

NGO : HONG KONG WEST POINT BAPTIST CHURCH (763)
HONG KONG WEST POINT BAPTIST CHURCH
NEIGHBOURHOOD ELDERLY CENTRE (7196)

AUDITOR'S REVIEW REPORT

&

ANNUAL FINANCIAL REPORT

FOR THE PERIOD

FROM 1 APRIL 2020 TO 31 MARCH 2021

REVIEW REPORT TO THE MANAGEMENT COMMITTEE OF
HONG KONG WEST POINT BAPTIST CHURCH
NEIGHBOURHOOD ELDERLY CENTRE

We have audited the financial statements of Hong Kong West Point Baptist Church – Neighbourhood Elderly Centre for the year ended 31st March, 2021 and have issued an unqualified auditor's report thereon dated 4th October, 2021.

We conducted our review of the attached Annual Financial Report on pages 2 to 13 of the Neighbourhood Elderly Centre for the year ended 31st March, 2021 in accordance with Practice Note 851 "Review of the Annual Financial Report 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 Neighbourhood Elderly Centre, on which the above audited financial statements of the Neighbourhood Elderly Centre 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 Neighbourhood Elderly Centre 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 Neighbourhood Elderly Centre; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Neighbourhood Elderly Centre 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, 4th October, 2021.

ANNUAL FINANCIAL REPORT

NGO : HONG KONG WEST POINT BAPTIST CHURCH (763) HONG KONG WEST POINT BAPTIST CHURCH NEIGHBOURHOOD ELDERLY CENTRE (7196)

1 APRIL 2020 TO 31 MARCH 2021

| | Notes | Total 2020-21 HK\$ | Total 2019-20 HK\$ | Remarks |
|--|-------|--------------------------|--------------------------|---------|
| A. INCOME | | | | |
| 1. Lump Sum Grant | | | | |
| a. Lump Sum Grant (excluding Provident Fund) | 1b | 5,157,099.00 | 5,118,746.00 | |
| b. Provident Fund | 1c | 415,764.00 | 410,891.00 | |
| 2. Fee Income | 2 | 16,740.00 | 16,480.00 | |
| 3. Central Items | 3 | - | - | |
| 4. Rent and Rates | 4 | 14,186.00 | 13,981.00 | |
| 5. Other Income | 5 | 293,404.20 | 689,020.00 | |
| 6. Interest Received | | 38.90 | 3,525.15 | |
| TOTAL INCOME | | <u>5,897,232.10</u> | <u>6,252,643.15</u> | |
| B. EXPENDITURE | | | | |
| 1. Personal Emoluments | | | | |
| a. Salaries | | 4,407,716.00 | 4,216,031.50 | |
| b. Provident Fund | 1c | 326,286.90 | 312,637.30 | |
| c. Allowances | | - | - | |
| Sub-total | 6 | <u>4,734,002.90</u> | <u>4,528,668.80</u> | |
| 2. Others Charges | 7 | 522,844.26 | 1,072,401.73 | |
| 3. Central Items | 3 | - | - | |
| 4. Rent and Rates | 4 | 9,000.00 | 15,750.00 | |
| TOTAL EXPENDITURE | | <u>5,265,847.16</u> | <u>5,616,820.53</u> | |
| C. SURPLUS/(DEFICIT) FOR THE YEAR | 8 | <u>631,384.94</u> | <u>635,822.62</u> | |

The Annual Financial Report from pages 2 to 13 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

CHAIRMAN

CENTRE-IN-CHARGE


Chong Pui Kit (Mr.)

Date: - 4 OCT 2021


Cheng Wing Chung (Mr.)

Date: - 4 OCT 2021

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 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>6.8% and Other Posts</u> | <u>Total</u> |
|------------------------------------|-----------------------|---------------------------------|-------------------|
| | HK\$ | HK\$ | HK\$ |
| Subvention Received | 122,603.00 | 293,161.00 | 415,764.00 |
| Provident Fund Contribution | 122,603.40 | 203,683.50 | 326,286.90 |
| Paid during the year | | | |
| Surplus/(Deficit) for the year | (0.40) | 89,477.50 | 89,477.10 |
| Add: Surplus/(Deficit) b/f | (0.08) | 737,263.44 | 737,263.36 |
| Add: Adjustment | 0.40 | - | 0.40 |
| Less: Refund to Government | - | - | - |
| Surplus/(Deficit) c/f | <u>(0.08)</u> | <u>826,740.94</u> | <u>826,740.86</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 Lump Sum Grant Manual.

3. Central Items

These are subvented service activities which are not included in Lump Sum Grant and are subject to their own procedures as set out in other SWD's papers and correspondence with the NGOs.

The PF received and contributed for staff under the Central Items have been separately included as part of the income and expenditure of the relevant items. The income and expenditure of each of the Central Items are as follows:

| | 2020-21 | 2019-20 |
|---|---------|---------|
| a. Income | HK\$ | HK\$ |
| Dementia Supplement for Elderly with Disabilities | | |
| Infirmity Care Supplement for the Aged Blind Persons | | |
| 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 – Fee Waiving Subsidy Scheme | | |
| Temporary Financial Aid Emergency Fund | | |
| Time-defined Subsidy Scheme for Extended Hours Service 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 – Subsidy for Incentive Payment | | |
| NSCCP – Rent and Rates | | |
| Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes | | |

3. Central Items (continued)

a. Income

2020-21

2019-20

HK\$

HK\$

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 – Fee Waiving
Subsidy Scheme

Navigation Scheme for Young
Persons in Care Services -
Operating Expenses

Navigation Scheme for Young
Persons in Care Services -
Training Cost

Grant under the Pilot Scheme
on On-site Pre-school
Rehabilitation Services

One-off Subsidy for Enhanced
Provision of Visiting Medical
Officer for Residential Care
Homes for the Elderly

One-off Subsidy for Enhanced
Provision of Visiting Medical
Practitioner Scheme for
Residential Care Homes for
the Persons with Disabilities

Pilot Scheme on Multi-
disciplinary Outreaching
Support Teams for the Elderly
(MOSTE)

Child Care Training for Grand
parents

Special Grant on Manpower
Support for Residential and
Home-based Care Service
Units in respect of the Severe
Respiratory Disease
associated with a Novel
Infectious Agent

Special Allowance for Staff of
Subvented Residential Service
Units in respect of COVID-19

Total

- -

3. Central Items (continued)**b. Expenditure****2020-21****HK\$****2019-20****HK\$**

Dementia Supplement for
Elderly with Disabilities
Infirmity Care Supplement
for the Aged Blind Persons

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 – Fee Waiving
Subsidy Scheme
Temporary Financial Aid
Emergency Fund

Time-defined Subsidy
Scheme for Extended Hours
Service 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 – Subsidy for
Incentive Payment

NSCCP – Rent and Rates

Training Sponsorship Scheme
for Master in Occupational
Therapy and Physiotherapy
programmes

3. Central Items (continued)

b. Expenditure

2020-21
HK\$

2019-20
HK\$

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 - Fee Waiving
Subsidy Scheme

Navigation Scheme for Young
Persons in Care Services -
Operating Expenses

Navigation Scheme for Young
Persons in Care Services -
Training Cost

Grant under the Pilot Scheme
on On-site Pre-school
Rehabilitation Services

One-off Subsidy for
Enhanced Provision of
Visiting Medical Officer for
Residential Care Homes for
the Elderly

One-off Subsidy for
Enhanced Provision of
Visiting Medical Practitioner
Scheme for Residential Care
Homes for the Persons with
Disabilities

Pilot Scheme on Multi-
disciplinary Outreaching
Support Teams for the Elderly
(MOSTE)

Child Care Training for
Grandparents

Special Grant on Manpower
Support for Residential and
Home-based Care Service
Units in respect of the Severe
Respiratory Disease
associated with a Novel
Infectious Agent

Special Allowance for Staff of
Subvented Residential Service
Units in respect of COVID-19

Total

| | |
|---|---|
| - | - |
|---|---|

4. Rent and Rates This represents the amount paid by Social Welfare Department in respect of premises recognised by SWD. Expenditure on rent and rates in respect of premises not recognised by SWD should not be 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:

| Other Income | 2020-21 | 2019-20 |
|---|-------------------|-------------------|
| | \$ | \$ |
| (a) Fees and charges for services incidental to the operation of subvented services | - | - |
| (b) Others | 293,404.20 | 689,020.00 |
| Total | <u>293,404.20</u> | <u>689,020.00</u> |

6. Personal Emoluments Personal Emoluments include salary, provident fund and salary-related allowances.

The analysis on the number of posts with annual Personal Emoluments over \$700,000 each is appended below:

| <u>Analysis of Personal Emoluments paid under LSG</u> | No. of Posts |
|--|---------------------|
| HK\$700,001 - HK\$800,000p.a. | Nil |
| 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 HK\$ | 2019-20 HK\$ |
|-----------------------------------|-------------------------|-------------------------|
| (a) Utilities | 9,860.00 | 22,581.50 |
| (b) Food | - | - |
| (c) Administrative Expenses | 43,930.74 | 41,719.13 |
| (d) Stores and Equipment | 11,399.10 | 16,516.00 |
| (e) Repair and Maintenance | 8,606.80 | 6,193.00 |
| (f) Special Allowances | - | - |
| (g) Programmes Expenses | 407,158.22 | 849,705.20 |
| (h) Transportation and Travelling | 1,128.40 | 1,580.70 |
| (i) Insurance | 27,590.00 | 26,000.00 |
| (j) Miscellaneous | 13,171.00 | 108,106.20 |
| Total | 522,844.26 | 1,072,401.73 |

7a. Use of the Social Welfare Development Fund (SWDF) funded by Lotteries Fund

Social Welfare Development Fund Phase3

| | 2020-21 HK\$ | 2019-20 HK\$ |
|---|-------------------------|-------------------------|
| Balance of SWDF brought forward | 362,229.00 | 197,029.00 |
| Add: Allocation from SWDF during the year | 245,400.00 | 165,000.00 |
| Interest received during the year | 3.00 | 200.00 |
| Less: Expenditure SWDF during the year | | |
| Expenditure for projects under Scope A | (124,080.00) | - |
| Expenditure for projects under Scope B (non-IT) | - | - |
| Expenditure for projects under Scope B (IT) | - | - |
| Balance carried forward to next financial year | 483,552.00 | 362,229.00 |

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

| | Analysis of Reserve Fund | | | |
|--|--------------------------|--------------------|---------------|---------------------|
| | Lump Sum Grant (LSG) | Rent and Rates | Central Items | Total |
| | HK\$ | HK\$ | HK\$ | HK\$ |
| Income | | | | |
| Lump Sum Grant | 5,572,863.00 | - | - | 5,572,863.00 |
| Fee Income | 16,740.00 | - | - | 16,740.00 |
| Other Income | 293,404.20 | - | - | 293,404.20 |
| Interest Received (Note (1)) | 38.90 | - | - | 38.90 |
| Rent and Rates | - | 14,186.00 | - | 14,186.00 |
| Central Items | - | - | - | - |
| Total Income (a) | 5,883,046.10 | 14,186.00 | - | 5,897,232.10 |
| Expenditure | | | | |
| Personal Emoluments | 4,734,002.90 | - | - | 4,734,002.90 |
| Others Charges | 522,844.26 | - | - | 522,844.26 |
| Rent and Rates | - | 9,000.00 | - | 9,000.00 |
| Central Items | - | - | - | - |
| Total Expenditure (b) | 5,256,847.16 | 9,000.00 | - | 5,265,847.16 |
| Surplus/(Deficit) for the year (a) - (b) | 626,198.94 | 5,186.00 | - | 631,384.94 |
| Less: Surplus/(Deficit) of Provident Fund | 89,477.10 | - | - | 89,477.10 |
| | 536,721.84 | 5,186.00 | - | 541,907.84 |
| Surplus/(Deficit) b/f (Note (2)) | 1,660,606.57 | (27,219.00) | - | 1,633,387.57 |
| Less: Refund to Government | 2,197,328.41 | (22,033.00) | - | 2,175,295.41 |
| Add: Refund from Government | 338,498.26 | - | - | 338,498.26 |
| Add: Adjustment | - | - | - | - |
| Less: Transfer from LSG Reserve to cover salary adjustment for Dementia Supplement and Infirmary Care Supplementary(Note3) | 17,020.45 | - | - | 17,020.45 |
| | - | - | - | - |
| Surplus/(Deficit) c/f (Note(4)) | 1,875,850.60 | (22,033.00) | - | 1,853,817.60 |

Notes:

- (1) Interest received on LSG and PF 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 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 Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule for 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 PF expenditure) for the year.