

THE KOWLOON WOMEN'S WELFARE CLUB

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 HK\$	2022 HK\$
INCOME			
Lump sum grant			
a) Lump sum grant (excluding provident fund)	1b	16,488,703.00	16,193,891.00
b) Provident fund	1c	1,356,125.00	1,335,713.00
		17,844,828.00	17,529,604.00
Fee income	2	2,010,027.00	2,121,248.00
Central items	3	1,550,133.00	1,661,344.00
Rent and rates	4	840,895.00	836,215.00
Other income	5	2,045,974.50	1,981,385.60
Interest received		66,450.54	11,786.38
TOTAL INCOME		24,358,308.04	24,141,582.98
EXPENDITURE			
Personal emoluments			
a) Salaries		17,672,571.44	16,414,704.35
b) Provident fund	1c	1,295,836.38	1,316,279.33
Sub-total	6	18,968,407.82	17,730,983.68
Other charges	7	4,628,984.04	4,409,933.58
Central items	3	1,594,401.00	1,611,776.00
Rent and rates	4	1,174,330.00	1,161,790.00
TOTAL EXPENDITURE		26,366,122.86	24,914,483.26
DEFICIT FOR THE YEAR	8	(2,007,814.82)	(772,900.28)

The Annual Financial Report from pages 3 to 7 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.


Chairman

Date: 18 October, 2023


Vice Chairman

Date: 18 October, 2023

THE KOWLOON WOMEN'S WELFARE CLUB

NOTES 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 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.

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	Total
	HK\$	posts HK\$	HK\$
Subvention received			
Provident fund contribution paid during the year	478,693.50	877,431.50	1,356,125.00
Surplus for the year	(435,558.00)	(860,278.38)	(1,295,836.38)
	43,135.50	17,153.12	60,288.62
Add: Surplus b/f	54,073.00	1,225,484.24	1,279,557.24
Less: Refund to Government	-	-	-
Surplus c/f	97,208.50	1,242,637.36	1,339,845.86

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 Lump Sum Grant Manual.

THE KOWLOON WOMEN'S WELFARE CLUB

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 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 the LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	2023	2022
	HK\$	HK\$
a) Income		
Dementia supplement for residential elderly services	1,544,833.00	1,611,776.00
Time-defined Subsidy scheme for Occasional Child Care Service	5,300.00	49,568.00
Total	1,550,133.00	1,661,344.00
b) Expenditure		
Dementia supplement for residential elderly services	1,544,833.00	1,611,776.00
Time-defined Subsidy scheme for Occasional Child Care Service	49,568.00	-
Total	1,594,401.00	1,611,776.00

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.

THE KOWLOON WOMEN'S WELFARE CLUB

NOTES ON THE ANNUAL FINANCIAL REPORT

5. OTHER INCOME

This includes programme income and all income other than recognized 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:

	2023 HK\$	2022 HK\$
a) Fee and charges for services incidental to the operation of subvented services		-
b) Others	2,045,974.50	1,981,385.60
Total	<u>2,045,974.50</u>	<u>1,981,385.60</u>

6. PERSONAL EMOLUMENTS

Personal emoluments include salary, provident fund, salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over \$700,000 each paid under LSG is appended below:

Analysis of personal emoluments	No. of posts	HK\$
HK\$700,001 – HK\$800,000 p.a.	3	2,283,314
HK\$800,001 – HK\$900,000 p.a.	-	-
HK\$900,001 – HK\$1,000,000 p.a.	-	-
HK\$1,000,001 – HK\$1,100,000 p.a.	-	-
HK\$1,100,001 – HK\$1,200,000 p.a.	-	-
> HK\$1,200,000 p.a.	-	-

7. OTHER CHARGES

The breakdown on Other Charges is as follows:

a) Utilities	572,403.50	573,701.50
b) Food	1,363,657.73	1,009,522.98
c) Administrative expenses	93,677.25	98,721.79
d) Stores and equipment	182,139.83	114,750.20
e) Repair and maintenance	76,254.50	479,207.30
f) Programme expenses	51,016.10	54,052.80
g) Transportation and traveling	22,102.73	15,855.42
h) Insurance	266,703.50	301,680.29
i) Miscellaneous	338,846.50	189,500.40
j) Medical expenses	1,662,182.40	1,572,940.90
Total	<u>4,628,984.04</u>	<u>4,409,933.58</u>

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NOTES ON THE ANNUAL FINANCIAL REPORT

8. ANALYSIS OF LUMP SUM GRANT RESERVE AND BALANCES OF OTHER SWD SUBVENTIONS

	Lump sum Grant (LSG) \$	Holding Account (HA) \$	Adjustment for Utilised allocation under ASCP / Enhanced ASCP / ASCP(PC) - FWSS \$	Rent and Rates \$	Central Items (CI) \$	Total \$
INCOME						
Lump sum grant	17,844,828.00	-	-	-	-	17,844,828.00
Fee Income	2,010,027.00	-	-	-	-	2,010,027.00
Other income	2,045,974.50	-	-	-	-	2,045,974.50
Interest received (Note (1))	66,450.54	-	-	-	-	66,450.54
Rent and rates	-	-	-	840,895.00	-	840,895.00
Central item	-	-	-	-	1,550,133.00	1,550,133.00
Total income	21,967,280.04	-	-	840,895.00	1,550,133.00	24,358,308.04
EXPENDITURE						
Personal emoluments	18,202,678.06	765,729.76	-	-	-	18,968,407.82
Other charges	4,628,984.04	-	-	-	-	4,628,984.04
Rental and rates	-	-	-	1,174,330.00	-	1,174,330.00
Central item	-	-	-	-	1,594,401.00	1,594,401.00
Total expenditure	22,831,662.10	765,729.76	-	1,174,330.00	1,594,401.00	26,366,122.86
Deficit for the year	(864,382.06)	(765,729.76)	-	(333,435.00)	(44,268.00)	(2,007,814.82)
Add : Deficit of provident fund	(60,288.62)	-	-	-	-	(60,288.62)
Surplus/(deficit) b/f (Note (2))	(924,670.68)	(765,729.76)	-	(333,435.00)	(44,268.00)	(2,068,103.44)
Add: Received from Government	924,670.68	4,823,825.49	-	(316,810.00)	49,568.00	5,481,254.17
Less: Refund to Government	-	4,058,095.73	-	(650,245.00)	5,300.00	3,413,150.73
Add: Adjusted OCCC for 2020-21	-	-	-	334,360.00	-	334,360.00
Surplus/(deficit) c/f (Note (4))	-	-	-	(11,975.00)	-	(11,975.00)
	-	4,058,095.73	-	-	5,300.00	5,300.00
	-	-	-	(327,860.00)	10,600.00	3,740,835.73

Note:

- (1) Interest received on LSG (including HA) and Provident Fund reserves, rent and rates, Central Items are included as one item under LSG, and the item is considered as part of LSG reserve.
- (2) Accumulated balance of LSG Surplus b/f from previous years (including all interest received in previous years (sec (1) above) and the balance of HA should be separately reported as in the surplus b/f under LSG and HA respectively.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Primary Care Supplement, if any, as per Schedule for Central Items.
- (4) For NGOs without HA, separate disclosure of the movement of HA in their respective AFRs is not necessary. The level of LSG cumulative reserve (i.e. SI) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (TI) excluding Provident Fund Contribution (K)) for the year.
For NGOs with IIA, with effect from 2022-23, the calculation of the annual claw-back is as follows:
 - (i) With Snapshot Staff (SS) [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year was greater than zero]
The level of LSG cumulative reserve (i.e. SI) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (TI+I2) excluding Provident Fund Contribution (K)) for the year.
 - (ii) Without SS [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year (which is regarded as Year 0) was zero]
For the next three years (Year 1 to Year 3), the level of LSG cumulative reserve (i.e. SI) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (TI) excluding Provident Fund Contribution (K)) for the year. From the fourth financial year (Year 4) onwards, the level of LSG cumulative reserve and HA reserve will be counted altogether and the combined reserve amount (i.e. SI+S2) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (TI+I2) excluding Provident Fund Contribution (K)) for the year. In this regard, separate disclosure of the movement of HA in their respective AFRs is not necessary.
[For (4)(i) and (4)(ii) above, please also refer to SWD's letter under reference (11) in WD/S/109/1/10 of 4 April 2022.]
For any amount above the cap, SWD would arrange the claw-back (including provisional in the following financial year) accordingly.