	-	-		
		Total	-	-	-	-
5835	Take Your Way	Rent	247,320.00	247,320.00		
		Rates	22,500.00	15,900.00	6,600.00	
		Total	269,820.00	263,220.00	6,600.00	-
5829	Supported Employment Programme	Rent	-	-		
		Rates	-	-		
		Total	-	-	-	-
7773	Yiu Tsuen Sheltered Workshop	Rent	736,440.00	738,240.00		(1,800.00)
		Rates	110,400.00	102,000.00	8,400.00	
		Backpay - Govt rent	4,248.00			
		Backpay - rates	20,179.00			
		Total	871,267.00	840,240.00	8,400.00	(1,800.00)
		Grand Total	3,043,567.00	2,809,080.00	40,800.00	(4,860.00)

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 2011**

Name of Agency : STEWARDS LIMITED

	<u>2010-11</u> HK\$'000	<u>2009-10</u> HK\$'000
LSG Reserve as at 31 March	<u>7,213</u>	<u>6,880</u>
Represented by: HKD Fixed Deposits	<u>7,213</u>	<u>6,880</u>

Confirmed by:-

  
\_\_\_\_\_  
CHAIRMAN

  
\_\_\_\_\_  
CHIEF EXECUTIVE