

HONG KONG WOMEN DEVELOPMENT ASSOCIATION LIMITED

香港婦聯有限公司

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2023

V A CO LIMITED

**REVIEW REPORT ON THE ANNUAL FINANCIAL REPORT
TO THE MANAGEMENT OF
HONG KONG WOMEN DEVELOPMENT ASSOCIATION LIMITED
香港婦聯有限公司
FOR THE YEAR ENDED 31 MARCH 2023**

We have audited the financial statements of Hong Kong Women Development Association Limited (“the Association”) for the year ended 31 March 2023 and have issued an unqualified auditor’s report thereon dated 25 October 2023.

We conducted our review of the attached Annual Financial Report (“AFR”) on pages 2 to 7 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 (“HKICPA”). The review includes considering the procedures and records relevant to the preparation of the AFR and performing procedures to satisfy ourselves that the AFR 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 for the year ended 31 March 2023:

- (a) in our opinion the AFR 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 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 (“SWD”); and
 - (iii) prepared the AFR in accordance with the format and requirements set out in the LSG Manual; and
 - (iv) employed the staff quoted in the Provident Fund arrangements during the year ended 31 March 2023.

This report is intended for filing with the SWD and should not be used for any other purposes.

V A Co Ltd

V A CO LIMITED, Certified Public Accountants (Practising)
Virginia Ann Hui
Practising Certificate Number P07993
Hong Kong, 25 October 2023

ANNUAL FINANCIAL REPORT
NGO 390: HONG KONG WOMEN DEVELOPMENT ASSOCIATION LIMITED
1 APRIL 2022 TO 31 MARCH 2023

			Total 2022-23 HK\$	Total 2021-22 HK\$
A. INCOME				
1. Lum Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b		3,682,908.00	3,771,012.00
b. Provident Fund	1c		227,760.00	184,747.00
2. Fee Income	2		-	-
3. Central Items	3		27,378,831.00	18,652,188.90
4. Rent and Rates	4		-	-
5. Other Income	5		692,932.10	611,941.00
6. Interest Received			14,288.37	168.46
TOTAL INCOME			31,996,719.47	23,220,057.36
B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries			3,277,465.65	2,193,365.33
b. Provident Fund	1c		119,892.74	92,347.39
c. Allowances			-	-
Sub-total	6		3,397,358.39	2,285,712.72
2. Other charges	7		1,174,000.75	409,420.75
3. Central items	3		24,613,628.67	11,207,872.58
4. Rent and Rates	4		-	-
TOTAL EXPENDITURE			29,184,987.81	13,903,006.05
C. SURPLUS FOR THE YEAR		8	2,811,731.66	9,317,051.31

The Annual Financial Report from pages 2 to 7 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



Ip Shun Hing
Chairperson
Date: 25 October 2023



Tse Wing Hang
Chief Executive
Date: 25 October 2023

HONG KONG WOMEN DEVELOPMENT ASSOCIATION LIMITED
NOTES ON THE ANNUAL FINANCIAL REPORT
1 APRIL 2022 TO 31 MARCH 2023

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>HK\$</u>	<u>Other Posts</u> <u>HK\$</u>	<u>Total</u> <u>HK\$</u>
Subvention Received	-	230,060.00	230,060.00
Provident Fund Contribution Paid during the year	-	<u>(119,892.74)</u>	<u>(119,892.74)</u>
Surplus/ (Deficit) for the Year	-	110,167.26	110,167.26
Add: Surplus b/f		92,399.61	92,399.61
Less: Refund to Government		<u>(2,300.00)</u>	<u>(2,300.00)</u>
Surplus c/f	-	<u>200,266.87</u>	<u>200,266.87</u>

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

	<u>2022-23</u> <u>HK\$</u>	<u>2021-22</u> <u>HK\$</u>
a. Income		
After School Care Programme for Pre-primary Children [ASCP(PC)]		
–Contract Sum	581,300.00	234,000.00
–Fee Subsidy	-	685,474.00
–Rent and Rates	5,738.00	-
Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy	1,180,050.00	3,370,550.00
NSCCP – Subsidy for Fee Reduction/Waiving	746,000.00	1,179,224.40
NSCCP – Subsidy for Incentive Payment	487,500.00	1,314,902.50
NSCCP – Rent and Rates	44,279.00	43,379.00
Short-term Food Assistance Service Teams – Food Cost	<u>24,333,964.00</u>	<u>11,824,659.00</u>
Total	<u>27,378,831.00</u>	<u>18,652,188.90</u>
b. Expenditure		
After School Care Programme for Pre-primary Children [ASCP(PC)]		
–Contract Sum	935,396.31	99,359.88
–Fee Subsidy	-	-
–Rent and Rates	45,427.00	5,738.00
Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy	2,195,263.77	2,016,678.16
NSCCP – Subsidy for Fee Reduction/Waiving	900,907.50	966,539.50
NSCCP – Subsidy for Incentive Payment	222,800.00	256,952.50
NSCCP – Rent and Rates	44,279.00	43,379.00
Short-term Food Assistance Service Teams – Food Cost	<u>20,269,555.09</u>	<u>7,819,225.54</u>
Total	<u>24,613,628.67</u>	<u>11,207,872.58</u>

HONG KONG WOMEN DEVELOPMENT ASSOCIATION LIMITED
NOTES ON THE ANNUAL FINANCIAL REPORT
1 APRIL 2022 TO 31 MARCH 2023

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:

	2022-23 HK\$	2021-22 HK\$
(a) Fees and charges for services incidental to the operation of subvented services	<u>692,932.10</u>	<u>611,941.00</u>

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>	No. of Posts	HK\$
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 Charges is as follows:

	2022-23 HK\$	2021-22 HK\$
(a) Utilities	88,651.40	13,527.00
(b) Food	24,237.60	12,579.30
(c) Administrative Expenses	773,331.23	232,304.40
(d) Stores and Equipment	-	-
(e) Repair and Maintenance	-	-
(f) Special Allowances	87,999.50	20,870.10
(g) Programme Expenses	4,883.40	1,999.20
(h) Transportation and Travelling	-	-
(i) Insurance	42,240.60	12,461.75
(j) Rental expense for storage	139,000.00	103,500.00
(k) Miscellaneous	13,657.02	12,179.00
	<u>1,174,000.75</u>	<u>409,420.75</u>

HONG KONG WOMEN DEVELOPMENT ASSOCIATION LIMITED
NOTES ON THE ANNUAL FINANCIAL REPORT
1 APRIL 2022 TO 31 MARCH 2023

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

	Lum Sum Grant (LSG)	Rent and Rates	Central items	Total
	HK\$	HK\$	HK\$	HK\$
Income				
Lum Sum Grant	3,910,668.00	-	-	3,910,668.00
Fee Income	-	-	-	-
Other Income	692,932.10	-	-	692,932.10
Interest Received (Note (1))	14,288.37	-	-	14,288.37
Rent and Rates	-	-	-	-
Central Items	-	-	27,378,831.00	27,378,831.00
Total Income (a)	4,617,888.47	-	27,378,831.00	31,996,719.47
Expenditure				
Personal Emoluments	3,397,358.39	-	-	3,397,358.39
Central Items	-	-	24,613,628.67	24,613,628.67
Rent and Rates	-	-	-	-
Other Charges	1,174,000.75	-	-	1,174,000.75
Total Expenditure (b)	4,571,359.14	-	24,613,628.67	29,184,987.81
Surplus/(Deficit) for the Year (a) - (b)	46,529.33	-	2,765,202.33	2,811,731.66
Less: Surplus of Provident Fund	(200,266.87)	-	-	(200,266.87)
	(153,737.54)	-	2,765,202.33	2,611,464.79
Surplus/(Deficit) b/f (Note 2)	1,780,335.38	-	7,444,316.32	9,224,651.70
Less : Refund to Government	(539,638.86)	-	-	(539,638.86)
Surplus /(Deficit) c/f (Note (4))	1,086,958.98	-	10,209,518.65	11,296,477.63

- Notes:
- (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 Infirmary Care Supplement, if any, as per Schedule for Central Items.
 - (4) The level of LSG cumulative reserve, 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 2022 to 31 March 2023**

Name of NGO : HONG KONG WOMEN DEVELOPMENT ASSOCIATION LIMITED

Unit Code and Name/ Remittance Advice No. (Note 7)	Subvention Released (Note 1a)	Actual Expenditure (Note 2a)	Surplus (Note 3)	Deficit for the Year		Surplus b/f (Note 5)	Refund to Government (f)	Adjustment (Note 9)	Surplus c/f (Note 6)
				Deficit (Note 3)	Deficit transferred to LSG (Note 4)				
	(a1)	(a2)	(a) = (a1) - (a2)	(b) = (a1) - (a2)	(c)	(d) = (b) - (c)	(f)	(g)	(h) = (e) + (a) - (f) - (g) + (g)
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy	1,180,030.00	2,195,263.77	-	(1,015,213.77)	N.A.	1,353,871.84	-	-	338,658.07
NSCCP - Subsidy for Fee Reduction/Waiving	746,000.00	900,907.50	-	(154,907.50)	N.A.	212,684.90	-	-	57,771.40
NSCCP - Subsidy for Incentive Payment	487,500.00	222,800.00	264,700.00	-	N.A.	1,057,950.00	-	-	1,322,650.00
NSCCP - Rent and Rates	44,279.00	44,279.00	-	-	N.A.	-	-	-	-
Short-term Food Assistance Service Teams (STFASTs) - Food Cost	24,331,964.00	20,269,555.09	4,064,408.91	-	N.A.	4,005,433.46	-	-	8,069,842.37
After School Care Programme for Pre-primary Children (ASCP(PC)) Contract Subsidy	581,300.00	935,396.31	-	(354,096.31)	N.A.	134,640.12	-	-	(219,456.19)
ASCP(PC) Fee Subsidy	-	-	-	-	N.A.	685,474.00	-	-	685,474.00
ASCP(PC) Rent and Rates	5,738.00	45,427.00	-	(39,689.00)	N.A.	(5,738.00)	-	-	(45,427.00)
TOTAL	27,378,831.00	24,613,628.67	4,329,108.91	(1,563,906.58)	N.A.	7,444,316.32	-	-	10,209,518.65

Notes:

- 1(a). The figures for the whole financial year are extracted from the payroll for March (Final) or remittance advice(s) issued by the Treasury or allocation letter(s) issued by Social Welfare Department of the financial year.
- 1(b). This amount represents any reimbursement received from the RMLP Scheme if the NGO has temporarily paid the expenditure out of the allocation from the subvented element (see Note 2(b) below).
- 2(a). This amount represents the total expenditure incurred including provision fund for the respective services after netting off (i) programme income and (ii) expenditure under RMLP Scheme mentioned in Note 2(b) below, if any.
- 2(b). This amount represents the additional four weeks' MLP (i.e. the 11th to 14th weeks) paid to the employee out of the corresponding allocation.
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. (33) in SWDS/104/2 PL 18 dated 4 March 2020.
 - (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 / remittance advice no. are extracted from the payroll from SWD and remittance advice from the Treasury respectively.
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.
9. For ASCP/Enhanced ASCP, the adjustment includes the amount of expenditure overstated / (understated) in previous year(s) after taking into account the actual claw-back amount(s) per SWD's allocation letter(s), if any.
10. For NGOs with Visiting Medical Practitioner Service Team which arrange delivery of the service under the Programme to all private and self-financing RCHEs, RCHEs as well as contract homes operated by private operators only.

SCHEDULE FOR INVESTMENT
ANALYSIS OF INVESTMENT AS AT 31 MARCH 2023
NGO : HONG KONG WOMEN DEVELOPMENT ASSOCIATION LIMITED (390)

Appendix 3

	Note	2022-23 HK\$	2021-22 HK\$
LSG Reserve as at 31 March	8	<u>1,086,958.98</u>	<u>1,780,335.38</u>
Represented by:			
Investments			
a. HKD Bank Account Balances		1,086,958.98	1,780,335.38
b. HKD 24-hour Call Deposits		-	-
c. HKD Fixed Deposits		-	-
d. HKD Certificate of Deposits		-	-
e. HKD Bonds		-	-
		<u>1,086,958.98</u>	<u>1,780,335.38</u>

Note : The investments should be reported at historical cost.

Confirmed by:



 Ip Shun Hing
 Chairperson
 Date: 25 October 2023



 Tse Wing Hang
 Chief Executive
 Date: 25 October 2023