

**SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED**  
**西貢區社區中心有限公司**

**(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)**

**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2021**  
**FOR SUBMISSION TO THE SOCIAL WELFARE DEPARTMENT**

**REVIEW REPORT ON THE ANNUAL FINANCIAL REPORT  
TO THE BOARD OF DIRECTORS OF  
SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED**  
西貢區社區中心有限公司  
*(incorporated in Hong Kong and limited by guarantee)*

We have audited the financial statements of Sai Kung District Community Centre Limited (“the Company”) for the year ended 31 March 2021 and have issued an unqualified auditors’ report thereon dated 22 October 2021.

We conducted our review of the attached Annual Financial Report on pages 2 to 10 of the Company for the year ended 31 March 2021 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 Company, on which the above audited financial statements of the Company 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 Company for the year ended 31 March 2021:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Company; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Company 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 2021.

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.



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22 October 2021

**ANNUAL FINANCIAL REPORT**

**SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED**

西貢區社區中心有限公司

**1 APRIL 2020 TO 31 MARCH 2021**

	Note	Total 2020-21 HK\$	Total 2019-20 HK\$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	7,863,078.00	7,790,301.00
b. Provident Fund	1c	490,403.00	490,554.00
2. Fee Income	2	94,040.10	714,700.87
3. Central Items	3	188,664.00	132,300.00
4. Rent and Rates	4	23,747.00	22,900.00
5. Other Income	5	856,628.90	1,140,303.80
6. Interest Received		38.44	1,379.64
<b>TOTAL INCOME</b>		9,516,599.44	10,292,439.31
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		7,444,126.89	6,985,162.64
b. Provident Fund	1c	391,497.59	433,723.43
Sub-total	6	7,835,624.48	7,418,886.07
2. Other Charges	7	986,849.01	2,639,807.07
3. Central Items	3	144,824.00	132,300.00
4. Rent and Rates	4	11,278.60	19,278.60
<b>TOTAL EXPENDITURE</b>		8,978,576.09	10,210,271.74
<b>C. SURPLUS FOR THE YEAR</b>	8	538,023.35	82,167.57

The Annual Financial Report from pages 2 to 10 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

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 (SWD) 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:

	Snapshot staff HK\$	6.8% and Other Posts HK\$	Total HK\$
<u>Provident Fund Contribution</u>			
Subvention Received	---	---	---
Provident Fund Contribution Paid during the Year	0.00	(391,497.59)	(391,497.59)
Surplus for the Year	(36,710.03)	98,905.41	98,905.41
Add: (Deficit)/surplus b/f		435,590.79	398,880.76
Additional subvention received for previous year(s)	---	---	---
Adjustment to reduce prior year snapshot staff expenses under Provident Fund Reserves	60,103.08	---	60,103.08
Less: Refund to Government	(13,266.00)	---	(13,266.00)
Surplus c/f	<u>10,127.05</u>	<u>534,496.20</u>	<u>544,623.25</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.

NGO: 580 SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED 西貢區社區中心有限公司  
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**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:

	2020-21 HK\$	2019-20 HK\$
<b>a. Income</b>		
After School Care Programme – Fee Waiving Subsidy Scheme	<u>188,664.00</u>	<u>132,300.00</u>
<b>Total</b>	<u><u>188,664.00</u></u>	<u><u>132,300.00</u></u>
<b>b. Expenditure</b>		
After School Care Programme – Fee Waiving Subsidy Scheme	<u>144,824.00</u>	<u>132,300.00</u>
<b>Total</b>	<u><u>144,824.00</u></u>	<u><u>132,300.00</u></u>

**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.

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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 the 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:

	2020-21 HK\$	2019-20 HK\$
<b>Other Income</b>		
(a) Fees and charges for services incidental to the operation of subvented services	---	---
(b) Others	<u>856,628.90</u>	<u>1,140,303.80</u>
<b>Total</b>	<u><u>856,628.90</u></u>	<u><u>1,140,303.80</u></u>

NGO: 580 SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED 西貢區社區中心有限公司  
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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 HK\$700,000 each paid under LSG is appended below:

<b>Analysis of Personal Emoluments paid under LSG</b>	<b>No. of Posts</b>	<b>HK\$</b>
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.	1	1,069,068.00
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:

<b>Other Charges</b>	<b>2020-21 HK\$</b>	<b>2019-20 HK\$</b>
(a) Utilities	37,147.70	69,192.47
(b) Food	---	---
(c) Administrative Expenses	86,983.59	86,488.53
(d) Stores and Equipment	227,920.45	238,102.32
(e) Repair and Maintenance	8,100.00	6,500.00
(f) Special Allowances	---	---
(g) Programme Expenses	458,500.01	2,081,486.69
(h) Transportation and Travelling	1,340.20	1,628.90
(i) Insurance	109,987.26	110,150.46
(j) Miscellaneous	56,869.80	46,257.70
<b>Total:</b>	<u>986,849.01</u>	<u>2,639,807.07</u>

NOTES ON THE ANNUAL FINANCIAL REPORT

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

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Income</b>					
Lump Sum Grant	8,353,481.00	---	---	---	8,353,481.00
Fee Income	94,040.10	---	---	---	94,040.10
Other Income	856,628.90	---	---	---	856,628.90
Interest Received (Note (1))	38.44	---	---	---	38.44
Rent and Rates	---	---	23,747.00	---	23,747.00
Central Items	---	---	---	188,664.00	188,664.00
<b>Total Income (a)</b>	<b>9,304,188.44</b>	<b>---</b>	<b>23,747.00</b>	<b>188,664.00</b>	<b>9,516,599.44</b>
<b>Expenditure</b>					
Personal Emoluments	7,835,624.48	---	---	---	7,835,624.48
Central Items	---	---	---	144,824.00	144,824.00
Rent and Rates	---	---	11,278.60	---	11,278.60
Other Charges	986,849.01	---	---	---	986,849.01
Special One-off Grant Payments	---	---	---	---	---
<b>Total Expenditure (b)</b>	<b>8,822,473.49</b>	<b>---</b>	<b>11,278.60</b>	<b>144,824.00</b>	<b>8,978,576.09</b>
<b>Surplus/(Deficit) for the Year (a)-(b)</b>	<b>481,714.95</b>	<b>---</b>	<b>12,468.40</b>	<b>43,840.00</b>	<b>538,023.35</b>
Less: Surplus of Provident Fund	(98,905.41)	---	---	---	(98,905.41)
Surplus/ (Deficit) for the year excluding Provident Fund	382,809.54	---	12,468.40	43,840.00	439,117.94
<b>Surplus/(Deficit) b/f (Note (2))</b>	<b>2,215,038.04</b>	<b>---</b>	<b>(6,582.20)</b>	<b>---</b>	<b>2,208,455.84</b>
	<b>2,597,847.58</b>	<b>---</b>	<b>5,886.20</b>	<b>43,840.00</b>	<b>2,647,573.78</b>
Add : Refund from Government	---	---	---	---	---
Adjustment to reflect balance b/f	---	---	---	33,466.00	33,466.00
Less: Refund to Government	---	---	(3,621.40)	---	(3,621.40)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement (Note (3))	---	---	---	---	---
Adjustment for utilised allocation under Enhanced ASCP – FWSS* (over-estimated) / under-estimated in previous year(s)	---	---	---	---	---
Transfer from R&R Reserve to LSG Reserve re recommended adjustments in 2017-18 AFR	7,015.40	---	(7,014.40)	---	1.00
Transfer from LSG Reserve to cover service planning	(764,428.00)	---	---	---	(764,428.00)
<b>Surplus/(Deficit) c/f (Note (4))</b>	<b>1,840,434.98</b>	<b>---</b>	<b>(4,749.60)</b>	<b>77,306.00</b>	<b>1,912,991.38</b>

**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 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 of 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 Rent and Rates**

**Analysis of Subvention and Expenditure for the period from 1 April 2020 to 31 March 2021**

Name of Agency : 580 SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED 西貢區社區中心有限公司

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
		HK\$	HK\$	HK\$	HK\$
580 - Sai Kung District Community Centre Limited	Rent (Note 3)	---	---	---	---
	Rates	23,747.00	11,278.60	12,468.40	---
	Total	23,747.00	11,278.60	12,468.40	---
	<b>Grand Total</b>	23,747.00	11,278.60	12,468.40	---

**Note:**

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year.
2. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
3. Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.

Schedule for Central Items

Analysis of Subvention and Expenditure for the Period from 1 April 2019 to 31 March 2020

Name of Agency : 580 SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED 西貢區社區中心有限公司

Unit Code and Name (Note 7)	Subvented Element	Subventions Released (Note 1) HK\$	Actual Expenditure (Note 2) HK\$	Surplus (Note 3) (a) HK\$	Deficit for the year			Surplus b/f (Note 5) HK\$	Surplus c/f (Note 6) (f)=(c)+(a)-(b) HK\$
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d)=(b)-(c)		
4598 - After School Care Programme - Late Afternoon Session	After-School Care Programme	188,664.00	144,824.00	43,840.00	---	N.A.	---	33,466.00	77,306.00
Total		188,664.00	144,824.00	43,840.00	---	N.A.	---	33,466.00	77,306.00

**Notes:**

- The figures for the whole financial year are extracted from the payroll for March (Final) or remittance advice(s) issued by the Treasury of the financial year.
- Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
- Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
- 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 letter ref. (5) in SWD/S/104/2 Pt. 18 dated 20 July 2018.
  - Dementia Supplement for Elderly with Disabilities
  - Infirmary Care Supplement for the Aged Blind Persons
  - Dementia Supplement for Residential Elderly Services
  - Infirmary Care Supplement for Residential Elderly services
- "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
- "Surplus carried forward (c/f)" means surplus brought forward less refund to Government plus surplus, if any, arising from operations in current year.
- Unit code and name / remittance advice no. are extracted from the payroll from SWD and remittance advice from the Treasury respectively.
- 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.

**Schedule for Investment**  
**Analysis of Investment as at 31 March 2021**

**Agency: 580 SAI KUNG DISTRICT COMMUNITY CENTRE LIMITED**

	<u>2021</u> <u>HKS</u>	<u>2020</u> <u>HKS</u>
<b>LSG Reserve as at 31 March 2021</b>	<u>1,840,434.98</u>	<u>2,215,038.04</u>
<b>Represented by:</b>		
<b>Investments</b>		
a. HKD Bank Account Balances	3,522,002.14	1,871,971.58
b. HKD 24-hour Call Deposits	---	---
c. HKD Fixed Deposits	---	---
d. HKD Certificate of Deposits	---	---
e. HKD Bonds	---	---
	<u>3,522,002.14</u>	<u>1,871,971.58</u>

Note: The investments should be reported at historical cost.