

**SAI KUNG DISTRICT COMMUNITY CENTRE**  
**西貢區社區中心**  
**(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)**

**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**FOR SUBMISSION TO THE SOCIAL WELFARE DEPARTMENT**



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**INDEPENDENT AUDITOR'S ASSURANCE REPORT ON  
THE ANNUAL FINANCIAL REPORT  
TO THE BOARD OF DIRECTORS OF  
SAI KUNG DISTRICT COMMUNITY CENTRE  
西貢區社區中心  
(incorporated in Hong Kong and limited by guarantee)**

We have audited the financial statements of Sai Kung District Community Centre (“the organisation”) for the year ended 31 March 2024 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and have issued an unmodified auditor’s report thereon dated 29 October 2024.

Pursuant to the Lump Sum Grant (“LSG”) Manual issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region (“SWD”), we have been requested to issue this assurance report in connection with the Annual Financial Report (“AFR”) of the organisation for the year ended 31 March 2024.

### **Responsibilities of the Directors**

In relation to this report, the directors are responsible for ensuring the AFR of the organisation for the year ended 31 March 2024 is properly prepared in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD; and the use of the funds from the LSG by the organisation has complied with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

### **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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**Auditor's Responsibility**

Our responsibility is to form a conclusion, based on our engagement, and to report our conclusion to you. We do not assume or accept any responsibility or liability or duty of care to any other person for the contents of this report.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 851 (Revised), *Reporting on the Annual Financial Reports of Non-governmental Organisations* issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance for giving conclusion 1 and obtain limited assurance for giving conclusion 2 below.

The work undertaken in connection with this engagement is less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In relation to our conclusion 1 below, we have planned and performed such procedures as we considered necessary with reference to the procedures recommended in PN 851 (Revised), to satisfy ourselves that the AFR has been properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.

In relation to our conclusion 2 below, we have obtained an understanding in respect of the purposes of the use of the funds as specified in the LSG Manual and other instructions issued by the SWD and obtaining an understanding of the control procedures. We are not required to perform any procedures to search for instances of the use of funds from the LSG by the organisation being non-complied with the specified purposes. Our work was limited to reporting non-compliances identified as a result of the procedures performed in relation to conclusion 2 and during the normal course of our work relating to conclusion 1. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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**Conclusion**

1. In our opinion, the AFR of the organisation for the year ended 31 March 2024 is properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.
2. Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the use of the funds from the LSG by the organisation has not complied, in all material respects, with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

**Intended Users and Purpose**

This report is intended solely for submission by the organisation to the SWD and is not intended to be, and should not be, used for any other purpose. We agree that a copy of this report may be provided to the SWD without further comment from us.



K.W. Tam & Co.  
Certified Public Accountants (Practising)  
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370 Kwun Tong Road,  
Kowloon, Hong Kong

29 October 2024

## ANNUAL FINANCIAL REPORT

### NGO 580: SAI KUNG DISTRICT COMMUNITY CENTRE 西貢區社區中心 (1 APRIL 2023 TO 31 MARCH 2024)

	Note	2023-24 HK\$	2022-23 HK\$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	<b>1b</b>	8,330,165.00	7,976,390.00
b. Provident Fund	<b>1c</b>	520,829.00	497,638.00
2. Fee Income	<b>2</b>	9,135.00	14,830.00
3. Central Items	<b>3</b>	315,864.00	302,160.00
4. Rent and Rates	<b>4</b>	23,747.00	23,747.00
5. Other Income	<b>5</b>	1,977,790.25	1,259,550.24
6. Interest Received		18,296.00	5,610.38
<b>TOTAL INCOME</b>		11,195,826.25	10,079,925.62
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		7,842,386.64	7,434,138.38
b. Provident Fund	<b>1c</b>	449,181.34	356,119.95
c. Allowances		---	---
Sub-total	<b>6</b>	8,291,567.98	7,790,258.33
2. Other Charges	<b>7</b>	2,870,642.79	2,346,643.39
3. Central Items	<b>3</b>	285,904.00	304,699.00
4. Rent and Rates	<b>4</b>	21,794.20	12,650.11
<b>TOTAL EXPENDITURE</b>		11,469,908.97	10,454,250.83
<b>C. DEFICIT FOR THE YEAR</b>	<b>8</b>	<b>(274,082.72)</b>	<b>(374,325.21)</b>

The Annual Financial Report from pages 4 to 8 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

NOTES ON THE ANNUAL FINANCIAL REPORT

NGO 580: SAI KUNG DISTRICT COMMUNITY CENTRE 西貢區社區中心  
(1 APRIL 2023 TO 31 MARCH 2024)

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 ("SWD") under the Lump Sum Grant ("LSG") 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 disclosures have been shown under **Note 3**. Details are analysed below :

<u>Provident Fund Contribution</u>	Snapshot staff HK\$	6.8% and Other Posts HK\$	Total HK\$
Subvention Received	---	520,829.00	520,829.00
Provident Fund Contribution Paid during the Year	---	(449,181.34)	(449,181.34)
Surplus for the Year	---	71,647.66	71,647.66
<u>Add:</u> Surplus b/f	5,442.00	806,729.75	812,171.75
Additional subvention received for previous year(s)	---	---	---
Adjustment per SWD letter SWD SF/SAS/4-35/1/124(580) - Item 1(a)	---	11,668.84	11,668.84
<b>Surplus c/f</b>	<b><u>5,442.00</u></b>	<b><u>890,046.25</u></b>	<b><u>895,488.25</u></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.

NOTES ON THE ANNUAL FINANCIAL REPORT

NGO 580: SAI KUNG DISTRICT COMMUNITY CENTRE 西貢區社區中心  
(1 APRIL 2023 TO 31 MARCH 2024)

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:

a. <b>Income</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>HK\$</b>	<b>HK\$</b>
After School Care Programme - Fee Waiving Subsidy Scheme	<u>315,864.00</u>	<u>302,160.00</u>
<b>Total</b>	<b><u>315,864.00</u></b>	<b><u>302,160.00</u></b>
<b>b. Expenditure</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>HK\$</b>	<b>HK\$</b>
After School Care Programme - Fee Waiving Subsidy Scheme	<u>285,904.00</u>	<u>304,699.00</u>
<b>Total</b>	<b><u>285,904.00</u></b>	<b><u>304,699.00</u></b>

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 the AFR. In this respect, donations should be 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:

<b>Other Income</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>HK\$</b>	<b>HK\$</b>
(a) Programme income	849,653.20	581,046.60
(b) Income from Other Activities	1,128,137.05	678,503.64
(c) Utilised allocation under Central Items (CI): After School Care Programme (ASCP) / Enhanced ASCP / ASCP(PC) - Fee Waiving Subsidy Scheme (FWSS) which forms as part of Other Income *	<u>285,904.00</u>	<u>304,699.00</u>
<b>Sub-total</b>	<b>2,263,694.25</b>	<b>1,564,249.24</b>
<u>Less:</u> Utilised allocation under Central Items (CI): ASCP / Enhanced ASCP / ASCP(PC) - Fee Waiving Subsidy Scheme (FWSS) which forms as part of Other Income *	<u>(285,904.00)</u>	<u>(304,699.00)</u>
<b>Total</b>	<b><u>1,977,790.25</u></b>	<b><u>1,259,550.24</u></b>

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

## NOTES ON THE ANNUAL FINANCIAL REPORT

### NGO 580: SAI KUNG DISTRICT COMMUNITY CENTRE 西貢區社區中心 (1 APRIL 2023 TO 31 MARCH 2024)

**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.	1	756,272.00
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:

<b>Other Charges</b>	<b>2023-24 HK\$</b>	<b>2022-23 HK\$</b>
(a) Utilities	51,901.09	67,986.41
(b) Food	---	---
(c) Administrative Expenses	253,609.95	203,919.68
(d) Stores and Equipment	353,373.58	221,433.73
(e) Repair and Maintenance	230,416.80	142,723.90
(f) Programme Expenses	2,118,091.30	1,814,217.96
(g) Transportation and Travelling	793.07	2,626.50
(h) Insurance	115,032.96	130,967.91
(i) Miscellaneous	33,328.04	67,466.30
<b>Sub-total</b>	<b>3,156,546.79</b>	<b>2,651,342.39</b>
<b>Less:</b> Utilised allocation under Central Items (CI): ASCP / Enhanced ASCP / ASCP(PC) - FWSS* which forms as part of the Other Income to fund the operating expenses of FSA services / FSA-related activities	<u>(285,904.00)</u>	<u>(304,699.00)</u>
<b>Total</b>	<b><u>2,870,642.79</u></b>	<b><u>2,346,643.39</u></b>

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



NOTES ON THE ANNUAL FINANCIAL REPORT

NGO 580: SAI KUNG DISTRICT COMMUNITY CENTRE 西貢區社區中心  
(1 APRIL 2023 TO 31 MARCH 2024)

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

	Lump Sum Grant (LSG)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP / ASCP(PC) - FWSS	Rent and Rates	Central Items (CI)	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Income</b>					
Lump Sum Grant	8,850,994.00	---	---	---	8,850,994.00
Fee Income	9,135.00	---	---	---	9,135.00
Other Income	2,263,694.25	(285,904.00)	---	---	1,977,790.25
Interest Received (Note (1))	18,296.00	---	---	---	18,296.00
Rent and Rates	---	---	23,747.00	---	23,747.00
Central Items	---	---	---	315,864.00	315,864.00
<b>Total Income (a)</b>	<b>11,142,119.25</b>	<b>(285,904.00)</b>	<b>23,747.00</b>	<b>315,864.00</b>	<b>11,195,826.25</b>
<b>Expenditure</b>					
Personal Emoluments	8,291,567.98	---	---	---	8,291,567.98
Other Charges	3,156,546.79	(285,904.00)	---	---	2,870,642.79
Rent and Rates	---	---	21,794.20	---	21,794.20
Central Items	---	---	---	285,904.00	285,904.00
<b>Total Expenditure (b)</b>	<b>11,448,114.77</b>	<b>(285,904.00)</b>	<b>21,794.20</b>	<b>285,904.00</b>	<b>11,469,908.97</b>
<b>Surplus/(Deficit) for the Year (a) - (b)</b>	<b>(305,995.52)</b>	<b>---</b>	<b>1,952.80</b>	<b>29,960.00</b>	<b>(274,082.72)</b>
<u>Less:</u> Surplus/(Deficit) of Provident Fund	(71,647.66)	---	---	---	(71,647.66)
	(377,643.18)	---	1,952.80	29,960.00	(345,730.38)
<b>Surplus b/f (Note (2))</b>	<b>1,074,716.19</b>	<b>---</b>	<b>(6,121.11)</b>	<b>51,679.00</b>	<b>1,120,274.08</b>
	697,073.01	---	(4,168.31)	81,639.00	774,543.70
<u>Less:</u> Refund to Government	---	---	(11,096.89)	---	(11,096.89)
<u>Less:</u> Refund to Government	(13,162.50)	---	---	---	(13,162.50)
<u>Add:</u> Return from Government	---	---	17,218.00	---	17,218.00
Adjustments per SWD letter SWD SF/SAS/4-35/1/124 (580) - Item 1(a)	116,688.42	---	---	---	116,688.42
Adjustments per accounting inspection 2012/2022 - Item 1(a)	328,394.44	---	13,887.30	---	342,281.74
<b>Surplus/(Deficit) c/f (Note (3))</b>	<b>1,128,993.37</b>	<b>---</b>	<b>15,840.10</b>	<b>81,639.00</b>	<b>1,226,472.47</b>

**Notes:**

- Interest received on LSG (including Holding account ("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.
- 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.
- For NGOs without HAs, separate disclosure of the movement in HA in their respective AFRs is not necessary. The level of LSG cumulative reserve will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year.

For any amount above the cap, SWD would arrange the claw-back (including provisional in the following financial year) accordingly.