



MILLION TRUSTFUL CPA LIMITED
億信會計師事務所有限公司

FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION
(Agency code: 216)

**REVIEW REPORT ON ANNUAL FINANCIAL
REPORT**

For the year ended 31 March 2023



MILLION TRUSTFUL CPA LIMITED
億信會計師事務所有限公司

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REVIEW REPORT TO THE MANAGEMENT BOARD OF FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION (“the Association”)

We have audited the financial statements of the Association in respect of its 2 nurseries namely Five Districts Business Welfare Association Nursery / Kindergarten and Five Districts Business Welfare Association Cheung Chuk Shan Nursery / Kindergarten for the year ended 31 March 2023 and have issued as unqualified auditor’s reports thereon dated 27th September 2023.

We conducted our review of the attached annual financial report on pages 2 to 6 of the Association for the year ended 31 March 2023 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 Association, on which the above audited financial statements of the Association 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 Association in respect of its 2 nurseries above-mentioned for the year ended 31 March 2023:

- a) In our opinion the annual financial report has been properly prepared from the books and records of the Association; and
- b) No matters have come to our attention during the course of our review, which cause us to believe that the Association 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 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;
 - 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 2023.

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.


MILLION TRUSTFUL CPA LIMITED

Certified Public Accountants

CHAU Yan Ping Michelle
Practising Certificate number: P05479

Hong Kong, 27 September 2023

ANNUAL FINANCIAL REPORT
NGO: 216 Five Districts Business Welfare Association
For the year ended 31 March 2023

	Notes	2023 \$	2022 \$
<u>Income</u>			
Lump Sum Grant			
- Lump Sum Grant (excluding Provident Fund)	1b	1,642,117.00	1,474,383.00
- Provident Fund	1c	89,716.00	89,439.00
Special One-off Grant		-	-
Fee Income	2	104,599.50	36,677.00
Central Items	3	29,031.50	253,401.50
Rent and Rates	4	-	-
Other income	5	-	-
		1,865,464.00	1,853,900.50
<u>Expenditure</u>			
Personal Emoluments			
- Salaries		1,329,265.00	1,628,827.33
- Provident Fund	1c	69,325.00	80,340.83
- Allowances	6	-	-
		1,398,590.00	1,709,168.16
Other Charges	7	38,385.40	31,970.80
Central Items	3	-	-
Rent and Rates	4	-	-
Special One-off Grant Payments	7a	-	-
		1,436,975.40	1,741,138.96
Surplus for the year		428,488.60	112,761.54

The annual financial report from pages 2 to 6 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



Chu Sek Lam
Chairman

27 September 2023



Yan Man Fai
NGO Head / Head of Social Welfare Service

27 September 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. Lump Sum Grant (LSG)

(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 3. Details are analysed below:

	Snapshot Staff	6.8% and Other Posts	Total
	\$	\$	\$
Subvention Received	-	89,716.00	89,716.00
Provident Fund Contribution Paid during the Year	-	(69,325.00)	(69,325.00)
Surplus for the Year	-	20,391.00	20,391.00
Add: Surplus b/f	-	57,338.87	57,338.87
Additional subvention received for previous year(s)	-	-	-
Less: Refund to Government	-	-	-
Surplus c/f	-	77,729.87	77,729.87

2. Fee Income

This represents social welfare 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.

3. Central Items

These are subvented services 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
	\$	\$
(a) <u>Income</u>		
Time-defined Subsidy Scheme for Extended Hours Service Users (unit T216)	(2,010.50)	100,461.50
Time-defined Subsidy Scheme for Occasional Child Care Service (unit 6346)	31,042.00	152,940.00
Total income	29,031.50	253,401.50

4. Rent and Rates

This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditure on rent rates in respect of premises not recognised by SWD have not been included in AFR.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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:

	<u>2023</u>	<u>2022</u>
	\$	\$
<u>Other Income</u>		
Fees and charges for services incidental to the operation of subvented services	-	-
Others	-	-
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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:

Analysis of Personal Emoluments paid under LSG	No. of Posts	\$
HK\$700,001 - HK\$800,000 p.a.	-	-
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 charge is as follows:

	<u>2023</u>	<u>2022</u>
	\$	\$
<u>Other Charges</u>		
(a) Utilities	-	-
(b) Food	149.50	-
(c) Administrative Expenses	-	-
(d) Stores and Equipment	-	-
(e) Repair and Maintenance	-	-
(f) Special allowances		
(g) Programme Expenses	26,604.00	19,485.30
(h) Transportation and Travelling	-	-
(i) Insurance	-	-
(j) Miscellaneous	11,631.90	12,485.50
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	38,385.40	31,970.80

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	Lump Sum Grant (LSG) \$	Special One-off Grant (SOG) \$	Rent and Rates \$	Central Items \$	Total \$
<u>Income</u>					
Lump Sum Grant	1,731,833.00	-	-	-	1,731,833.00
Special One-off Grant	-	-	-	-	-
Fee Income	104,599.50	-	-	-	104,599.50
Other Income	-	-	-	-	-
Interest received (Note 1)	-	-	-	-	-
Rent and Rates	-	-	-	-	-
Central Items	-	-	-	29,031.50	29,031.50
Total income	1,836,432.50	-	-	29,031.50	1,865,464.00
<u>Expenditure</u>					
Personal Emoluments	1,398,590.00	-	-	-	1,398,590.00
Other Charges	38,385.40	-	-	-	38,385.40
Rent and Rates	-	-	-	-	-
Central Items	-	-	-	-	-
Special One-off Grant Payment	-	-	-	-	-
Total expenditure	1,436,975.40	-	-	-	1,436,975.40
(Deficit) / Surplus for the Year	399,457.10	-	-	29,031.50	428,488.60
Less: Surplus of Provident Fund	20,391.00	-	-	-	20,391.00
	379,066.10	-	-	29,031.50	408,097.60
(Deficit) / surplus b/f (Note 2)	(149,850.35)	-	-	575,135.70	425,285.35
	229,215.75	-	-	604,167.20	833,382.95
Less: Refund to Government Adjustment of opening balance	(31,608.20)	-	-	-	(31,608.20)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmiry Care Supplementary (Note 3)	-	-	-	-	-
Surplus c/f (Note 4)	197,607.55	-	-	604,167.20	801,774.75

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 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 Infirmiry Care Supplement, if any, as per Schedule for Central Items.
- (4) The level of LSG cumulative reserve (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 Investment
Analysis of Investment as at 31 March 2023
NGO: 216 Five Districts Business Welfare Association

	<u>2023</u> \$	<u>2022</u> \$
LSG Reserve as at 31 March	197,607.55	(149,850.35)
Represented by: Investments - HKD Bank Account Balance	<u>197,607.55</u>	<u>(149,850.35)</u>

Note: The investments should be reported at historical cost.

Confirmed by:



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Chu Sek Lam
Chairman

27 September 2023



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Yan Man Fai
NGO Head / Head of Social Welfare Service

27 September 2023

**Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1 April 2022 to 31 March 2023**

Name of Agency : 216 Five Districts Business Welfare Association

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 (f)	Surplus c/f (Note 6) (g)-(e)-(a)-(d)-(f)
					Deficit (Note 3) (b)	Adjusted Deficit (d) = (b) - (c)			
nnnn - xxxxxxxxxxxxxxxx	Dementia Supplement for Elderly with Disabilities	\$	\$	\$	\$	\$	N.A.	N.A.	N.A.
nnnn - xxxxxxxxxxxxxxxx	Infirmary Care Supplement for the Aged Blind Persons	-	-	-	-	-	N.A.	N.A.	N.A.
nnnn - xxxxxxxxxxxxxxxx	Dementia Supplement for Residential Elderly Services	-	-	-	-	-	N.A.	N.A.	N.A.
nnnn - xxxxxxxxxxxxxxxx	Infirmary Care Supplement for Residential Elderly Services	-	-	-	-	-	N.A.	N.A.	N.A.
nnnn - xxxxxxxxxxxxxxxx	Dementia Supplement for Day Care Centres/Units for the Elderly	-	-	-	-	-	N.A.	N.A.	N.A.
nnnn - xxxxxxxxxxxxxxxx	Foster Care Allowance / Emergency Foster Care Allowance	-	-	-	-	-	N.A.	N.A.	N.A.
nnnn - xxxxxxxxxxxxxxxx	After School Care Programme - Fee Waiving Subsidy Scheme	-	-	-	-	-	N.A.	N.A.	N.A.
nnnn - xxxxxxxxxxxxxxxx	Temporary Financial Aid	-	-	-	-	-	N.A.	N.A.	N.A.
nnnn - xxxxxxxxxxxxxxxx	Emergency Fund	-	-	-	-	-	N.A.	N.A.	N.A.
T216 - Five Districts Business Welfare Association	Time-defined Subsidy Scheme for Extended Hours Service Users (Time defined 31/8/2018)	(2,010.50)	-	(2,010.50)	-	-	213,903.50	-	211,893.00
6051 - Five Districts Business Welfare Association	Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-	-	-	-	120,000.00	-	120,000.00
nnnn - xxxxxxxxxxxxxxxx	Short-term Rental Assistance	-	-	-	-	-	-	-	-
nnnn - xxxxxxxxxxxxxxxx	Overnight On-site-on-call Allowance	-	-	-	-	-	N.A.	N.A.	N.A.
nnnn - xxxxxxxxxxxxxxxx	Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy	-	-	-	-	-	-	-	-
nnnn - xxxxxxxxxxxxxxxx	NSCCP - Subsidy for Fee Reduction/Waiving	-	-	-	-	-	-	-	-
nnnn - xxxxxxxxxxxxxxxx	NSCCP - Rent and Rates	-	-	-	-	-	-	-	-
nnnn - xxxxxxxxxxxxxxxx	Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	-	-	-	-	-	-	-	-
nnnn - xxxxxxxxxxxxxxxx	Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	-	-	-	-	-	-	-	-
nnnn - xxxxxxxxxxxxxxxx	Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-	-	-	-	-	-	-
nnnn - xxxxxxxxxxxxxxxx	Cash Subsidy for Integrated Support Service for Persons with Severe Physical Disabilities	-	-	-	-	-	-	-	-
6346 - Five Districts Business Welfare Association	Time-defined Subsidy Scheme for Occasional Child Care Service	31,042.00	-	31,042.00	-	-	241,232.20	-	272,274.20
nnnn - xxxxxxxxxxxxxxxx	Enhanced After School Care Programme - Fee Waiving Subsidy Scheme	-	-	-	-	-	-	-	-
nnnn - xxxxxxxxxxxxxxxx	Navigation Scheme for Young Persons in Care Services - Operating Expenses	-	-	-	-	-	-	-	-
nnnn - xxxxxxxxxxxxxxxx	Navigation Scheme for Young Persons in Care Services - Training Cost	-	-	-	-	-	-	-	-
nnnn - xxxxxxxxxxxxxxxx	Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services	-	-	-	-	-	-	-	-
nnnn - xxxxxxxxxxxxxxxx	One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly	-	-	-	-	-	-	-	-
nnnn - xxxxxxxxxxxxxxxx	One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	-	-	-	-	-	-	-	-
nnnn - xxxxxxxxxxxxxxxx	Pilot Scheme on Multi-disciplinary Outreaching Support Teams for the Elderly (MOSTE)	-	-	-	-	-	-	-	-
TOTAL		29,031.50	-	29,031.50	-	-	575,135.70	-	604,167.20

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 r o the following central items arising from salary adjustment are transferred to the Lump Sum Grant Reserve as stated in SWD/S/104/Z Pt. 18 dated 20 July 2018.
 - (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
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.

Disclosure in NGO's Audited Financial Statements
Movement of the F&E Replenishment and Minor Works Block Grant Reserve

	\$	\$
Balance of Block Grant Reserve brought forward from previous financial year		315,212.00
Add: Opening adjustment		
Block Grant received during the year	32,750.00	
Interest income received	-	
Other income	-	32,750.00
Less: Expenditure during the year (Note 1)		
Minor Works Projects	23,330.00	
Furniture & Equipment	17,800.00	(41,130.00)
Contribution from NGO to cover the deficit		306,832.00
		-
Balance of Block Grant Reserve carried forward to the next financial year		306,832.00

Capital Commitments

As at 31 March 2023, the outstanding commitments in respect of F&E Replenishment and Minor Works Grant were as follows:

		\$
Contracted for but not provided in the financial statements		-
Authorised but not contract for		-
		-
		-

Name of NGO: 216 Five Districts Business Welfare Association
Details of the Use of the F&E Replenishment and Minor Works Block Grant-

Item No.	Name of the SWD-subvented Unit (Note 1)	Service Nature (e.g. Shelter Workshop)	(a) Expenditure in the year 2022-23			(b) Outstanding Commitments as at 31 March 2023 - Contracted for but not provided under Expenditure			
			Furniture and Equipment	Minor Works	Vehicle Overhauling (With Registration No.)	Total Expenditure	Furniture and Equipment	Minor Works	Vehicle Overhauling (With Registration No.)
1	Cheung Chuk Shan Nursery / Kindergarten	Kindergarten	\$ 17,800.00	\$ 23,330.00	\$ -	\$ 41,130.00	\$ -	\$ -	\$ -

In pursuance of paragraph 4.4.4 of the Lotteries Fund (LF) Manual, we forward herewith the schedule showing the Use of Furniture and Equipment Replenishment and Minor Works Block Grant. We also confirm that expenditure from the Block Grant has been incurred in accordance with the provisions of the LF Manual.



Chu Sek Lam
Chairman

27 September 2023



Yan Man Fai
NGO Head / Head of Social Welfare Service

27 September 2023

Notes:

- Each premises-tied SWD-subvented unit should not appear more than once in the schedule.
- Each furniture and equipment item should not exceed \$50,000.
- The Head of NGO should initial at the left bottom of each and every page except for the final page which should be signed by both the Head of NGO and the Chairman of the Board of the NGO.
- The total figures should tally with those disclosed in the NGO's audited financial statements under paragraph 4.4.3 of the LF Manual.