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麥 永 建 會 計 師 事 務 所

AUDITORS' REPORT TO THE COMMITTEE OF  
THE METHODIST CHURCH, HONG KONG  
METHODIST EPWORTH VILLAGE COMMUNITY CENTRE, SOCIAL WELFARE

We have audited the financial statements on pages 2 to 37 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

**Respective responsibilities of committee members and auditors**

It is the responsibility of the committee members to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the committee members in the preparation of the financial statements, and of whether in the accounting policies are appropriate to the Centre's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the Centre's affairs as at 31st March, 2004 and of its results for the year then ended.

HONG KONG, 27 APR 2005

W. K. MAK & CO.  
Certified Public Accountants

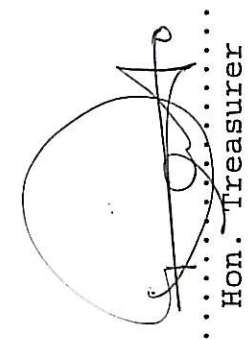
THE METHODIST CHURCH, HONG KONG  
 METHODIST EPWORTH VILLAGE COMMUNITY CENTRE, SOCIAL WELFARE

BALANCE SHEET

AS AT 31ST MARCH, 2004

	<u>Note</u>	<u>2004</u>	<u>2003</u>
<u>FIXED ASSETS</u>	2	\$991,615.02	\$384,805.90
<u>CURRENT ASSETS</u>			
Utility Deposits			
Provident Fund Deposit (National Mutual)		\$27,900.00	\$27,900.00
Accounts Receivable		24,321,295.01	22,928,064.90
Prepayments		895,070.70	701,475.81
Temporary Payments - Methodist Epworth Village Community Centre		769,316.09	658,903.56
Epworth Bookroom		543,064.43	-
Cash at Banks -		177,993.87	177,993.87
Fixed Deposit			
Current Account		1,900,000.00	4,253,390.69
Savings Account - Provident Fund		3,002,678.24	48,549.61
Cash in Hand		74,138.39	74,138.39
		<u>93,400.00</u>	<u>93,400.00</u>
		<u>\$31,804,856.73</u>	<u>\$28,963,816.83</u>
<u>LESS : CURRENT LIABILITIES</u>			
Service Deposit Received		\$50.00	50.00
Staff Provident Fund		24,412,755.09	23,019,524.98
Receipts in Advance		116,424.34	160,078.11
Accounts Payable and Accrued Expenses		621,045.77	414,972.68
Temporary Receipt		141,848.00	57,223.00
Subvented Rent & Rates			
Surplus Reserve	3	<u>121,630.30</u>	<u>60,845.70</u>
		<u>\$25,413,753.50</u>	<u>\$23,712,694.47</u>
<u>NET CURRENT ASSETS</u>		<u>6,391,103.23</u>	<u>\$5,251,122.36</u>
		<u>\$7,382,718.25</u>	<u>\$5,635,928.26</u>
<u>TOTAL NET ASSETS</u>			
<u>DESIGNATED FUNDS/RESERVES</u>	4	\$1,775,051.57	\$2,605,108.27
<u>LUMP SUM GRANT RESERVE</u> (INCL. PF RESERVE)	5	6,018,149.72	3,456,110.85
<u>CENTRAL ITEM RESERVE</u>	18	141,659.13	114,727.11
<u>UAP RESERVE</u>		-	125,555.13
<u>ACCUMULATED FUND/(DEFICIT)</u>	6	<u>(552,142.17)</u>	<u>(665,573.10)</u>
<u>TOTAL FUNDS</u>		<u>\$7,382,718.25</u>	<u>\$5,635,928.26</u>

  
 ..... Chairman

  
 ..... Hon. Treasurer

*Funda ch*  
 ..... General Secretary

THE METHODIST CHURCH, HONG KONG  
METHODIST EPWORTH VILLAGE COMMUNITY CENTRE, SOCIAL WELFARE

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

	Note	Subvented	Non-Subvented	2004	2003
<b>INCOME</b>					
Subvention Received from Social Welfare Dept.		\$30,163,845.00	-	\$30,163,845.00	\$29,235,879.46
Fee Income Received		1,706,954.00	\$1,458,280.80	3,165,234.80	3,517,493.20
Community Chest Allocation]		226,800.00	679,300.00	906,100.00	1,296,000.00
Donation Received		-	755,235.32	755,235.32	702,214.48
Administration Fee Received		500.00	539,880.25	540,380.25	1,800.00
Bank Interest Received		657.83	482.63	1,140.46	3,586.86
Sundry Income		37,787.30	11,040.00	48,827.30	309,054.22
		\$32,136,544.13	\$3,444,219.00	\$35,580,763.13	\$35,066,027.76
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<b>LESS : EXPENDITURE</b>					
Staff Salaries		\$23,802,074.37	\$2,830,706.49	\$26,632,780.86	\$27,017,596.46
Provident Fund Contribution		1,554,711.20	189,107.65	1,743,818.85	1,725,799.24
Rent & Rates (Incl. Government Rent)		990,608.64	131,136.14	1,121,744.78	1,242,488.58
Electricity		350,169.46	68,835.04	419,004.50	415,431.76
Telephone		113,219.52	25,339.00	138,558.52	137,097.07
Central Management Fee		516,587.00	180,000.00	696,587.00	594,840.00
Water, Gas & Fuel		103,925.52	14,145.00	118,070.52	101,756.27
Postage		45,774.40	2,824.90	48,599.30	55,845.90
Printing & Stationery		117,608.84	33,926.95	151,535.79	107,983.90
Cleaning Expenses		30,266.80	2,770.10	33,036.90	36,737.60
Food for Client		529,009.44	88,660.86	617,670.30	710,499.95
Medical Expenses		41,488.75	2,432.50	43,921.25	41,841.40
EHCCS Charges		70,839.34	-	70,839.34	-
Programme Expenses (Incl. Tuition Expenses)		745,056.87	184,473.15	929,530.02	654,580.57
Newspaper, Periodical & Books		23,903.40	120.00	24,023.40	23,958.00
Advertisement		15,574.69	3,303.71	18,878.40	10,356.90
Insurance Premium		8,740.00	23,643.58	32,383.58	26,333.43
Staff Training		14,632.10	1,114.90	15,747.00	12,000.90
Traffic Expenses		230,372.30	2,661.10	233,033.40	225,535.52
Subscription Fee		4,050.00	-	4,050.00	4,150.00
Meeting Expenses		2,403.70	1,340.50	3,744.20	10,312.20
Bank Charges		653.60	-	653.60	540.00
Registration Fee		-	1,200.00	1,200.00	1,200.00
Audit Fee		40,400.00	5,600.00	46,000.00	44,800.00
Minor Purchases, Repair & Maintenance		192,676.60	166,558.14	359,234.74	342,364.33
Special Allowance		10,147.00	-	10,147.00	2,045.46
Sundry Expenses		57,650.23	14,839.60	72,489.83	80,444.92
Depreciation on Furniture & Fixture		-	174,990.88	174,990.88	67,906.93
		\$29,612,343.77	\$4,149,730.19	\$33,762,073.96	\$33,694,447.29
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<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		\$2,524,200.36	(\$705,511.19)	\$1,818,689.17	\$1,371,580.47
<b>SURPLUS TRANSFERRED TO</b>					
Subvented Rent & Rates Surplus Reserve	3	(60,784.60)	-	(60,784.60)	(22,563.94)
UAP Reserve		-	-	-	(119,878.71)
Central Item Reserve	18	(26,932.02)	-	(26,932.02)	(63,549.90)
Lump Sum Grant Reserve	5	(2,436,483.74)	-	(2,436,483.74)	(1,924,311.80)
<b>DEFICIT TRANSFERRED TO</b>					
Family Enhancement Central Reserve		-	818,942.12	818,942.12	781,079.70
		-	\$113,430.93	\$113,430.93	\$22,355.82
<b>DEFICIT OF ACCUMULATED FUND B/F</b>		-	(665,573.10)	(665,573.10)	(687,928.92)
<b>DEFICIT OF ACCUMULATED FUND C/F</b>	6	-	(\$552,142.17)	(\$552,142.17)	(\$665,573.10)