

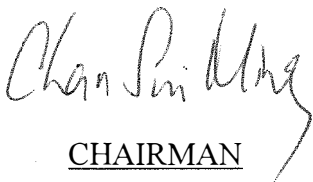
## ANNUAL FINANCIAL REPORT

NGO: Neighbourhood & Worker's Education Centre Ltd

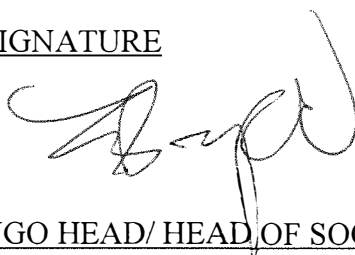
(1 April 2023 to 31 March 2024)

	Notes	2023-24 \$	2022-23 \$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	1,854,384.00	
b. Provident Fund	1c	131,532.00	
2. Fee Income	2	254,147.50	
3. Central Items	3	468,000.00	
4. Rent and Rates	4	-	
5. Other Income	5	-	
6. Interest Received		1,201.37	
<b>TOTAL INCOME</b>		<u>2,709,264.87</u>	<u>-</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		1,756,507.52	
b. Provident Fund	1c	75,843.00	
c. Allowances		-	
Sub-total	6	1,832,350.52	
2. Other Charges	7	248,029.86	
3. Central Items	3	357,154.74	
4. Rent and Rates	4	-	
<b>TOTAL EXPENDITURE</b>		<u>2,437,535.12</u>	<u>-</u>
<b>C. SURPLUS/ (DEFICIT) FOR THE YEAR</b>	8	<u>271,729.75</u>	<u>-</u>

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

SIGNATURE

CHAIRMAN

DATE: 30 OCT 2024

SIGNATURE

NGO HEAD/ HEAD OF SOCIAL WELFARE SERVICES

DATE: 30 OCT 2024

## 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) services (including support services to FSA services) 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 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>	<b>Snapshot Staff</b>	<b>6.8% and Other Posts</b>	<b>Total</b>
	\$	\$	\$
Subvention Received	-	131,532	131,532
Provident Fund Contribution Paid during the Year	-	75,843	75,843
Surplus/ (Deficit) for the Year	-	55,689	55,689
<b>Add</b> : Surplus/ (Deficit) b/f	-	-	-
Additional subvention received for previous year(s)	-	-	-
<b>Less</b> : Refund to Government	-	-	-
<b>Surplus/ (Deficit) c/f</b>	<b>-</b>	<b>55,689</b>	<b>55,689</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.
- 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:

	2023-24	2022-23
	\$	\$
<b>a. Income</b>		
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		
Foster Care Allowance/ One-off Special Allowance for Foster Children to Safeguard the Foster Children from the Coronavirus Disease / Emergency Foster Care Allowance		
After School Care Programme – Fee Waiving Subsidy Scheme		
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services		
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		
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services		
Financial Incentive Scheme for Mentors of Employees with Disabilities		
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		
Subsidy for Enhanced Support for Ethnic Minority Children in Special Care Centre		
Subsidy for Enhanced Support for Ethnic Minority Children in Early Education and Training Centres		
Time-defined Allocation of Ethnic Minority District Ambassador Posts - salary and provident fund		
Time-defined Allocation of Ethnic Minority District Ambassador Posts –other charges		
Short-term Food Assistance Service Teams – Food Cost		
Siu Lam Integrated Rehabilitation Services Complex- Management & Maintenance Cost for Common Area		
After School Care Programme for Pre-primary Children [ASCP(PC)] Contract Subsidy		
ASCP(PC) Fee Subsidy	468,000.00	
ASCP(PC) Rent and Rates		
Time-defined Service Contract of Social Work Service for Pre-primary Institutions		
- Allocation		

- Rent and Rates

Allowances for Specific Services Arising from the  
Implementation of the Minimum Wage Ordinance  
(Overnight On-site-on-call Allowance)  
Travelling Subsidy of the designated Hotline for Carer Support  
(Carer Hotline)  
Pilot Scheme on Training to Foreign Domestic Helpers in Care  
for Persons with Disabilities  
Special Grant for Providing Temporary Accommodation for  
Services Users of SAHK LOHAS Garden at Cheung Muk  
Tau Holiday Centre for the Elderly  
Special Grant for Temporary Relocation of Service Users of  
SAHK LOHAS Garden to Cheung Muk Tau Holiday Centre  
One-off Allocation for Providing Assistance to Persons with  
Disabilities under the Government Public Transport Fare  
Concession Scheme for the Elderly and Eligible Persons  
with Disabilities

*For the following Central Items, please take note of para. 4(f) of Points to Note on Preparation of  
AFR and Analysis Schedules in reporting the amounts of subvention:*

Temporary Financial Aid under Care and Support Networking  
Team^  
Emergency Fund for NGOs operating Integrated Services Team  
for Street Sleepers^  
Time-defined Subsidy Scheme for Extended Hours Service  
Users^  
Short-term Rental Assistance for Discharged Prisoners^  
Cash Subsidy for Integrated Support Services for Persons with  
Severe Physical Disabilities^  
Time-defined Subsidy Scheme for Occasional Child Care  
Service^

**Total**

**468,000**

**b. Expenditure •**

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  
Foster Care Allowance/ One-off Special Allowance for Foster  
Children to Safeguard the Foster Children from the  
Coronavirus Disease / Emergency Foster Care Allowance  
After School Care Programme – Fee Waiving Subsidy Scheme  
Training Subsidy under Training Scheme for Child Care  
Supervisors and Special Child Care Workers in Pre-school  
Rehabilitation Services  
Neighbourhood Support Child Care Project (NSCCP) – Contract

**2023-24**  
**\$**

**2022-23**  
**\$**

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	
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	
Financial Incentive Scheme for Mentors of Employees with Disabilities	
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	
Subsidy for Enhanced Support for Ethnic Minority Children in Special Care Centre	
Subsidy for Enhanced Support for Ethnic Minority Children in Early Education and Training Centres	
Time-defined Allocation of Ethnic Minority District Ambassador Posts – salary and provident fund	
Time-defined Allocation of Ethnic Minority District Ambassador Posts – other charges	
Short-term Food Assistance Service Teams – Food Cost	
Siu Lam Integrated Rehabilitation Services Complex- Management & Maintenance Cost for Common Area	
After School Care Programme for Pre-primary Children [ASCP(PC)] Contract Subsidy	
ASCP(PC) Fee Subsidy	231,790.00
ASCP(PC) Rent and Rates	125,364.74
Time-defined Service Contract of Social Work Service for Pre- primary Institutions	
- Allocation	
- Rent and Rates	
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	
Travelling Subsidy of the designated Hotline for Carer Support (Carer Hotline)	
Pilot Scheme on Training to Foreign Domestic Helpers in Care for Persons with Disabilities	
Special Grant for Providing Temporary Accommodation for Services Users of SAHK LOHAS Garden at Cheung Muk Tau Holiday Centre for the Elderly	
Special Grant for Temporary Relocation of Service Users of SAHK LOHAS Garden to Cheung Muk Tau Holiday Centre	
One-off Allocation for Providing Assistance to Persons with Disabilities under the Government Public Transport Fare	

Concession Scheme for the Elderly and Eligible Persons with Disabilities
Temporary Financial Aid under Care and Support Networking Team – other charges
Emergency Fund for NGOs operating Integrated Services Team for Street Sleepers
Time-defined Subsidy Scheme for Extended Hours Service Users
Short-term Rental Assistance for Discharged Prisoners
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities
Time-defined Subsidy Scheme for Occasional Child Care Service

<b>Total</b>	<b>357,154.74</b>
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- 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 be included as Other Income in 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:

	2023-24	2022-23
Other Income	\$	\$
(a) Programme income		
(b) Production income		
(c) Donation	-	
(d) Income from Other Activities		
(e) 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 * →	231,790	
(f) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received		
(g) Miscellaneous income →		
<b>Sub-Total</b>	<b>231,790</b>	
<u>Less:</u> Utilised allocation under CI: ASCP / Enhanced ASCP / ASCP(PC) - FWSS which forms as part of Other Income*	(231,790)	
<b>Total</b>	<b>-</b>	

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

- 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:

Analysis of Personal Emoluments paid under LSG	No of Posts	\$
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:

Other Charges	2023-24 \$	2022-23 \$
(a) Activities Cost	77,830.20	
(b) Cleaning	10,958.30	
(c) Electricity	29,633.07	
(d) Food Cost	125,930.16	
(e) Insurance	11,294.75	
(f) Postage	118.20	
(g) R&M	24,830.70	
(h) Staff Welfare	15,152.80	
(i) Stationery & Printing	15,040.73	
(j) Travel & Transportation	1,540.50	
(k) Telephone & Internet	15,902.00	
(l) Sundry	13,701.00	
(m) Bank charge	650.00	
(n) Central Admin fee	98,282.69	
(o) Computer Expenses	16,453.20	
(p) Advertising	9,465.66	
(q) Water	104.90	
(r) Messing	1,131.00	
(s) Instructor Fee	5,800.00	
(t) Volunteers' Allowance	6,000.00	
<b>Sub-Total</b>	<b>479,819.86</b>	
<u>Less: Utilised allocation under CI: ASCP /</u>		
Enhanced ASCP / ASCP(PC) -	(231,790.00)	
FWSS* which forms as part of Other		
Income		
<b>Total</b>	<b>248,029.86</b>	

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

### Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	Lump Sum Grant (LSG)	Holding Account (HA)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP / ASCP(PC) - FWSS	Rent and Rates	Central Items (CI)	Total
	\$	\$	\$	\$	\$	\$
<b>Income</b>						
Lump Sum Grant	1,985,916	-		-	-	1,985,916
Fee Income	254,147.50	-		-	-	254,147.50
Other Income	231,790	-	(231,790)	-	-	-
Interest Received (Note (1))	1,201.37	-		-	-	1,201.37
Rent and Rates	-	-		-	-	-
Central Items	-	-		-	468,000	468,000
<b>Total Income (a)</b>	<b>2,473,054.87</b>	<b>-</b>	<b>(231,790)</b>	<b>-</b>	<b>468,000</b>	<b>2,709,264.87</b>
<b>Expenditure</b>						
Personal Emoluments	1,832,350.52	-		-	-	1,832,350.52
Other Charges	479,819.86	-	(231,790)	-	-	248,029.86
Rent and Rates	-	-		-	-	-
Central Items	-	-		-	357,154.74	357,154.74
<b>Total Expenditure (b)</b>	<b>2,312,170.38</b>	<b>-</b>	<b>(231,790)</b>	<b>-</b>	<b>357,154.74</b>	<b>2,437,535.12</b>
<b>Surplus/(Deficit) for the Year (a) - (b)</b>	<b>160,884.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,845.26</b>	<b>271,729.75</b>
<u>Less</u> : Surplus/ (Deficit) of Provident Fund	55,689.00	-		-	-	55,689.00
	105,195.49	-	-	-	110,845.26	216,040.75
<b>Surplus/ (Deficit) b/f (Note (2))</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	105,195.49	-		-	110,845.26	216,040.75
<u>Add</u> : Refund from Government	-	-		-	-	-
<u>Less</u> : Refund to Government	-	-		-	-	-
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement (Note (3))	-	-		-	-	-
Adjustment for utilised allocation under <u>Enhanced</u> ASCP / ASCP(PC) – FWSS* (over-estimated) / under-estimated in previous year(s)	-	-		-	-	-
<b>Surplus/ (Deficit) c/f (Note (4))</b>	<b>105,195.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,845.26</b>	<b>216,040.75</b>

#### Notes:

# Including an amount \$Z being the utilised allocation under CI: ASCP / Enhanced ASCP / ASCP(PC) – FWSS\*

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



- (1) \ Interest received on LSG (including 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.
- (2) \ 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.
- (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) \ For NGOs without HA, separate disclosure of the movement of HA in their respective AFRs is not necessary. The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.

For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows:

- (i) With Snapshot Staff (SS) [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year was greater than zero]  
The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution (K)) for the year.
- (ii) Without SS [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year (which is regarded as Year 0) was zero]

For the next three years (Year 1 to Year 3), the level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.

From the fourth financial year (Year 4) onwards, the level of LSG cumulative reserve and HA reserve will be counted altogether and the combined reserve amount (i.e. S1+S2) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution (K)) for the year. In this regard, separate disclosure of the movement of HA in their respective AFRs is not necessary.

[For details of (4)(i) and (4)(ii) above, please also refer to SWD's letter under reference (11) in SWD/S/109/1/10 of 4 April 2022.]

For any amount above the cap, SWD would arrange the claw-back (including provisional in the following financial year except for those 58 NGOs which are subject to Productivity Enhancement Programme as stipulated in SWD's letter under reference (9) in SWD/S/133/1 of 6 March 2024. For details of the claw-back arrangement of the said 58 NGOs, please refer to the above letter.) accordingly.