

**STEWARDS**  
**(INCORPORATED IN HONG KONG  
AND LIMITED BY GUARANTEE)**  
**ANNUAL FINANCIAL REPORTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**  
**(For the purpose of Social Welfare Department)**



## Review Report to the Management Board of Stewards

We have audited the financial statements of Stewards ("the Company") for the year ended 31 March 2021 and have issued an unqualified independent auditor's report thereon dated 16 SEP 2021.

We conducted our review of the attached Annual Financial Report on pages 3 to 10 of the Company for the year ended 31 March 2021 in accordance with Practice No. 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 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 matter 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.

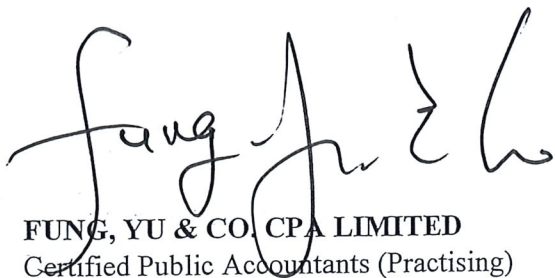


FUNG, YU & CO. CPA LIMITED  
馮兆林余錫光會計師事務所有限公司

10<sup>th</sup> Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong  
T: +852 2541 6632 E: info@fungyu CPA.com  
香港干諾道中148號粵海投資大廈10樓

## Review Report to the Management Board of Stewards

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.



FUNG, YU & CO. CPA LIMITED  
Certified Public Accountants (Practising)

**LAU Vui Cheong**

Practising Certificate Number: P03455



Hong Kong, 16 SEP 2021

**STEWARDS  
ANNUAL FINANCIAL REPORT  
1 APRIL 2020 TO 31 MARCH 2021**

	<u>Notes</u>	<u>2020-21</u> \$	<u>2019-20</u> \$
<b>INCOME</b>			
Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	92,817,383.00	88,235,898.00
b. Provident Fund	1c	6,487,999.00	6,296,170.00
Fee Income	2	2,725,935.50	2,221,953.00
Central Items	3	735,204.00	643,381.00
Rent and Rates	4	4,332,954.00	4,466,596.00
Other Income	5	3,087,011.41	8,864,044.13
Interest Received		492,203.74	740,683.86
<b>TOTAL INCOME</b>		110,678,690.65	111,468,725.99
<b>EXPENDITURE</b>			
Personal Emoluments			
a. Salaries		85,497,238.74	77,224,338.72
b. Provident Fund	1c	5,361,921.47	4,896,505.23
c. Allowances		106,920.00	125,601.45
Subtotal	6	90,966,080.21	82,246,445.40
Other Charges	7	13,837,030.70	20,780,910.79
Central Items	3	338,450.83	587,350.24
Rent and Rates	4	4,426,284.00	4,657,117.00
<b>TOTAL EXPENDITURE</b>		109,567,845.74	108,271,823.43
<b>SURPLUS FOR THE YEAR</b>	8	1,110,844.91	3,196,902.56

The Annual Financial Report from pages 3 to 10 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE

CHAIRMAN

DATE:

16 SEP 2021

CHIEF EXECUTIVE

DATE :

16 SEP 2021

STEWARDS  
NOTES TO 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>	Snapshot Staff \$	6.8% and Other Posts \$	Total \$
Subvention Received	1,305,243.00	5,182,756.00	6,487,999.00
Provident Fund Contribution Paid during the year	1,218,326.32	4,143,595.15	5,361,921.47
Surplus/(Deficit) for the Year	86,916.68	1,039,160.85	1,126,077.53
Add: Surplus/(Deficit) b/f Additional subvention received for previous year(s)	160,585.64	9,014,917.79	9,175,503.43
Less: Refund to Government	(50,021.00)	31,015.00	(19,006.00)
<b>Surplus/(Deficit) c/f</b>	<u>197,481.32</u>	<u>10,085,093.64</u>	<u>10,282,574.96</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.



**STEWARDS**  
**NOTES TO THE ANNUAL FINANCIAL REPORT**

**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 LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	<u>2020-21</u>	<u>2019-20</u>
	\$	\$
<b>Income</b>		
After School Care Programme-Fee Waiving Subsidy Scheme	341,616.00	253,800.00
Training Sponsorship Scheme for two-year MOT Programme of PolyU	320,000.00	270,000.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
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	-	45,993.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	73,588.00	73,588.00
<b>Total</b>	<u>735,204.00</u>	<u>643,381.00</u>
<b>Expenditure</b>		
After School Care Programme-Fee Waiving Subsidy Scheme	130,298.86	243,815.34
Training Sponsorship Scheme for two-year MOT Programme of PolyU	135,000.00	270,000.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
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	73,151.97	73,534.90
<b>Total</b>	<u>338,450.83</u>	<u>587,350.24</u>

**4 Rent and Rates**

This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditures 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 is as follows:

	<u>2020-21</u>	<u>2019-20</u>
	\$	\$
<b>Other Income</b>		
(a) Fees and charges for services incidental to the operations of subvented services	520,256.22	1,104,643.27
(b) Production income	1,882,670.69	4,187,120.72
(c) Programme income	684,084.50	3,572,280.14
	<u>3,087,011.41</u>	<u>8,864,044.13</u>

**STEWARDS**  
**NOTES TO THE ANNUAL FINANCIAL REPORT**

**6 Personal Emoluments**

Personal Emoluments include salary, provident fund, 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	No of Posts	\$
HK\$700,001 - HK\$800,000 p.a.	5	3,684,137.35
HK\$800,001 - HK\$900,000 p.a.	3	2,439,300.09
HK\$900,001 - HK\$1,000,000 p.a.	2	1,909,842.18
HK\$1,000,001 - HK\$1,100,000 p.a.	3	3,051,749.00
HK\$1,100,001 - HK\$1,200,000 p.a.	4	4,624,237.46
>HK\$1,200,000 p.a.	0	-

**7 Other Charges**

The breakdown on Other Charges is as follows:

Other Charges	<u>2020-21</u>	<u>2019-20</u>
	\$	\$
(a) Utilities	677,252.40	1,154,331.10
(b) Food	685,520.02	964,058.59
(c) Administrative Expenses	1,330,169.95	1,176,349.61
(d) Stores and Equipment	3,780,717.23	4,770,862.94
(e) Repairs and Maintenance	999,308.85	2,056,767.60
(f) Special Allowances	2,035,995.00	2,088,907.50
(g) Programme Expenses	997,964.77	3,227,501.08
(h) Transportation and Travelling	386,228.02	669,044.60
(i) Insurance	1,050,844.01	875,517.19
(j) Cost of production	1,510,083.97	3,515,533.10
(k) Miscellaneous	382,946.48	282,037.48
<b>Total</b>	<u>13,837,030.70</u>	<u>20,780,910.79</u>

STEWARDS  
NOTES TO THE ANNUAL FINANCIAL REPORT

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

	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$
<b>Income</b>				
Lump Sum Grant	99,305,382.00	-	-	99,305,382.00
Fee Income	2,725,935.50	-	-	2,725,935.50
Other Income	3,087,011.41	-	-	3,087,011.41
Interest Received (Note (1))	492,203.74	-	-	492,203.74
Rent and Rates	-	4,332,954.00	-	4,332,954.00
Central Items	-	-	735,204.00	735,204.00
<b>Total Income (a)</b>	<b>105,610,532.65</b>	<b>4,332,954.00</b>	<b>735,204.00</b>	<b>110,678,690.65</b>
<b>Expenditure</b>				
Personal Emoluments	90,966,080.21	-	-	90,966,080.21
Other Charges	13,837,030.70	-	-	13,837,030.70
Rent and Rates	-	4,426,284.00	-	4,426,284.00
Central Items	-	-	338,450.83	338,450.83
<b>Total Expenditure (b)</b>	<b>104,803,110.91</b>	<b>4,426,284.00</b>	<b>338,450.83</b>	<b>109,567,845.74</b>
<b>Surplus/(Deficit) for the Year (a) - (b)</b>	<b>807,421.74</b>	<b>(93,330.00)</b>	<b>396,753.17</b>	<b>1,110,844.91</b>
Less : Surplus/(Deficit) of Provident Fund	1,126,077.53	-	-	1,126,077.53
	(318,655.79)	(93,330.00)	396,753.17	(15,232.62)
<b>Surplus/(Deficit) b/f (Note (2))</b>	<b>30,440,947.00</b>	<b>(190,518.81)</b>	<b>519,983.39</b>	<b>30,770,411.58</b>
	30,122,291.21	(283,848.81)	916,736.56	30,755,178.96
Add: Refund from Government	-	235,990.00	-	235,990.00
Less : Refund to Government	-	(45,468.70)	(46,046.10)	(91,514.80)
Rent refund to Government per SWD letter dated 25 November 2020	-	(2,059.95)	-	(2,059.95)
Transfer rent & rent to LSG as per SWD letter dated 25 November 2020	(2,242.87)	2,242.87	-	-
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))	-	-	-	-
<b>Surplus/(Deficit) c/f (Note (4))</b>	<b>30,120,048.34</b>	<b>(93,144.59)</b>	<b>870,690.46</b>	<b>30,897,594.21</b>



STEWARDS  
NOTES TO THE ANNUAL FINANCIAL REPORT

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

Notes:

- (1) Interest received on LSG 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 Lump Sum Grant 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 reserves (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.

ANNEX 1

SCHEDULE FOR CENTRAL ITEMS  
ANALYSIS OF SUBVENTION AND EXPENDITURE  
FOR THE PERIOD FROM 1 APRIL 2020 TO 31 MARCH 2021

Name of Agency : STEWARDS

Unit Code and name/ Remittance Advice No. (Note 7)	Subvented Element	Subvention Released (Note 1) \$	Actual Expenditure (Note 2) \$	Surplus (Note 3) (a) \$	Deficit for the year		Surplus b/f (Note 5) (e)	Refund to Government (f)	Surplus c/f (Note 6) (g)=(e)+(a)-(d)-(f) \$
					Deficit (Note 3) (b) \$	Deficit transferred to LSG (Note 4) (c)			
3223	After School Care Programme-Fee Waiving Subsidy Scheme Recognised expenses under relief measures under the epidemic of COVID-19	311,016.00	100,598.86	210,417.14	-	N.A.	81,861.76	-	292,278.90
5162	Visiting Medical Practitioner Scheme	-	-	-	-	N.A.	550.53	-	550.53
6583	Training Sponsorship Scheme for two-year MOT Programme of PolyU	320,000.00	135,000.00	185,000.00	-	N.A.	270,000.00	-	455,000.00
6484	Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-	-	-	N.A.	120,625.00	-	120,625.00
4286630	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	-	-	-	-	N.A.	45,993.00	(45,993.00)	-
4368877	Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	73,588.00	73,151.97	436.03	-	N.A.	53.10	(53.10)	436.03
<b>TOTAL</b>		<b>735,204.00</b>	<b>338,450.83</b>	<b>396,753.17</b>	<b>-</b>	<b>-</b>	<b>519,983.39</b>	<b>(46,046.10)</b>	<b>870,690.46</b>

**Notes:**

- 1 The figures of the whole financial year are extracted from the payroll for March (Final) or remittance advice(s) issued by the Treasury on allocation letter(s) issued by Social Welfare Department of the financial year.
- 2 Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
- 3 Surplus / (Deficit) for each element represents the difference between subvention released and actual expenditure
- 4 Deficit i.r.o. the following central items arising from salary adjustment are transferred to the Limp Sum Grant Reserve as stated in SWD/S/104/2 Pt. 18 dated 4 March 2020.
  - (i) Dementia Supplement for Elderly with Disabilities
  - (ii) Infirmary Care Supplement for the Aged Blind Persons
  - (iii) Dementia Supplement for Residential Elderly Services
  - (iv) Infirmary Care Supplement for Residential Elderly services
- 5 "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
- 6 "Surplus carried forward (c/f)" means surplus brought forward less refund to Government plus surplus, if any, arising from operations in current year.
- 7 Unit codes and names / remittance advice no. are extracted from the payroll from SWD and remittance advice from the Treasury respectively.
- 8 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.
- 9 For ASCP / Enhanced ASCP, the adjustment includes the amount of expenditure overstated / (understated) in previous years after taking into account the actual claw-back amounts per SWD's allocation letters, if any.

SCHEDULE FOR RENT AND RATES  
ANALYSIS OF SUBVENTION AND EXPENDITURE  
FOR THE PERIOD FROM 1 APRIL 2020 TO 31 MARCH 2021

ANNEX 2

Name of Agency : STEWARDS

Unit Code and name		Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
4950	Sha Kok Y & C Centre	Rent Rates	424,800.00 29,337.00	424,800.00 20,200.00	- 9,137.00	- -
		Total	454,137.00	445,000.00	9,137.00	-
5163	Integrated Community Centres for Mental Wellness	Rent Rates	519,829.00 51,305.00	518,460.24 23,167.72	1,368.76 28,137.28	- -
		Total	571,134.00	541,627.96	29,506.04	-
5825	Yiu On Halfway House	Rent Rates	562,617.00 33,989.00	572,544.00 28,000.00	- 5,989.00	(9,927.00) -
		Total	596,606.00	600,544.00	5,989.00	(9,927.00)
5210	Kwong Yuen ICYSC	Rent Rates	476,475.00 40,786.00	485,868.00 33,400.00	- 7,386.00	(9,393.00) -
		Total	517,261.00	519,268.00	7,386.00	(9,393.00)
5211	Yiu On Integrated Rehabilitation Service Centre	Rent Rates	777,550.00 79,698.00	776,903.76 58,032.28	646.24 21,665.72	- -
		Total	857,248.00	834,936.04	22,311.96	-
6625	Take Your Way (revamped to ICCMW)	Rent Rates	324,264.00 27,190.00	324,264.00 16,000.00	- 11,190.00	- -
		Total	351,454.00	340,264.00	11,190.00	-
7773	Yiu Tsuen Sheltered Workshop	Rent Rates	822,686.00 162,428.00	987,648.00 156,996.00	- 5,432.00	(164,962.00) -
		Total	985,114.00	1,144,644.00	5,432.00	(164,962.00)
Grand Total			4,332,954.00	4,426,284.00	90,952.00	(184,282.00)

Notes :


- The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year. Reimbursement for rent and rates relating to previous financial years(s) (i.e. back payments) should not be included.
- Surplus / (Deficit) for each element represents the difference between subvention released and actual expenditure.
- Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.

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

Name of Agency : STEWARDS

	<u>2020-21</u> HK\$'000	<u>2019-20</u> HK\$'000
LSG Reserve as at 31 March	<u>30,120</u>	<u>30,441</u>
Represented by: HKD Fixed Deposits	<u>30,120</u>	<u>30,441</u>

Confirmed by:-

  
\_\_\_\_\_  
CHAIRMAN

  
\_\_\_\_\_  
CHIEF EXECUTIVE



## **A Statement for 'Non-Statutory Accounts' for the Purpose of Section 436(3) of the Hong Kong Companies Ordinance**

The Lump Sum Grant Annual Financial Report (the “LSG Report”) for the year ended 31 March 2021 has been prepared for the filing with the Social Welfare Department of the Government of the HKSAR and is in addition to those prepared for statutory reporting purposes under the Companies Ordinance (Cap. 622). Consequently, the financial statements and comparatives in the LSG Report do not constitute the Company’s statutory financial statements for the purposes of the Companies Ordinance for either of the years ended 31 March 2021 or 2020. Information relating to the Company’s consolidated financial statements prepared for the purposes of the Companies Ordinance (the “Companies Ordinance financial statements”) required to be disclosed by section 436 of the Companies Ordinance is as follows:

The Company has delivered its Companies Ordinance financial statements for the year ended 31 March 2020 to the Registrar of Companies and will deliver its Companies Ordinance financial statements for the year ended 31 March 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance in due course.

The Company’s auditor has reported on the Companies Ordinance financial statements for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2) or 407(2) or (3) of the Companies Ordinance.

Issue date: 25 October 2021