

NGO : JORDAN VALLEY KAIFONG WELFARE ASSOCIATION

AUDITOR'S REVIEW REPORT

&

ANNUAL FINANCIAL REPORT

FOR THE PERIOD

FROM 1 APRIL 2020 TO 31 MARCH 2021

DAVE KWOK & CO.

Certified Public Accountants

Principal: Dave S. N. Kwok

郭嘯南會計師事務所
灣仔謝斐道三百四十六號
保如大廈十三樓G室
會計師：郭嘯南

REVIEW REPORT TO THE MANAGEMENT COMMITTEE OF JORDAN VALLEY KAIFONG WELFARE ASSOCIATION

We have audited the financial statements of Jordan Valley Kaifong Welfare Association for the year ended 31st March, 2021 and have issued an unqualified auditor's report thereon dated 2nd September, 2021.

We conducted our review of the attached Annual Financial Report on pages 2 to 10 of the Association for the year ended 31st 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 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 31st March, 2021 :

- a. in our opinion the Annual Financial Report 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, 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 for the year ended 31st 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.

DAVE KWOK & CO.



Certified Public Accountants
Hong Kong, 2nd September, 2021.

ANNUAL FINANCIAL REPORT

NGO : JORDAN VALLEY KAIFONG WELFARE ASSOCIATION

1 APRIL 2020 TO 31 MARCH 2021

	Notes	Total 2020-21 \$	Total 2019-20 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	5,229,287.00	5,175,552.00
b. Provident Fund	1c	324,178.00	324,178.00
2. Special One-off Grant		-	-
3. Fee Income	2	466.00	12,265.00
4. Central Items	3	-	-
5. Rent and Rates	4	152,822.00	147,102.00
6. Other Income	5	1,486.50	86,332.10
7. Interest Received		25.42	779.91
TOTAL INCOME		<u>5,708,264.92</u>	<u>5,746,209.01</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		4,262,506.60	4,030,887.35
b. Provident Fund	1c	316,153.09	336,709.81
c. Allowances		100,498.50	48,321.46
Sub-total	6	<u>4,679,158.19</u>	<u>4,415,918.62</u>
2. Others Charges	7	378,569.41	456,763.57
3. Central Items	3	-	-
4. Rent and Rates	4	195,932.00	175,822.00
5. Special One-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		<u>5,253,659.60</u>	<u>5,048,504.19</u>
C. SURPLUS FOR THE YEAR	8	<u>454,605.32</u>	<u>697,704.82</u>

The Annual Financial Report from pages [2] to [8] has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE

SIGNATURE

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CHAIRMAN

NGO HEAD/ HEAD OF SOCIAL WELFARE SERVICES

DATE:

DATE:

30 SEP 2021

30 SEP 2021

NOTES ON THE ANNUAL FINANCIAL REPORT

- 1. Lump Sum Grant**
- 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 (exculding 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 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	-	324,178.00	324,178.00
Provident Fund Contribution Paid during the year	-	316,153.09	316,153.09
Surplus/(Deficit) for the year	-	8,024.91	8,024.91
Add: Surplus/(Deficit) b/f	-	309,287.00	309,287.00
Surplus/(Deficit) c/f	-	317,311.91	317,311.91

- 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:

	2020-21	2019-20
	\$	\$
a. Income		
Dementia Supplement for Elderly with Disabilities		
Infirmity Care Supplement for the Aged Blind Person		
Dementia Supplement for Residential Elderly Services		
Infirmity Care Supplement for Residential Elderly Services		
Dementia Supplement for Day Care Centres/Units for the Elderly		
Foster Care Allowance/Emergency Foster Care Allowance		
After School Care Programme		
Temporary Financial Aid		
Emergency Fund		
Time-defined Subsidy Scheme for Extended Hours Services Users		
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services		
Short-term Rental Assistance		
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)		
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy		
NSCCP – Subsidy for Fee Reduction/waiving		
NSCCP – Rent and Rates		
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	-	-
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services		
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		
Enhanced After School Care Programme		
Navigation Scheme for Young Persons in Care Services - Operating Expenses		
Navigation Scheme for Young Persons in Care Services - Training Cost		
Total	<u>-</u>	<u>-</u>

3. Central Items (continued)

	2020-21	2019-20
	\$	\$
b. Expenditure		
Dementia Supplement for Elderly with Disabilities		
Infirmity Care Supplement for the Aged Blind Person		
Dementia Supplement for Residential Elderly Services		
Infirmity Care Supplement for Residential Elderly Services		
Dementia Supplement for Day care Centres/Units for the Elderly		
Foster Care Allowance/Emergency Foster Care Allowance		
After School Care Programme		
Temporary Financial Aid		
Emergency Fund		
Time-defined Subsidy Scheme for Extended Hours Services Users		
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services		
Short-term Rental Assistance		
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)		
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy		
NSCCP - subsidy for Fee Reduction / waiving		
NSCCP – Rent and Rates		
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	-	-
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services		
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		
Enhanced After School Care Programme		
Navigation Scheme for Young Persons in Care Services - Operating Expenses		
Navigation Scheme for Young Persons in Care Services - Training Cost		
Total	<u><u>-</u></u>	<u><u>-</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.

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 (paragraph 2.29 of LSG Manual (October 2016)) is as follows:

Other Income	2020-21	2019-20
	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	1,486.50	86,332.10
(b) Others	-	-
Total	<u>1,486.50</u>	<u>86,332.10</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</u>	No. of Posts	\$
HK\$700,001 - HK\$800,000p.a.	1	795,596.00
HK\$800,001 - HK\$900,000p.a.	Nil	
HK\$900,001 - HK\$1,000,000p.a.	Nil	
HK\$1,000,001 - HK\$1,100,000p.a.	Nil	
HK\$1,100,001 - HK\$1,200,000p.a.	Nil	
>HK\$1,200,000p.a.	Nil	

7. Other Charges

The breakdown on Other Charges is as follows:

<u>Other Charges</u>	2020-21	2019-20
	\$	\$
(a) Utilities	11,715.70	30,870.80
(b) Food	-	-
(c) Administrative Expenses	29,467.50	30,545.23
(d) Stores and Equipment	80,314.81	61,332.74
(e) Repair and Maintenance	69,187.00	43,325.00
(f) Special Allowances	-	-
(g) Programmes Expenses	109,863.90	201,164.80
(h) Transportation and Travelling	2,435.30	2,802.90
(i) Insurance	73,378.00	65,618.00
(j) Miscellaneous	2,207.20	16,848.10
(k) Other rental charges	-	4,256.00
Total	<u>378,569.41</u>	<u>456,763.57</u>

7a. Special One-off Grant Payments

Details of Special One-off Grant Payments are as follows:

<u>Special one-off Grant Payments</u>	2020-21	2019-20
	\$	\$
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total	<u>-</u>	<u>-</u>

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
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	5,553,465.00	-	-	-	5,553,465.00
Special One-off Grant	-	-	-	-	-
Fee Income	466.00	-	-	-	466.00
Other Income	1,486.50	-	-	-	1,486.50
Interest Received (Note (1))	25.42	-	-	-	25.42
Rent and Rates	-	-	152,822.00	-	152,822.00
Central Items	-	-	-	-	-
Total Income (a)	5,555,442.92	-	152,822.00	-	5,708,264.92
Expenditure					
Personal Emoluments	4,679,158.19	-	-	-	4,679,158.19
Others Charges	378,569.41	-	-	-	378,569.41
Rent and Rates	-	-	195,932.00	-	195,932.00
Central Items	-	-	-	-	-
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	5,057,727.60	-	195,932.00	-	5,253,659.60
Surplus/(Deficit) for the year (a) - (b)	497,715.32	-	(43,110.00)	-	454,605.32
Less: Surplus/(Deficit) of Provident Fund	8,024.91	-	-	-	8,024.91
	489,690.41	-	(43,110.00)	-	446,580.41
Surplus/(Deficit) b/f (Note (2))	1,602,135.62	-	(28,720.00)	-	1,573,415.62
Less: Refund to Government	2,091,826.03 (468,142.52)	-	(71,830.00) (1,819.00)	-	2,019,996.03 (469,961.52)
Add: Backpay from Government	-	-	31,167.00	-	31,167.00
Less: Adjustment for 2018/19 other rental charges	(628.00)	-	(628.00)	-	(1,256.00)
Add: Adjustment (Ref: SWD SF/SI/4-65/95(416)/III)	57,801.00	-	-	-	57,801.00
Surplus/(Deficit) c/f (Note(4))	1,680,856.51	-	(43,110.00)	-	1,637,746.51
	S				

Notes:

(1) Interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant should all be included as one item under LSG; and the item is considered as part of LSG reserve.

(2) Accumulated balance Lump Sum Grant Surplus b/f from previous years 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 Programme Assistants, Care Assistants, Dementia Supplement and Infirmity Care Supplement, if any, as per Annex 2.

(4) The level of LSG cumulative reserve (i.e. S) will be capped at 25% of the NGO's operating expenditure (excluding PF 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 : **JORDAN VALLEY KAIFONG WELFARE ASSOCIATION**

Unit Code and Name	Subvented Element	Subvention Released \$	Actual Expenditure \$	Surplus \$	Deficit \$
3820 Choi Ha S/E	Rent	140,903.00	195,932.00	-	(55,029.00)
	Rates	11,919.00	-	11,919.00	-
	Total	152,822.00	195,932.00	11,919.00	(55,029.00)

Schedule for Central Items

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

Name of Agency : **JORDAN VALLEY KAIFONG WELFARE ASSOCIATION**

Unit Code and Name	Subvented Element	Subvention Released \$	Actual Expenditure \$	Surplus b/f \$	Deficit b/f \$
0416S Care Assistant (CA)/Programme Assistant (PA) Posts	Programme Assistants/ Care Assistants	-	-	-	-
Less: Refund to Government	-	-	-	-	-
	Total	-	-	-	-

Schedule for Investment
Analysis of Investment as at 31 March 2021

NGO: Jordan Valley KaiFong Welfare Association

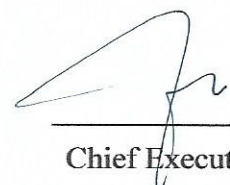
	2021	2020
	HK\$	HK\$
LSG Reserve as at 31 March	<u>1,680,856.51</u>	<u>1,602,135.62</u>
Represented by :		
HKD Bank Account Balances	<u>1,680,856.51</u>	<u>1,602,135.62</u>

Confirmed by:

譚玉梅

Chairman

Date: 30 SEP 2021



Chief Executive

Date: 30 SEP 2021

Lump Sum Grant Manual (Oct 2016)