

ANNUAL FINANCIAL REPORT
NGO : ST. JAMES' SETTLEMENT
1 APRIL 2021 TO 31 MARCH 2022

	Notes	<u>Total</u> <u>2021-22</u> \$	<u>Total</u> <u>2020-21</u> \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	404,084,904.00	361,709,652.00
b. Provident Fund	1c	28,582,510.00	26,577,939.00
2. Fee Income	2	19,317,206.34	14,238,597.39
3. Central Items	3	19,989,898.00	5,701,286.00
4. Rent and Rates	4	5,148,121.00	4,082,549.00
5. Other Income	5	10,247,323.02	9,680,674.22
6. Interest Received		253,800.70	396,786.34
TOTAL INCOME		<u>487,623,763.06</u>	<u>422,387,483.95</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		310,349,970.70	279,444,595.75
b. Provident Fund	1c	26,110,735.00	24,122,676.15
c. Allowances		16,071,021.00	4,229,892.00
Sub-total	6	<u>352,531,726.70</u>	<u>307,797,163.90</u>
2. Other Charges	7	93,321,195.00	54,370,278.95
3. Central Items	3	14,553,376.07	4,934,682.36
4. Rent and Rates	4	10,184,543.51	8,840,580.82
TOTAL EXPENDITURE		<u>470,590,841.28</u>	<u>375,942,706.03</u>
C. SURPLUS FOR THE YEAR	8	<u>17,032,921.78</u>	<u>46,444,777.92</u>

The Annual Financial Report from pages 2 to 13 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE

Denis K.P. Li

CHAIRMAN

DATE: 31 OCT 2022

Joseph Lee

CHIEF EXECUTIVE OFFICER

DATE: 31 OCT 2022

NOTES ON THE ANNUAL FINANCIAL REPORT

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 Note 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	5,406,984.00	23,175,526.00	28,582,510.00
Provident Fund Contribution Paid during the Year	(5,275,770.00)	(20,834,965.00)	(26,110,735.00)
Surplus for the Year	131,214.00	2,340,561.00	2,471,775.00
Add : Surplus b/f	39,903.43	14,519,178.71	14,559,082.14
Additional subvention received for previous year(s)	-	145,245.00	145,245.00
Less: Refund to Government	(717,873.00)	-	(717,873.00)
(Deficit)/surplus c/f	(546,755.57)	17,004,984.71	16,458,229.14

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.

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

	<u>2021-22</u>	<u>2020-21</u>
	\$	\$
a. Income		
Dementia Supplement for Elderly with Disabilities	55,578.00	57,109.00
Infirmity Care Supplement for the Aged Blind Persons	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmity Care Supplement for Residential Elderly Services	-	-
Foster Care Allowance/Emergency Foster Care Allowance	-	-
After School Care Programme–Fee Waiving Subsidy Scheme	726,336.00	522,876.00
Temporary Financial Aid under Care and Support Networking Team	-	-
Emergency Fund for NGOs operating Integrated Services Team for Street Sleepers	90,000.00	180,000.00
Time-defined Subsidy Scheme for Extended Hours Service Users	11,357.00	11,357.00
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Short-term Rental Assistance for Discharged Prisoners	-	-
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	233,942.00	233,942.00
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy	-	-
NSCCP – Subsidy for Fee Reduction/Waiving	-	-
NSCCP – Subsidy for Incentive Payment	-	-
NSCCP – Rent and Rates	-	-
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	1,920,000.00	960,000.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	1,866,573.00	998,824.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	26,500.00	26,500.00
Enhanced After School Care Programme – Fee Waiving Subsidy Scheme	1,279,457.00	807,639.00
Navigation Scheme for Young Persons in Care Services - Operating Expenses	-	-
Navigation Scheme for Young Persons in Care Services - Training Cost	-	-
Pilot Scheme on Multi-disciplinary Outreaching Support Teams for the Elderly (MOSTE) – Annual Funding Allocation	-	-
MOSTE – Annual Rent and Rates	-	-
Child Care Training for Grandparents – Contract Subsidy	-	-
Child Care Training for Grandparents – Subsidy for Fee Reduction / Waiving	-	-
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	887,674.00
Subsidy for Enhanced Support for Ethnic Minority Children in Special Care Centre	-	-
Subsidy for Enhanced Support for Ethnic Minority Children in Early Education and Training Centres	-	-
Time-defined Allocation of Ethnic Minority District Ambassador Posts – salary and provident fund	935,570.00	935,570.00
Time-defined Allocation of Ethnic Minority District Ambassador Posts – other charges	80,615.00	79,795.00
Time-limited programme on Enhancing Infection Control and Ventilation of Residential Care Homes for the Elderly and Residential Care Homes for Persons with Disabilities – On-site Ventilation Assessment	-	-
One-off Subsidy for Strengthened Provision of Visiting Medical Practitioner Service for Residential Care Homes # (private and self-financing)	-	-
One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	1,170,000.00	-
Short-term Food Assistance Service Teams – Food Cost	11,593,970.00	-
Siu Lam Integrated Rehabilitation Services Complex – Management & Maintenance Cost for Common Area	-	-
After School Care Programme for Pre-primary Children [ASCP(PC)] Contract Subsidy	-	-
ASCP(PC) Fee Subsidy	-	-
ASCP(PC) Rent and Rates	-	-
Total	19,989,898.00	5,701,286.00

	<u>2021-22</u>	<u>2020-21</u>
	\$	\$
b. Expenditure		
Dementia Supplement for Elderly with Disabilities	55,599.00	57,040.00
Infirmity Care Supplement for the Aged Blind Persons	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmity Care Supplement for Residential Elderly Services	-	-
Foster Care Allowance/Emergency Foster Care Allowance	-	-
After School Care Programme–Fee Waiving Subsidy Scheme	735,904.00	436,521.00
Temporary Financial Aid under Care and Support Networking Team – other charges	-	-
Emergency Fund for NGOs operating Integrated Services Team for Street Sleepers	233,452.20	330,170.30
Time-defined Subsidy Scheme for Extended Hours Service Users	-	-
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	15,000.00
Short-term Rental Assistance for Discharged Prisoners	-	-
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	119,805.00	117,180.00
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy	-	-
NSCCP – Subsidy for Fee Reduction/Waiving	-	-
NSCCP – Subsidy for Incentive Payment	-	-
NSCCP – Rent and Rates	-	-
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	960,000.00	945,000.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	1,866,573.00	998,824.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	1,000.00	-
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	1,279,457.00	807,639.00
Enhanced After School Care Programme –Fee Waiving Subsidy Scheme	-	-
Navigation Scheme for Young Persons in Care Services - Operating Expenses	-	-
Navigation Scheme for Young Persons in Care Services - Training Cost	-	-
Pilot Scheme on Multi-disciplinary Outreaching Support Teams for the Elderly (MOSTE) – Annual Funding Allocation	-	-
MOSTE – Annual Rent and Rates	-	-
Child Care Training for Grandparents – Contract Subsidy	-	-
Child Care Training for Grandparents – Subsidy for Fee Reduction / Waiving	-	-
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	885,704.00
Subsidy for Enhanced Support for Ethnic Minority Children in Special Care Centre	-	-
Subsidy for Enhanced Support for Ethnic Minority Children in Early Education and Training Centres	-	-
Time-defined Allocation of Ethnic Minority District Ambassador Posts – salary and provident fund	563,000.00	340,071.00
Time-defined Allocation of Ethnic Minority District Ambassador Posts – other charges	26,161.83	1,533.06
Time-limited programme on Enhancing Infection Control and Ventilation of Residential Care Homes for the Elderly and Residential Care Homes for Persons with Disabilities – On-site Ventilation Assessment	-	-
One-off Subsidy for Strengthened Provision of Visiting Medical Practitioner Service for Residential Care Homes # (private and self-financing)	-	-
One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	-	-
Short-term Food Assistance Service Teams – Food Cost	8,712,424.04	-
Siu Lam Integrated Rehabilitation Services Complex – Management & Maintenance Cost for Common Area	-	-
After School Care Programme for Pre-primary Children [ASCP(PC)] Contract Subsidy	-	-
ASCP(PC) Fee Subsidy	-	-
ASCP(PC) Rent and Rates	-	-
Total	14,553,376.07	4,934,682.36

For NGO's with Visiting Medical Practitioner Service Team which arrange delivery of the service under the Programme to all private and self-financing RCHEs, RCHDs as well as contract homes operated by private operators only.

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:

	2021-22	2020-21
	\$	\$
Other Income		
(a) Fees and charges for services incidental to operation of subvented services	6,600,023.76	3,333,167.98
(b) Utilised allocation under Central Items (CI) – After School Care Programme (ASCP) / Enhanced ASCP – Fee Waiving Subsidy Scheme (FWSS) which forms as part of Other Income*	127,275.00	37,525.00
(c) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	74,651.27	-
(d) Others	3,572,647.99	6,347,506.24
Sub-Total	<u>10,374,598.02</u>	<u>9,718,199.22</u>
Less: Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS which forms as part of Other Income*	(127,275.00)	(37,525.00)
Total	<u><u>10,247,323.02</u></u>	<u><u>9,680,674.22</u></u>

*For those programmes which are regarded as FSA-related activities only

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.	16	11,933,604.00
HK\$800,001 - HK\$900,000 p.a.	12	10,226,666.00
HK\$900,001 - HK\$1,000,000 p.a.	3	2,839,783.00
HK\$1,000,001 - HK\$1,100,000 p.a.	12	12,497,181.00
HK\$1,100,001 - HK\$1,200,000 p.a.	5	5,732,434.00
> HK\$1,200,000 p.a.	5	7,825,943.00

7. Other Charges

The breakdown on Other Charges is as follows:

	2021-22	2020-21
	\$	\$
Other Charges		
(a) Utilities	5,820,888.80	4,287,429.62
(b) Food	11,523,229.86	8,720,868.93
(c) Administrative Expenses	5,388,046.70	2,922,278.91
(d) Stores and Equipment	5,402,625.72	4,064,369.34
(e) Repair and Maintenance	14,847,369.51	5,588,900.97
(f) Special Allowances	1,778,864.52	2,241,657.04
(g) Programme Expenses	29,176,154.25	18,580,240.19
(h) Transportation and Travelling	3,857,415.27	3,094,682.47
(i) Insurance	2,301,510.84	3,499,816.37
(j) Miscellaneous	13,352,364.53	1,407,560.11
Sub-Total	<u>93,448,470.00</u>	<u>54,407,803.95</u>
Less: Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS* which forms as part of Other Income to fund the operating expenses of FSA-related activities	(127,275.00)	(37,525.00)
Total	<u><u>93,321,195.00</u></u>	<u><u>54,370,278.95</u></u>

*For those programmes which are regarded as FSA-related activities only

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

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Adjustment for Utilised allocation under ASCP/Enhanced ASCP-FWSS	Rent and Rates	Central Items (CI)	Total
Income	\$	\$	\$	\$	\$
Lump Sum Grant	432,667,414.00	-	-	-	432,667,414.00
Fee Income	19,317,206.34	-	-	-	19,317,206.34
Other Income	10,374,598.02	(127,275.00)	-	-	10,247,323.02
Interest Received (Note (1))	253,800.70	-	-	-	253,800.70
Rent and Rates	-	-	5,148,121.00	-	5,148,121.00
Central Items	-	-	-	19,989,898.00	19,989,898.00
Total Income (a)	462,613,019.06	(127,275.00)	5,148,121.00	19,989,898.00	487,623,763.06
Expenditure					
Personal Emoluments	352,531,726.70	-	-	-	352,531,726.70
Other Charges	93,448,470.00	(127,275.00)	-	-	93,321,195.00
Rent and Rates	-	-	10,184,543.51	-	10,184,543.51
Central Items	-	-	-	14,553,376.07	14,553,376.07
Total Expenditure (b)	445,980,196.70	(127,275.00)	10,184,543.51	14,553,376.07	470,590,841.28
Surplus/(Deficit) for the Year (a) - (b)	16,632,822.36	-	(5,036,422.51)	5,436,521.93	17,032,921.78
Less: Surplus of Provident Fund	2,471,775.00	-	-	-	2,471,775.00
	14,161,047.36	-	(5,036,422.51)	5,436,521.93	14,561,146.78
Surplus/(Deficit) b/f (Note (2))	80,546,907.82	-	(4,705,840.95)	3,572,299.84	79,413,366.71
Add : - Back payment of Rent and Rates for previous financial years	-	-	4,311,717.00	-	4,311,717.00
Less : - Claw Back of Subvention surpluses of R&R and central items - (672) in SWD SF/SAS/4-35/2/138	-	-	(412,531.00)	(156,658.00)	(569,189.00)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplementary (Note (3))	-	-	-	-	-
Adjustment for utilised allocation under Enhanced ASCP – FWSS* (over-estimated) / under-estimated in previous year(s)	-	-	-	-	-
Surplus/(Deficit) c/f (Note (4))	94,707,955.18	-	(5,843,077.46)	8,852,163.77	97,717,041.49

Notes:

Including an amount \$Z being the utilised allocation under CI - ASCP / Enhanced ASCP – FWSS*

* For those programmes which are regarded as FSA-related activities only

(1) Interest received on LSG 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 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 Infirmity 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.