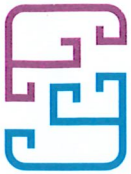


STEWARDS
(INCORPORATED IN HONG KONG
AND LIMITED BY GUARANTEE)
ANNUAL FINANCIAL REPORTS
FOR THE YEAR ENDED 31 MARCH 2022
(For the purpose of Social Welfare Department)



Review Report to the Management Board of Stewards

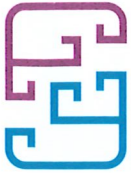
We have audited the financial statements of Stewards ("the Company") for the year ended 31 March 2022 and have issued an unqualified independent auditor's report thereon dated 23 SEP 2022.

We conducted our review of the attached Annual Financial Report on pages 3 to 11 of the Company for the year ended 31 March 2022 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 2022:

- 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 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 Provident Fund arrangements during the year ended 31 March 2022.

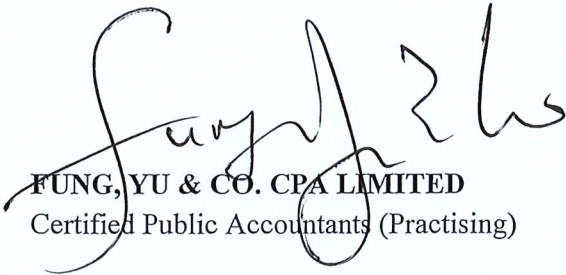


FUNG, YU & CO. CPA LIMITED
馮兆林余錫光會計師事務所有限公司

10th 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, 23 SEP 2022

**STEWARDS
ANNUAL FINANCIAL REPORT
1 APRIL 2021 TO 31 MARCH 2022**

	<u>Notes</u>	<u>2021-22</u> \$	<u>2020-21</u> \$
INCOME			
Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	92,991,877.02	92,817,383.00
b. Provident Fund	1c	6,448,928.98	6,487,999.00
Fee Income	2	1,548,188.50	2,725,935.50
Central Items	3	949,304.00	735,204.00
Rent and Rates	4	4,330,654.00	4,332,954.00
Other Income	5	6,284,305.20	3,087,011.41
Interest Received		103,464.80	492,203.74
TOTAL INCOME		<u>112,656,722.50</u>	<u>110,678,690.65</u>
EXPENDITURE			
Personal Emoluments			
a. Salaries		85,820,878.99	85,497,238.74
b. Provident Fund	1c	5,475,369.45	5,361,921.47
c. Allowances		106,920.00	106,920.00
Subtotal	6	<u>91,403,168.44</u>	<u>90,966,080.21</u>
Other Charges	7	15,755,309.94	13,837,030.70
Central Items	3	958,689.90	338,450.83
Rent and Rates	4	4,384,036.00	4,426,284.00
TOTAL EXPENDITURE		<u>112,501,204.28</u>	<u>109,567,845.74</u>
SURPLUS FOR THE YEAR	8	<u>155,518.22</u>	<u>1,110,844.91</u>

The Annual Financial Report from pages 3 to 11 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE

Mr. TSE Chun Fai

CHAIRMAN

DATE:

23 SEP 2022

Mr. YU Chun Tat

CHIEF EXECUTIVE

DATE :

23 SEP 2022

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	1,229,327.97	5,219,601.01	6,448,928.98
Provident Fund Contribution Paid during the year	1,241,802.03	4,233,567.42	5,475,369.45
Surplus/(Deficit) for the Year	(12,474.06)	986,033.59	973,559.53
Add: Surplus/(Deficit) b/f	197,481.32	10,085,093.64	10,282,574.96
Additional subvention received for previous year(s)	-	-	-
Adjustment for cost apportionment per email dated 23 November 2020	7,272.43	-	7,272.43
Less: Refund to Government	(110,565.00)	44,707.00	(65,858.00)
Surplus/(Deficit) c/f	81,714.69	11,115,834.23	11,197,548.92

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>2021-22</u>	<u>2020-21</u>
	\$	\$
Income		
After School Care Programme-Fee Waiving Subsidy Scheme	434,304.00	341,616.00
Training Sponsorship Scheme for two-year MOT Programme of PolyU	320,000.00	320,000.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	73,588.00
One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	195,000.00	-
Total	<u>949,304.00</u>	<u>735,204.00</u>
Expenditure		
After School Care Programme-Fee Waiving Subsidy Scheme	503,689.90	130,298.86
Training Sponsorship Scheme for two-year MOT Programme of PolyU	455,000.00	135,000.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	73,151.97
One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	-	-
Total	<u>958,689.90</u>	<u>338,450.83</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.

STEWARDS
NOTES TO THE ANNUAL FINANCIAL REPORT

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>2021-22</u>	<u>2020-21</u>
	\$	\$
Other Income		
(a) Fees and charges for services incidental to the operations of subvented services	940,065.17	520,256.22
(b) Utilised allocation under Central Items (CI) – After School Care Programme (ASCP) / Enhanced ASCP – Fee Waiving Subsidy Scheme (FWSS) which forms as part of Other Income *	-	-
(c) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	139,640.84	-
(b) Production income	2,613,686.64	1,882,670.69
(c) Programme income	2,590,912.55	684,084.50
Sub-Total	<u>6,284,305.20</u>	<u>3,087,011.41</u>
Less : Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS which forms as part of Other Income*	-	-
Total	<u><u>6,284,305.20</u></u>	<u><u>3,087,011.41</u></u>

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

STEWARDS
NOTES TO THE ANNUAL FINANCIAL REPORT

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.	9	6,604,854.07
HK\$800,001 - HK\$900,000 p.a.	3	2,480,601.30
HK\$900,001 - HK\$1,000,000 p.a.	1	945,500.40
HK\$1,000,001 - HK\$1,100,000 p.a.	3	3,054,285.00
HK\$1,100,001 - HK\$1,200,000 p.a.	3	3,476,887.26
>HK\$1,200,000 p.a.	1	1,239,024.75

7 Other Charges

The breakdown on Other Charges is as follows

	<u>2021-22</u>	<u>2020-21</u>
	\$	\$
Other Charges		
(a) Utilities	1,162,835.90	677,252.40
(b) Food	1,023,896.63	685,520.02
(c) Administrative Expenses	1,485,830.21	1,330,169.95
(d) Stores and Equipment	2,168,400.09	3,780,717.23
(e) Repairs and Maintenance	1,389,609.20	999,308.85
(f) Special Allowances	1,849,555.50	2,035,995.00
(g) Programme Expenses	2,387,030.90	997,964.77
(h) Transportation and Travelling	582,193.65	386,228.02
(i) Insurance	1,095,192.20	1,050,844.01
(j) Cost of production	2,293,379.22	1,510,083.97
(k) Miscellaneous	317,386.44	382,946.48
Sub-Total	15,755,309.94	13,837,030.70
Less : Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS* which forms as part of Other Income to fund the operating expenses of FSA-related activities	-	-
Total	15,755,309.94	13,837,030.70

STEWARDS
NOTES TO THE ANNUAL FINANCIAL REPORT

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

	Lump Sum Grant	Adjustment for Utilised allocation under ASCP/ Enhanced ASCP -	Rent and Rates	Central Items (CI)	Total
	(LSG)	FWSS			
	HK\$	HK\$	HK\$	HK\$	HK\$
Income					
Lump Sum Grant	99,440,806.00	-	-	-	99,440,806.00
Fee Income	1,548,188.50	-	-	-	1,548,188.50
Other Income	6,284,305.20	-	-	-	6,284,305.20
Interest Received (Note (1))	103,464.80	-	-	-	103,464.80
Rent and Rates	-	-	4,330,654.00	-	4,330,654.00
Central Items	-	-	-	949,304.00	949,304.00
Total Income (a)	107,376,764.50	-	4,330,654.00	949,304.00	112,656,722.50
Expenditure					
Personal Emoluments	91,403,168.44	-	-	-	91,403,168.44
Other Charges	15,755,309.94	-	-	-	15,755,309.94
Rent and Rates	-	-	4,384,036.00	-	4,384,036.00
Central Items	-	-	-	958,689.90	958,689.90
Total Expenditure (b)	107,158,478.38	-	4,384,036.00	958,689.90	112,501,204.28
Surplus/(Deficit) for the Year (a) - (b)	218,286.12	-	(53,382.00)	(9,385.90)	155,518.22
Less: Surplus/(Deficit) of Provident Fund	973,559.53	-	-	-	973,559.53
	(755,273.41)	-	(53,382.00)	(9,385.90)	(818,041.31)
Surplus/(Deficit) b/f (Note (2))	30,120,048.34	-	(93,144.59)	870,690.46	30,897,594.21
	29,364,774.93	-	(146,526.59)	861,304.56	30,079,552.90
Add: Refund from Government	-	-	184,282.00	-	184,282.00
Less: Refund to Government	-	-	(90,952.00)	(436.03)	(91,388.03)
Rent refund to Government per SWD letter dated 6 May 2021	-	-	(182.92)	-	(182.92)
Rent and Rates refund to Government per SWD letter dated 30 November 2021	-	-	-	-	-
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19 refund to Government per SWD letter dated 30 November 2021	-	-	-	-	-
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplement (Note (3))	-	-	-	-	-
Adjustment for utilised allocation under Enhanced ASCP – FWSS* (over-estimated) / under-estimated in previous year(s)	-	-	-	-	-
Adjustment for cost apportionment per email dated 23 November 2020	4,694.53	-	-	-	4,694.53
	-	-	-	-	-
Surplus/(Deficit) c/f (Note (4))	29,369,469.46	-	(53,379.51)	860,868.53	30,176,958.48

Notes:

Including an amount \$Z being the utilised allocation under CI - ASCP / Enhanced ASCP – FWSS*

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

- (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 LSG 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 Infirmity Care Supplement, if any, as per Schedule for Central Items.
- (4) The level of LSG cumulative reserve, 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.

SCHEDULE FOR CENTRAL ITEMS
ANALYSIS OF SUBVENTION AND EXPENDITURE
FOR THE PERIOD FROM 1 APRIL 2021 TO 31 MARCH 2022

Name of Agency : STEWARDS

Unit Code and name/ Remittance Advice No. (Note 7)	Subvented Element	Subvention Released (Note 1) (a1) \$	Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received (Note 1b)#	Actual Expenditure (Note 2) (a2) \$	Actual Expenditure incurred under RMLP Scheme (Note 2b)#	Surplus (Note 3) (a) = (a1) - (a2) \$	Deficit (Note 3) (b) = (a1) - (a2) \$	Deficit for the year Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d) = (b) - (c)	Surplus b/f (Note 5) (e)	Refund to Government (f)	Adjustment (Note 9) (g)	Surplus c/f (Note 6) (h) = (e) + (f) - (d) - (g) - (h) \$
3223	After School Care Programme-Fee Waiving Subsidy Scheme ~ Recognised expenses under relief measures under the epidemic of COVID-19	434,304.00	-	503,689.90	-	(69,385.90)	-	N.A.	-	292,278.90	-	-	222,893.00
5162	Visiting Medical Practitioner Scheme	-	-	-	-	-	-	N.A.	-	1,800.00	-	-	1,800.00
6583	Training Sponsorship Scheme for two- year MOT Programme of PolyU	320,000.00	-	455,000.00	-	(135,000.00)	-	N.A.	-	455,000.00	-	-	320,000.00
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.	-	-	-	-	-
4368877	Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	-	-	-	-	-	N.A.	-	436.03	436.03	-	-
5065518	One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	195,000.00	-	-	-	195,000.00	-	N.A.	-	-	-	-	195,000.00
TOTAL		949,304.00	-	958,689.90	-	(9,385.90)	-	-	-	870,690.46	436.03	-	860,868.53

SCHEDULE FOR CENTRAL ITEMS
ANALYSIS OF SUBVENTION AND EXPENDITURE
FOR THE PERIOD FROM 1 APRIL 2021 TO 31 MARCH 2022

Name of Agency : _____ STEWARDS

Notes:

- 1(a) The figures for the whole financial year are extracted from the payroll for March (Final) or remittance advice(s) issued by the Treasury or allocation letter(s) issued by Social Welfare Department of the financial year.
- 1(b) This amount represents any reimbursement received from the RMLP Scheme if the NGO has temporarily paid the expenditure out of the allocation from the subvented element (see Note 2(b) below).
- 2(a) Actual expenditure represents the total expenditure incurred including providing fund for the respective services after netting off (i) programme income and (ii) expenditure under RMLP Scheme mentioned in Note 2(b) below, if any.
- 2(b) This amount represents the additional four weeks' MLP (i.e. the 11th to 14th weeks) paid to the employee out of the corresponding allocation.
- 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 Lump Sum Grant Reserve as stated in SWD's letter ref. (33) 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 code and name / 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 year(s) after taking into account the actual claw-back amount(s) per SWD's allocation letter(s), if any.
- 10 For NGOs with Visiting Medical Practitioner Service Team which arrange delivery of the service under the Programme to all private and self-financing RCHes, RCHDs as well as contract homes operated by private operators only.

**SCHEDULE FOR RENT AND RATES
ANALYSIS OF SUBVENTION AND EXPENDITURE
FOR THE PERIOD FROM 1 APRIL 2021 TO 31 MARCH 2022**

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 21,400.00	- 7,937.00	- -
		Total	454,137.00	446,200.00	7,937.00	-
5163	Integrated Community Centres for Mental Wellness	Rent Rates	518,460.00 51,020.00	513,985.44 26,991.42	4,474.56 24,028.58	- -
		Total	569,480.00	540,976.86	28,503.14	-
5825	Yiu On Halfway House	Rent Rates	562,617.00 33,989.00	568,944.00 28,000.00	- 5,989.00	(6,327.00) -
		Total	596,606.00	596,944.00	5,989.00	(6,327.00)
5210	Kwong Yuen ICYSC	Rent Rates	476,475.00 40,786.00	481,908.00 32,800.00	- 7,986.00	(5,433.00) -
		Total	517,261.00	514,708.00	7,986.00	(5,433.00)
5211	Yiu On Integrated Rehabilitation Service Centre	Rent Rates	776,904.00 79,698.00	770,650.56 55,448.58	6,253.44 24,249.42	- -
		Total	856,602.00	826,099.14	30,502.86	-
6625	Take Your Way (revamped to ICCMW)	Rent Rates	324,264.00 27,190.00	324,264.00 17,800.00	- 9,390.00	- -
		Total	351,454.00	342,064.00	9,390.00	-
7773	Yiu Tsuen Sheltered Workshop	Rent Rates	822,686.00 162,428.00	975,048.00 141,996.00	- 20,432.00	(152,362.00) -
		Total	985,114.00	1,117,044.00	20,432.00	(152,362.00)
Grand Total			4,330,654.00	4,384,036.00	110,740.00	(164,122.00)

Notes :

1. 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.
2. Surplus / (Deficit) for each element represents the difference between subvention released and actual expenditure.
3. 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 2022

Name of Agency : STEWARDS

	<u>2021-22</u> HK\$'000	<u>2020-21</u> HK\$'000
LSG Reserve as at 31 March	<u>29,369</u>	<u>30,120</u>
Represented by: HKD Fixed Deposits	<u>29,369</u>	<u>30,120</u>

Confirmed by:-



Mr. TSE Chun Fai
CHAIRMAN



Mr. YU Chun Tat
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 2022 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 2022 or 2021. 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 2021 to the Registrar of Companies and will deliver its Companies Ordinance financial statements for the year ended 31 March 2022 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: 21 October 2022