

WOMEN'S WELFARE CLUB,
WESTERN DISTRICT, HONG KONG

ANNUAL FINANCIAL REPORT

For the year ended 31 March 2019

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 2019 and have issued an unqualified auditors' report thereon dated 28 October 2019.

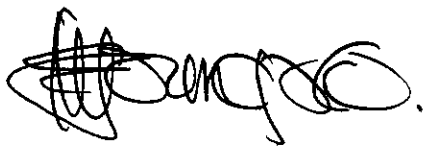
We conducted our review of the attached Annual Financial Report of the Company for the year ended 31 March 2019 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organisations" issued by the Hong Kong Institute of Certified Public Accountants. The review 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 2019:

- 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, 28 October 2019

ANNUAL FINANCIAL REPORT

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

1 APRIL 2018 TO 31 MARCH 2019

	Notes	Total 2018-19 \$	Total 2017-18 \$	Remarks
A. INCOME				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	10,237,223	8,398,956	
b. Provident Fund	1c	656,053	539,190	
2. Fee Income	2	148,875	158,641	
3. Central Items	3	37,857	37,857	
4. Rent and Rates	4	197,883	197,586	
5. Other Income	5	1,784,488	1,656,954	
6. Interest Received		917	39	
TOTAL INCOME		13,063,296	10,989,223	
B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries		8,086,287	6,620,671	
b. Provident Fund	1c	587,408	462,760	
c. Allowances		-	-	
Sub-total	6	8,673,695	7,083,431	
2. Other Charges	7	4,001,261	3,855,324	
3. Central Items	3	5,380	7,544	
4. Rent and Rates	4	219,858	228,039	
TOTAL EXPENDITURE		12,900,194	11,174,338	
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	163,102	(185,115)	

The Annual Financial Report from pages 2 to 8 has been prepared in accordance with the requirement as set out in the Lump Sum Grant Manual.

Chairman: *Tsang Fung Kwan*
 Tsang Fung Kwan
 Date: 28 October 2019

NGO Head -
 Treasurer:

黃錦華

Wong Cheuk Wah, Sheila
 Date: 28 October 2019

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 such as 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 1 April 2000. 6.8% and other posts represent those staff that are employed after 1 April 2000. The Provident Fund 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	-	656,053	656,053
Provident Fund Contribution Paid during the year	-	587,408	587,408
Surplus/(Deficit) for the Year	-	68,645	68,645
Add: Surplus/(Deficit) b/f Additional subvention received for previous year(s)	75,358 *	1,275,320	1,350,678
Less: Refund to Government	(75,358) *	-	(75,358.00)
Surplus/(Deficit) c/f	-	1,343,965	1,343,965

* : Ref: (81) in SWD SF/SAS/4-65/159(772) letter dated 23 November 2018

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:

	2018-19	2017-18
	\$	\$
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	26,500
	37,857	37,857
b. <u>Expenditure</u>		
Time-defined Subsidy Scheme for Extended Hours Services Users	3,754	6,552
Time-defined Subsidy Scheme for Occasional Child Care Service	1,626	992
	5,380	7,544

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 is as follows:

Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	1,010,695	1,011,019
(b) Others	773,793	645,935
	1,784,488	1,656,954

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 undre 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

The breakdown on Other Charges is as follows:

<u>Other Charges</u>	<u>2018-19</u> \$	<u>2017-18</u> \$
(a) Utilities	78,745	87,188
(b) Food	23,993	29,327
(c) Administrative Expenses	251,213	236,599
(d) Stores and Equipment	226,115	274,280
(e) Repair and Maintenance	173,622	162,800
(f) Special Allowances	-	-
(g) Programme Expenses	3,107,372	2,823,350
(h) Transportation and Travelling	1,698	1,261
(i) Insurance	86,150	120,234
(j) Miscellaneous	52,353	120,285
Total	4,001,261	3,855,324

8. **Analysis of Lump Sum Grant Reserve and balances of other SWD subventions**

	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$
Income				
Lump Sum Grant	10,893,276	-	-	10,893,276
Fee Income	148,875	-	-	148,875
Other Income	1,784,488	-	-	1,784,488
Interest Received (Note (1))	917	-	-	917
Rent and Rates	-	197,883	-	197,883
Central Items	-	-	37,857	37,857
Total Income (a)	12,827,556	197,883	37,857	13,063,296
Expenditure				
Personal Emoluments	8,673,695	-	-	8,673,695
Other Charges	4,001,261	-	-	4,001,261
Rent and Rates	-	219,858	-	219,858
Central Items	-	-	5,380	5,380
Total Expenditure (b)	12,674,956	219,858	5,380	12,900,194
Surplus/(Deficit) for the Year (a) - (b)	152,600	(21,975)	32,477	163,102
Less: Surplus/(Deficit) of Provident Fund	68,645	-	-	68,645
	83,955	(21,975)	32,477	94,457
Surplus/(Deficit) b/f (Note (2))	1,829,762	(31,502)	30,209	1,828,469
	1,913,717	(53,477)	62,686	1,922,926
Add: Refund from Government	394,323	30,454	-	424,777
Less: Refund to Government	-	-	(30,313)	(30,313)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))	-	-	-	-
Surplus/(Deficit) c/f (Note (4))	2,308,040	(23,023)	32,373	2,317,390

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 2018 to 31 March 2019

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

Unit Code and Name (Note 7)	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 to Government)/ Received (f)	Surplus c/f (Note 6) (g)-(e)+(a)-(d)-(f)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d) = (b) - (c)			
T772 - Apleichau Day Nursery	Time-defined Subsidy Scheme for Extended Hours Service Users	\$ 4,732	\$ 3,754	\$ 978	\$ -	\$ -	\$ -	\$ 4,805	\$ (4,805)	\$ 978
V772 - Apleichau Day Nursery	Time-defined Subsidy Scheme for Extended Hours Service Users	\$ 6,625	\$ -	\$ 6,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,625
6101 - Apleichau Day Nursery, David Woo Day Nursery & West Day Nursery	Time-defined Subsidy Scheme for Occasional Child Care Service	\$ 26,500	\$ 1,626	\$ 24,874	\$ -	\$ -	\$ -	\$ 25,508	\$ (25,508)	\$ 24,874
TOTAL		\$ 37,857	\$ 5,380	\$ 32,477	\$ -	\$ -	\$ -	\$ 30,313	\$ (30,313)	\$ 32,477

Notes :

1. The figures for the whole financial year are 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 are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref. (5) in SWD/S/104/2 Pt. 18 dated 20 July 2018.
 - (i) Dementia Supplement for Elderly with Disabilities
 - (ii) Infirmity Care Supplement for the Aged Blind Persons
 - (iii) Dementia Supplement for Residential Elderly Services
 - (iv) Infirmity Care Supplement for Residential Elderly Services
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 less refund to Government plus surplus, if any, arising from operations in current year.
7. Unit code and name are extracted from the payroll from SWD.
8. 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 2018 to 31 March 2019

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	204,578	-	(28,190)
	Rates	21,495	15,280	6,215	-
	Total	197,883	219,858	6,215	(28,190)
	Grand Total	197,883	219,858	6,215	(28,190)

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 2019

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

	2019 HK\$	2018 HK\$
LSG Reserve as at 31 March	<u>2,308,040</u>	<u>1,829,762</u>

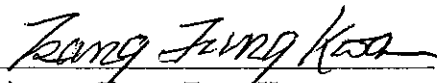
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Investments

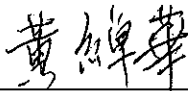
a. HKD Bank Account Balances	2,308,040	1,829,762
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	-
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	<u>2,308,040</u>	<u>1,829,762</u>

Note: The investments should be reported at historical cost

Confirmed by:-


Chairman: Tsang Fung Kwan

Date 28 October 2019


Treasurer: Wong Cheuk Wah, Sheila

Date: 28 October 2019