

## ANNUAL FINANCIAL REPORT

**NGO: 020 ALICE LAN & VERA SHEN EDUCATION FUND LIMITED**

(1 April 2017 to 31 March 2018)

	Notes	2017-18 \$	2016-17 \$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	<b>1b</b>	1,828,975.00	1,726,603.00
b. Provident Fund	<b>1c</b>	159,777.00	150,931.00
2. Special One-off Grant		-	-
3. Fee Income	<b>2</b>	27,266.00	55,284.00
4. Central Items	<b>3</b>	27,365.00	32,665.00
5. Rent and Rates	<b>4</b>	-	-
6. Other Income	<b>5</b>	544.00	2,048.00
7. Interest Received		58.10	59.15
<b>TOTAL INCOME</b>		<u>2,043,985.10</u>	<u>1,967,590.15</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		1,315,329.59	1,160,351.03
b. Provident Fund	<b>1c</b>	93,200.37	85,990.50
c. Allowances		-	-
Sub-total	<b>6</b>	<u>1,408,529.96</u>	<u>1,246,341.53</u>
2. Other Charges	<b>7</b>	270,049.89	391,590.68
3. Central Items	<b>3</b>	-	-
4. Rent and Rates	<b>4</b>	-	-
5. Special One-off Grant Payments	<b>7a</b>	-	-
<b>TOTAL EXPENDITURE</b>		<u>1,678,579.85</u>	<u>1,637,932.20</u>
<b>C. SURPLUS/ (DEFICIT) FOR THE YEAR</b>	<b>8</b>	<u>365,405.25</u>	<u>329,657.94</u>

The Annual Financial Report from pages 3 to 9 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE

CHAIRMAN

DATE: 12 NOV 2018

SIGNATURE

HONORARY SECRETARY

DATE: 12 NOV 2018

## 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 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	57,339.00	102,438.00	159,777.00
Provident Fund Contribution Paid during the Year	(59,523.00)	(33,677.37)	(93,200.37)
Surplus/ (Deficit) for the Year	(2,184.00)	68,760.63	66,576.63
<b>Add</b> : Surplus/ (Deficit) b/f Additional subvention received for previous year(s)	84,257.07	610,690.29	694,947.36
<b>Less</b> : Refund to Government	(6,379.60)	-	(6,379.60)
<b>Surplus/ (Deficit) c/f</b>	<u>75,693.47</u>	<u>679,450.92</u>	<u>755,144.39</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.

**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:

<b>a. Income</b>	<b>2017-18</b>	<b>2016-17</b>
	<b>\$</b>	<b>\$</b>
Dementia Supplement for Elderly with Disabilities		
Infirmiry Care Supplement for the Aged Blind Persons		
Dementia Supplement for Residential Elderly Services		
Infirmiry 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	<b>16,765.00</b>	<b>16,765.00</b>
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	<b>10,600.00</b>	<b>15,900.00</b>
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		
<b>Total</b>	<b><u>27,365.00</u></b>	<b><u>32,665.00</u></b>

<b>b. Expenditure</b>	<b>2017-18</b>	<b>2016-17</b>
	<b>\$</b>	<b>\$</b>
Dementia Supplement for Elderly with Disabilities	-	-
Infirmiry Care Supplement for the Aged Blind Persons	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmiry 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 – 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 – 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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

- 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:

	2017-18	2016-17
	\$	\$
<b>Other Income</b>		
(a) Fees and charges for services incidental to the operation of subvented services		-
(b) Others	544.00	2,048.00
<b>Total</b>	<u>544.00</u>	<u>2,048.00</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:

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:

	2017-18	2016-17
	\$	\$
<b>Other Charges</b>		
(a) Utilities		-
(b) Food	63,402.60	48,062.80
(c) Administrative Expenses	38,800.00	37,500.00
(d) Stores and Equipment	11,319.50	55,328.60
(e) Repair and Maintenance	-	16,700.00
(f) Special Allowances		-
(g) Programme Expenses	80,533.25	128,689.90
(h) Transportation and Travelling		-
(i) Insurance		-
(j) Miscellaneous	43,724.74	49,244.78
(k) Printing and stationery	32,269.80	56,064.60
<b>Total</b>	<u>270,049.89</u>	<u>391,590.68</u>

## 7a. Special One-off Grant Payments

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

	2017-18	2016-17
	\$	\$
<b>Special One-off Grant Payments</b>		
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

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

	<b>Lump Sum Grant (LSG)</b>	<b>Special One-off Grant (SOG)</b>	<b>Rent and Rates</b>	<b>Central Items</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Income</b>					
Lump Sum Grant	1,988,752.00	-	-	-	1,988,752.00
Special One-off Grant	-	-	-	-	-
Fee Income	27,266.00	-	-	-	27,266.00
Other Income	544.00	-	-	-	544.00
Interest Received (Note (1))	58.10	-	-	-	58.10
Rent and Rates	-	-	-	-	-
Central Items	-	-	-	27,365.00	27,365.00
<b>Total Income (a)</b>	<b>2,016,620.10</b>	<b>-</b>	<b>-</b>	<b>27,365.00</b>	<b>2,043,985.10</b>
<b>Expenditure</b>					
Personal Emoluments	1,408,529.96	-	-	-	1,408,529.96
Other Charges	270,049.89	-	-	-	270,049.89
Rent and Rates	-	-	-	-	-
Central Items	-	-	-	-	-
Special One-off Grant Payments	-	-	-	-	-
<b>Total Expenditure (b)</b>	<b>1,678,579.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,678,579.85</b>
<b>Surplus/(Deficit) for the Year (a) - (b)</b>	<b>338,040.25</b>	<b>-</b>	<b>-</b>	<b>27,365.00</b>	<b>365,405.25</b>
<u>Less</u> : Surplus/ (Deficit) of Provident Fund	66,576.63	-	-	-	66,576.63
	271,463.62	-	-	27,365.00	298,828.62
<b>Surplus/ (Deficit) b/f (Note (2))</b>	<b>1,406,600.40</b>	<b>-</b>	<b>-</b>	<b>364,277.00</b>	<b>1,770,877.40</b>
	1,678,064.02	-	-	391,642.00	2,069,706.02
<u>Less</u> : Refund to Government	(322,864.85)	-	-	(192,325.00)	(515,189.85)
<u>Less</u> : Refund to Government (understated in last year)	(100.00)	-	-	-	(100.00)
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>1,355,099.17</b>	<b>-</b>	<b>-</b>	<b>199,317.00</b>	<b>1,554,416.17</b>

**Notes:**

- (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant are 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 (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 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 Provident Fund expenditure) for the year.