

**ANNUAL FINANCIAL REPORT
NGO : HONG KONG BLIND UNION
1 APRIL 2017 TO 31 MARCH 2018**

	Notes	2017-18 \$	2016-17 \$
A. INCOME			
1 Lump Sum Grant			
a. Lump Sum Grant (Excluding Provident Fund)	1b	3,667,110.00	3,551,820.00
b. Provident Fund	1c	192,351.00	198,030.00
2 Special One-Off Grant		-	-
3 Fee Income	2	19,140.00	18,300.00
4 Central Items	3	-	-
5 Rent and Rates	4	193,438.00	199,299.00
6 Other Income	5	365,261.00	331,598.00
7 Interest Received		56.71	44.31
TOTAL INCOME		4,437,356.71	4,299,091.31
B. EXPENDITURE			
1 Personal Emoluments			
a. Salaries		2,731,715.83	2,742,080.54
b. Provident Fund	1c	152,647.10	162,088.81
c. Allowances		-	-
Sub-total	6	2,884,362.93	2,904,169.35
2 Other Charges	7	1,142,348.71	1,054,536.93
3 Central Items	3	-	-
4 Rent and Rates	4	193,438.00	199,299.00
5 Special One-Off Grant Payments	7a	-	-
TOTAL EXPENDITURE		4,220,149.64	4,158,005.28
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	217,207.07	141,086.03

The Annual Financial Report from pages 2 to 9 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURES



PRESIDENT

Date: 22 June 2018

SIGNATURES



EXECUTIVE DIRECTOR

Date: 22 June 2018

NOTES ON THE ANNUAL FINANCIAL REPORT

1 Lump Sum Grant

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 Lump Sum Grant (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>	<u>Snapshot Staff</u>	<u>6.8% and Other Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	-	192,351.00	192,351.00
Provident Fund Contribution Paid during the Year	-	152,647.10	152,647.10
Surplus/(Deficit) for the Year	-	39,703.90	39,703.90
Add : Surplus/(Deficit) b/f	-	376,136.67	376,136.67
Additional subvention received for previous year(s)	-	-	-
Refund to Government	-	-	-
Surplus/(Deficit) c/f	-	415,840.57	415,840.57

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:

	2017-18	2016-17
a. <u>Income</u>	\$	\$
Regularized Programme Assistant /Care Assistants	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Total	-	-

NOTES ON THE ANNUAL FINANCIAL REPORT

3 Central Items - continued

	2017-18	2016-17
<u>b. Expenditure</u>	<u>\$</u>	<u>\$</u>
Regularized Programme Assistant /Care Assistants	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Total	<u>-</u>	<u>-</u>

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
Other Income	<u>\$</u>	<u>\$</u>
a) Fees and charges for services incidental to the operation of subvented services	325,018.00	328,098.00
b) Others	40,243.00	3,500.00
Total	<u>365,261.00</u>	<u>331,598.00</u>

6 **Personal Emoluments** Personal Emoluments include salary, provident fund, salary related allowance. The analysis on number of post with annual Personal Emoluments over \$700,000 each is appended below:

Analysis of Personal Emoluments	No. of Posts	\$
HK\$700,001 - HK\$800,000 p.a.	N.A.	N.A.
HK\$800,001 - HK\$900,000 p.a.	N.A.	N.A.
HK\$900,001 - HK\$1,000,000 p.a.	N.A.	N.A.
HK\$1,000,001 - HK\$1,100,000 p.a.	N.A.	N.A.
HK\$1,100,001 - HK\$1,200,000 p.a.	N.A.	N.A.
>HK\$1,200,000 p.a.	N.A.	N.A.

NOTES ON THE ANNUAL FINANCIAL REPORT

7 Other Charges	<u>2017-18</u>	<u>2016-17</u>
<u>The breakdown on Other Charges is as follows:</u>	<u>\$</u>	<u>\$</u>
(a) Utilities	62,068.65	56,297.05
(b) Food	-	-
(c) Administrative Expenses	82,915.20	62,056.10
(d) Stores and Equipment	43,186.04	115,591.58
(e) Repair and Maintenance	87,119.80	13,391.50
(f) Special Allowance	-	-
(g) Programme Expenses	804,167.00	791,075.90
(h) Transportation and Travelling	3,906.90	3,148.15
(i) Insurance	52,244.67	9,098.95
(j) Miscellaneous	6,740.45	3,877.70
Total	<u><u>1,142,348.71</u></u>	<u><u>1,054,536.93</u></u>

7a. Special One-off Grant Payments

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

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

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

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
Income	\$	\$	\$	\$	\$
Lump Sum Grant	3,859,461.00	-	-	-	3,859,461.00
Special One-off Grant	-	-	-	-	-
Fee Income	19,140.00	-	-	-	19,140.00
Other Income	365,261.00	-	-	-	365,261.00
Interest Received (Note 1)	56.71	-	-	-	56.71
Rent and Rates	-	-	193,438.00	-	193,438.00
Central Items	-	-	-	-	-
Total Income (a)	4,243,918.71	-	193,438.00	-	4,437,356.71
Expenditure					
Personal Emoluments	2,884,362.93	-	-	-	2,884,362.93
Other Charges	1,142,348.71	-	-	-	1,142,348.71
Rent and Rates	-	-	193,438.00	-	193,438.00
Central Items	-	-	-	-	-
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	4,026,711.64	-	193,438.00	-	4,220,149.64
Surplus/(Deficit) for the Year (a) - (b)	217,207.07	-	-	-	217,207.07
Less: Surplus/(Deficit) of Provident Fund	39,703.90	-	-	-	39,703.90
Surplus/(Deficit) for the year	177,503.17	-	-	-	177,503.17
Surplus/(Deficit) b/f (Note 2)	379,388.02	-	(2,577.00)	140,392.21	517,203.23
Add:	556,891.19	-	(2,577.00)	140,392.21	694,706.40
Transfer (Note 4)	-	-	2,101.00	(2,101.00)	-
Prior year deficit absorbed by NGO	-	-	476.00	6,736.38	7,212.38
Less:					
Refund to Government	-	-	-	(4,271.59)	(4,271.59)
Surplus/(Deficit) c/f (Note (3))	556,891.19	-	-	140,756.00	697,647.19

Note

(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) 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.

(4) (i) Total claw back per SWD letter dated 18.8.2014 (Ref: SWD SF/SA/4-65/60(272))

whole amount wrongly from Rent and Rates 8,826.00

Correct amount from Rent and Rates (7,600.00)

Adjusted amount (by transfer to Central Items) 1,226.00

(ii) Per SWD letter dated 14 March 2018 (Ref: SWD SF/SI/4-65/60(272) II) 875.00

Total amount transfer to Central Items 2,101.00