

**ANNUAL FINANCIAL REPORT**

**NGO : ST. JAMES' SETTLEMENT**

**1 APRIL 2022 TO 31 MARCH 2023**

	<b>Notes</b>	<b>Total <u>2022-23</u> \$</b>	<b>Total <u>2021-22</u> \$</b>
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	422,981,429.00	404,084,904.00
b. Provident Fund	1c	29,766,636.00	28,582,510.00
2. Fee Income	2	19,305,195.85	19,317,206.34
3. Central Items	3	27,407,338.00	19,989,898.00
4. Rent and Rates	4	9,025,121.00	5,148,121.00
5. Other Income	5	11,413,254.01	10,247,323.02
6. Interest Received		476,534.34	253,800.70
<b>TOTAL INCOME</b>		<u>520,375,508.20</u>	<u>487,623,763.06</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		346,072,302.88	310,349,970.70
b. Provident Fund	1c	22,712,114.00	26,110,735.00
c. Allowances		28,856,173.82	16,071,021.00
Sub-total	6	<u>397,640,590.70</u>	<u>352,531,726.70</u>
2. Other Charges	7	85,857,776.51	93,321,195.00
3. Central Items	3	24,639,723.89	14,553,376.07
4. Rent and Rates	4	12,674,835.15	10,184,543.51
<b>TOTAL EXPENDITURE</b>		<u>520,812,926.25</u>	<u>470,590,841.28</u>
<b>C. (DEFICIT)/SURPLUS FOR THE YEAR</b>	8	<u>(437,418.05)</u>	<u>17,032,921.78</u>

The Annual Financial Report from pages 2 to 12 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE

*David K. P. Li*  
 CHAIRMAN  
 DATE: 31 OCT 2023

*[Signature]*  
 CHIEF EXECUTIVE OFFICER  
 DATE: 31 OCT 2023

**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) services (including support services to FSA services) 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 which are separately included as part of the income and expenditure of the relevant 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	5,272,116.00	24,494,520.00	29,766,636.00
Provident Fund Contribution Paid during the Year	(4,615,583.00)	(18,096,531.00)	(22,712,114.00)
Surplus for the Year	656,533.00	6,397,989.00	7,054,522.00
Add : (Deficit)/Surplus b/f	(546,755.57)	17,004,984.71	16,458,229.14
Additional subvention received for previous year(s)		188,466.00	188,466.00
Less: Refund to Government	(717,146.00)		(717,146.00)
<b>(Deficit)/Surplus c/f</b>	<b>(607,368.57)</b>	<b>23,591,439.71</b>	<b>22,984,071.14</b>

**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 subsidies allocated to NGOs for specified purposes on a recurrent, time- limited or one-off basis 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. Any surplus, which is not allowed to be offset by any deficit of another item, is subject to claw-back by SWD according to the terms and conditions of individual central items. 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>2022-23</u>	<u>2021-22</u>
	\$	\$
<b>a. Income</b>		
Dementia Supplement for Elderly with Disabilities	53,291.00	55,578.00
Infirmity Care Supplement for the Aged Blind Persons	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmity Care Supplement for Residential Elderly Services	-	-
Foster Care Allowance/ One-off Special Allowance for Foster Children to Safeguard the Foster Children from the Coronavirus Disease / Emergency Foster Care Allowance	-	-
After School Care Programme-Fee Waiving Subsidy Scheme	906,480.00	726,336.00
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
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
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	1,247,877.00	1,866,573.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Enhanced After School Care Programme – Fee Waiving Subsidy Scheme	1,410,864.00	1,279,457.00
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	-	-
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	958,960.00	935,570.00
Time-defined Allocation of Ethnic Minority District Ambassador Posts – other charges	81,420.00	80,615.00
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	17,231,665.00	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	-	-
Time-defined Service Contract of Social Work Service for Pre- primary Institutions – Allocation	5,158,600.00	-
- Rent and Rates	-	-
For the following Central Items, please take note of para. 4(f) of Points to Note on Preparation of AFR and Analysis Schedules in reporting the amounts of subvention:		
Temporary Financial Aid under Care and Support Networking Team^	-	-
Emergency Fund for NGOs operating Integrated Services Team for Street Sleepers^	89,100.00	90,000.00
Time-defined Subsidy Scheme for Extended Hours Service Users^	11,243.00	11,357.00
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)^	231,603.00	233,942.00
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities^	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service^	26,235.00	26,500.00
<b>Total</b>	<b>27,407,338.00</b>	<b>19,989,898.00</b>

	<u>2022-23</u>	<u>2021-22</u>
	\$	\$
<b>b. Expenditure</b>		
Dementia Supplement for Elderly with Disabilities	53,280.00	55,599.00
Infirmity Care Supplement for the Aged Blind Persons	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmity Care Supplement for Residential Elderly Services	-	-
Foster Care Allowance/ One-off Special Allowance for Foster Children to Safeguard the Foster Children from the Coronavirus Disease/ Emergency Foster Care Allowance	-	-
After School Care Programme–Fee Waiving Subsidy Scheme	798,080.00	735,904.00
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
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	1,247,877.00	1,866,573.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	1,000.00
Enhanced After School Care Programme –Fee Waiving Subsidy Scheme	1,410,864.00	1,279,457.00
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	-	-
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	540,810.00	563,000.00
Time-defined Allocation of Ethnic Minority District Ambassador Posts – other charges	41,017.83	26,161.83
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	460,100.00	-
Short-term Food Assistance Service Teams – Food Cost	13,077,708.71	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	-	-
Time-defined Service Contract of Social Work Service for Pre- primary Institutions - Allocation	4,869,231.25	-
- Rent and Rates	-	-
Temporary Financial Aid under Care and Support Networking Team – other charges	-	-
Emergency Fund for NGOs operating Integrated Services Team for Street Sleepers	99,795.10	233,452.20
Time-defined Subsidy Scheme for Extended Hours Service Users	-	-
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)	120,960.00	119,805.00
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
<b>Total</b>	<b>24,639,723.89</b>	<b>14,553,376.07</b>

# For NGOs with Visiting Medical Practitioner Service Team which arrange delivery of the service under the Programme to all private and self-financing RCIEs, RCIFDs as well as contract homes operated by private operators only.

^ Please refer to 4(f) of Points to Note on Preparation of AFR and Analysis Schedules

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 need not be included as Other Income in AFR. In this respect, donations have been included if it is used to finance expenditure of the FSA services/ FSA-related activities reflected in the AFR.

The breakdown on Other Income is as follows:

	2022-23	2021-22
	\$	\$
<b>Other Income</b>		
(a) Programme income	6,612,066.13	6,600,023.76
(b) Production income	-	-
(c) Donation	-	-
(d) Income from Other Activities	-	-
(e) 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*	122,960.00	127,275.00
(f) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	207,931.47	74,651.27
(g) Miscellaneous income	4,593,256.41	3,572,647.99
<b>Sub-Total</b>	<b>11,536,214.01</b>	<b>10,374,598.02</b>
<b>Less:</b> Utilised allocation under CI - ASCP / Enhanced ASCP / ASCP(PC) - FWSS which forms as part of Other Income*	(122,960.00)	(127,275.00)
<b>Total</b>	<b>11,413,254.01</b>	<b>10,247,323.02</b>

\*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.	24	17,696,964.00
HK\$800,001 - HK\$900,000 p.a.	14	11,872,179.00
HK\$900,001 - HK\$1,000,000 p.a.	6	5,655,901.00
HK\$1,000,001 - HK\$1,100,000 p.a.	8	8,461,335.00
HK\$1,100,001 - HK\$1,200,000 p.a.	4	4,496,768.00
> HK\$1,200,000 p.a.	11	15,783,473.00

7. Other Charges

The breakdown on Other Charges is as follows:

	2022-23	2021-22
	\$	\$
<b>Other Charges</b>		
(a) Utilities	7,577,164.22	5,820,888.80
(b) Food	12,462,081.42	11,523,229.86
(c) Administrative Expenses	3,467,404.39	5,388,046.70
(d) Stores and Equipment	5,596,921.53	5,402,625.72
(e) Repair and Maintenance	6,749,741.56	14,847,369.51
(f) Special Allowances	1,750,094.02	1,778,864.52
(g) Programme Expenses	34,011,555.84	29,176,154.25
(h) Transportation and Travelling	4,330,327.37	3,857,415.27
(i) Insurance	4,108,486.02	2,301,510.84
(j) Miscellaneous	5,926,960.14	13,352,364.53
<b>Sub-Total</b>	<b>85,980,736.51</b>	<b>93,448,470.00</b>
<b>Less:</b> Utilised allocation under CI: ASCP / Enhanced ASCP / ASCP(PC) - FWSS* which forms as part of Other Income to fund the operating expenses of FSA services/ FSA-related activities	(122,960.00)	(127,275.00)
<b>Total</b>	<b>85,857,776.51</b>	<b>93,321,195.00</b>

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

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

	Analysis of Reserve Fund					Total
	Lump Sum Grant (LSG)	Holding Account (HA)	Adjustment for Utilised allocation under ASCP/Enhanced ASCP-FWSS	Rent and Rates	Central Items (CI)	
<b>Income</b>	\$	\$	\$	\$	\$	\$
Lump Sum Grant	452,748,065.00					452,748,065.00
Fee Income	19,305,195.85					19,305,195.85
Other Income	11,536,214.41		(122,960.00)			11,413,254.01
Interest received (Note (1))	476,534.34					476,534.34
Rent and Rates				9,025,121.00		9,025,121.00
Central Items					27,407,338.00	27,407,338.00
<b>Total Income (a)</b>	<b>484,066,009.20</b>	<b>-</b>	<b>(122,960.00)</b>	<b>9,025,121.00</b>	<b>27,407,338.00</b>	<b>520,375,508.20</b>
<b>Expenditure</b>						
Personal Emoluments	397,640,590.70					397,640,590.70
Other Charges	85,980,736.51		(122,960.00)			85,857,776.51
Rent and Rates				12,674,835.15		12,674,835.15
Central Items					24,639,723.89	24,639,723.89
<b>Total Expenditure (b)</b>	<b>483,621,327.21</b>	<b>-</b>	<b>(122,960.00)</b>	<b>12,674,835.15</b>	<b>24,639,723.89</b>	<b>520,812,926.25</b>
<b>Surplus/(Deficit) for the Year (a) - (b)</b>	<b>444,684.99</b>	<b>-</b>	<b>-</b>	<b>(3,649,714.15)</b>	<b>2,767,614.11</b>	<b>(437,418.05)</b>
Less: Surplus/(Deficit) of Provident Fund	7,054,522.00					7,054,522.00
<b>Surplus/(Deficit) of (Note (2))</b>	<b>(6,609,840.01)</b>	<b>-</b>	<b>-</b>	<b>(3,649,714.15)</b>	<b>2,767,614.11</b>	<b>(7,491,940.05)</b>
Add:						
- Back payment of Rent and Rates for previous financial years				3,715,329.00		3,715,329.00
- Upward Adjustment of LSG Reserve - (37) in SWD SF/SAS/4.35/1/138 (672)	356,947.27					356,947.27
Less:						
- Claw Back of Subvention surpluses of R&R and central items				(267,845.00)	(151,994.00)	(419,839.00)
- Claw Back of Unused Training Subsidy for CCSs and SCCWs under Central Item (1st Batch)					(93,700.00)	(93,700.00)
- Claw Back of Subvention surpluses of One-off Subsidy for Strengthened Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities					(709,900.00)	(709,900.00)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))						
Adjustment for utilised allocation under Enhanced ASCP / ASCP(PC) - FWSS* (over-estimated) / under-estimated in previous year(s)						
<b>Surplus/(Deficit) of (Note (4))</b>	<b>88,455,062.44</b>	<b>-</b>	<b>-</b>	<b>(6,045,307.61)</b>	<b>10,664,383.88</b>	<b>92,716,991.44</b>

Notes:

\* Including an amount \$Z being the utilised allocation under CI, ASCP / Enhanced ASCP / ASCP(PC) - FWSS\*

\* For those programmes which are regarded as F&S-related activities only

(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 (see (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 Infirmary 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. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.

For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows:

(i) With Significant 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. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1 + T2) 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 reported as zero) was zero

For the next three years (Year 1 to Year 3), the level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) 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. S1 + S2) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1 + T2) 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 SWDS/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.