

WOMEN'S WELFARE CLUB,
WESTERN DISTRICT, HONG KONG

ANNUAL FINANCIAL REPORT

For the year ended 31 March 2018

楊少銓會計師事務所
ALBERT S. C. YOUNG & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

**Review Report to the Committee of Women's Welfare Club,
Western District, Hong Kong ("the Company")**

We have audited the financial statements of the Company for the year ended 31 March 2017 and have issued an unqualified auditors' report thereon dated 4 October 2018.

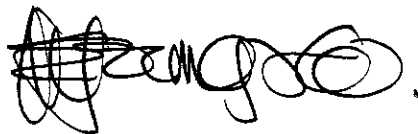
We conducted our review of the attached Annual Financial Report of the Company for the year ended 31 March 2018 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organisations" issued by the Hong Kong Institute of Certified Public Accountants. The review 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 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 2018:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Company;
- 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, Special One-off 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; and
 - 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 Special One-off Grant and Provident Fund arrangements during the report period.

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.



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Albert S. C. Young & Company
Certified Public Accountants

Hong Kong, 4 October 2018

ANNUAL FINANCIAL REPORT

NGO : WOMEN'S WELFARE CLUB, WESTERN DISTRICT, HONG KONG (772)

1 APRIL 2017 TO 31 MARCH 2018

	Notes	Total 2017-18 \$	Total 2016-17 \$	Remarks
A. INCOME				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	8,398,956	8,002,488	
b. Provident Fund	1c	539,190	512,521	
2. Special One-off Grant		-	-	
3. Fee Income	2	158,641	197,698	
4. Central Items	3	37,857	37,857	
5. Rent and Rates	4	197,586	197,029	
6. Other Income	5	1,656,954	1,245,578	
7. Interest Received		39	44	
TOTAL INCOME		10,989,223	10,193,215	
B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries		6,620,671	5,725,519	
b. Provident Fund	1c	462,760	389,484	
c. Allowances		-	-	
Sub-total	6	7,083,431	6,115,003	
2. Other Charges	7	3,855,324	2,866,487	
3. Central Items	3	7,544	11,461	
4. Rent and Rates	4	228,039	225,928	
5. Special One-off Grant Payments	7a	-	-	
TOTAL EXPENDITURE		11,174,338	9,218,879	
C. (DEFICIT)/SURPLUS FOR THE YEAR	8	(185,115)	974,336	

Chairman:



Tsang Fung Kwan

Date: - 4 OCT 2018

Treasurer:



Wong Cheuk Wah, Sheila

Date: - 4 OCT 2018

NOTE ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant

a. Basis of preparation The Annual Financial Report (AFR) is prepared in respect of all Funding and Service Agreement (FSA) activities (including support services to FSA activities) funded by the Social Welfare Department under the Lump Sum Grant Subvention System. 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 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 have been shown under 3. Details are analysed below:

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u>	<u>6.8% and Other Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	-	539,190	539,190
Provident Fund Contribution Paid during the year	-	462,760	462,760
Surplus/(Deficit) for the Year	-	76,430	76,430
Add: Surplus/(Deficit) b/f Additional subvention received for previous year(s)	75,358	1,198,890	1,274,248
Less: Refund to Government	-	-	-
Add: Surplus/(Deficit) c/f	<u>75,358</u>	<u>1,275,320</u>	<u>1,350,678</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.

NOTE ON THE ANNUAL FINANCIAL REPORT

3. Central Items These are subvented services 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 Provident Fund 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 3.14 of LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	2017-18	2016-17
	\$	\$
a. <u>Income</u>		
Time-defined Subsidy Scheme for Extended Hours Services Users	11,357	11,357
Time-defined Subsidy Scheme for Occasional Child Care Service	26,500	-
	37,857	11,357
b. <u>Expenditure</u>		
Time-defined Subsidy Scheme for Extended Hours Services Users	6,552	11,461
Time-defined Subsidy Scheme for Occasional Child Care Service	992	-
	7,544	11,461

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 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. In this respect, donations have been included if it is used to finance expenditure reflected in the AFR.

The breakdown on Other Income (paragraph 2.29 of LSG Manual (October 2016)) is as follows:

Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	1,011,019	873,119
(b) Others	645,935	372,459
	1,656,954	1,245,578

NOTE ON THE ANNUAL FINANCIAL REPORT

6. Personal Emoluments

Personal Emoluments include salary, provident fund and salary-related allowances. The analysis on number of posts with annual Personal Emoluments over \$700,000 each paid under LSG is appended below:

<u>Analysis of Personal Emoluments paid under LSG</u>	<u>No. of Posts</u>	<u>\$</u>
HK\$700,001- HK\$800,000 p.a.	None	-
HK\$800,001- HK\$900,000 p.a.	None	-
HK\$900,001- HK\$1,000,000 p.a.	None	-
HK\$1,000,001- HK\$1,100,000 p.a.	None	-
HK\$1,100,001- HK\$1,200,000 p.a.	None	-
>HK\$1,200,000 p.a.	None	-

7. Other Charges

<u>Other Charges</u>	<u>2017-18</u>	<u>2016-17</u>
	\$	\$
(a) Utilities	87,188	104,206
(b) Food	29,327	34,760
(c) Administrative Expenses	236,599	221,923
(d) Stores and Equipment	274,280	115,308
(e) Repair and Maintenance	162,800	103,701
(f) Special Allowances	-	-
(g) Programme Expenses	2,823,350	2,193,198
(h) Transportation and Travelling	1,261	1,231
(i) Insurance	120,234	37,343
(j) Miscellaneous	120,285	54,817
Total	3,855,324	2,866,487

7a. Special One-off Grant Payments

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

<u>Special one-off Grant Payments</u>	<u>2017-18</u>	<u>2016-17</u>
	\$	\$
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total	-	-

8. Analysis of Reserve Fund

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
Income					
Lump Sum Grant	8,938,146	-	-	-	8,938,146
Fee Income	158,641	-	-	-	158,641
Other Income	1,656,954	-	-	-	1,656,954
Interest Received (Note (1))	39	-	-	-	39
Rent and Rates	-	-	197,586	-	197,586
Central Items	-	-	-	37,857	37,857
Total Income (a)	10,753,780	-	197,586	37,857	10,989,223
Expenditure					
Personal Emoluments	7,083,431	-	-	-	7,083,431
Other Charges	3,855,324	-	-	-	3,855,324
Rent and Rates	-	-	228,039	-	228,039
Central Items	-	-	-	7,544	7,544
Total Expenditure (b)	10,938,755	-	228,039	7,544	11,174,338
Surplus/(Deficit) for the Year (a) - (b)	(184,975)	-	(30,453)	30,313	(185,115)
Less: Surplus/(Deficit) of Provident Fund	76,430	-	-	-	76,430
Surplus/(Deficit) b/f (Note (2))	(261,405)	-	(30,453)	30,313	(261,545)
	2,854,898	-	(29,948)	72,744	2,897,694
Surplus/(Deficit) b/f (Note (2))	2,593,493	-	(60,401)	103,057	2,636,149
Add: Refund from Government	-	-	28,899	4,752	33,651
Less: Refund to Government	(763,731)	-	-	(77,600)	(841,331)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))	-	-	-	-	-
Surplus/(Deficit) c/f (Note (4))	1,829,762	-	(31,502)	30,209	1,828,469

- Notes: (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant are 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 (including holding account) 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 Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule of Central Items.
- (4) The level of LSG cumulative reserves (i.e. S), less LSG Reserve kept in the holding account, will be capped at 25% of the NGO's operating expenditure (excluding Provident Fund expenditure) for the year.

**Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1 April 2017 to 31 March 2018**

Name of Agency : Women's Welfare Club, Western District, Hong Kong (772)

Unit Code and Name (Note 6)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the Year			Surplus b/f (Note 5) (e)	Refund/ Received (g)	Surplus c/f (Note 6) (f)-(g)+(a)-(e)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d) = (b) - (c)			
5533 - Apleichau Day Nursery	Time-defined Subsidy Scheme for Extended Hours Child Care Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	10,955	(10,955)	-
T772 - Apleichau Day Nursery	Time-defined Subsidy Scheme for Extended Hours Service Users	11,357	6,552	4,805	-	-	-	-	-	4,805
6991 - Apleichau Day Nursery, David Woo Day Nursery & West Day Nursery	Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential CCC	-	-	-	-	-	-	35,393	(35,393)	-
6101 - Apleichau Day Nursery, David Woo Day Nursery & West Day Nursery	Time-defined Subsidy Scheme for Occasional Child Care Service	26,500	992	25,508	-	-	-	26,500	(26,500)	25,508
TOTAL		37,857	7,544	30,313	-	-	-	72,848	(72,848)	30,313

Notes :

- The figures for the whole financial year are extracted from the payroll for March (Final) of the financial year.
- Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
- Surplus/(Deficit) for each element represents the difference between subvention released and actual expenditure.
- Deficit i.r.o. the following central items arising from salary adjustment are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref. (28) in SWD/S/104/2 Pt. 17 dated 31 October 2017.
 - Dementia Supplement for Elderly with Disabilities
 - Infirmary Care Supplement for the Aged Blind Persons
 - Dementia Supplement for Residential Elderly Services
 - Infirmary Care Supplement for Residential Elderly Services
- "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
- "Surplus carried forward (c/f)" means surplus brought forward less refund to Government plus surplus, if any, arising from operations in current year.
- Unit code and name are extracted from the payroll from SWD.
- The income and expenditure for the Special one-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmary Care as allocated via SWD's letter ref SWD/S/E/RC/3 Pt.7 dated 27 February 2017 should also be included in the income/expenditure of the respective items.
- The central items as listed above may not be exhaustive and any relevant details of central items released and/or expended during the year, where appropriate, should also be included.

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period from 1 April 2017 to 31 March 2018

Name Agency : Women's Welfare Club, Western District, Hong Kong (772)

Unit Code and Name	Subvented Element	Subvention Released (Note1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
7770 - Kwan Kai Ming Memorial Chung Hok Elderly Centre	Rent (Note 3)	176,388	201,959	-	25,571
	Rates	21,198	26,080	-	4,882
	Total	197,586	228,039	-	30,453
Grand Total		197,586	228,039	-	30,453

Notes :

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

Schedule for Investment
Analysis of Investment as at 31 March 2018

Agency : Women's Welfare Club, Western District, Hong Kong (772)

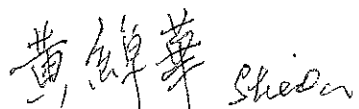
	2018 HK\$	2017 HK\$
LSG Reserve as at 31 March	<u>1,829,762</u>	<u>2,854,898</u>
Represented by:		
Investments		
a. HKD Bank Account Balances	1,829,762	2,854,898
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	-
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	<u>1,829,762</u>	<u>2,854,898</u>

Note: The investments should be reported at historical cost

Confirmed by:-


Chairman: Tsang Fung Kwan

Date: - 4 OCT 2018


Treasurer: Wong Cheuk Wah, Sheila

Date: - 4 OCT 2018