

ANNUAL FINANCIAL REPORT

NGO: HONG KONG FAMILY WELFARE SOCIETY

1ST APRIL 2017 TO 31ST MARCH 2018

	Notes	2017-18 HK\$	2016-17 HK\$
A. INCOME			
1 Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	219,923,530.00	213,841,205.00
b. Provident Fund	1c	20,837,635.00	20,307,827.00
2 Fee Income	2	3,225,507.40	3,111,439.10
3 Central Items	3	30,607,431.50	26,549,536.90
4 Rent and Rates	4	5,190,923.00	5,181,116.00
5 Other Income	5	6,920,972.93	6,665,399.45
6 Interest Received		1,782.36	1,637.49
TOTAL INCOME		<u>286,707,782.19</u>	<u>275,658,160.94</u>
B. EXPENDITURE			
1 Personal Emoluments	6		
a. Salaries	1b	202,237,818.76	197,490,591.93
b. Provident Fund	1c	20,992,014.49	19,628,394.18
Sub-total		<u>223,229,833.25</u>	<u>217,118,986.11</u>
2 Other Charges	7	21,188,716.57	20,443,150.14
3 Central Items	3	27,110,255.24	22,844,813.87
4 Rent and Rates	4	5,903,703.09	5,766,597.37
TOTAL EXPENDITURE		<u>277,432,508.15</u>	<u>266,173,547.49</u>
C. SURPLUS FOR THE YEAR	8	<u>9,275,274.04</u>	<u>9,484,613.45</u>

The Annual Financial Report from pages 2 to 10 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

Signature:

Name: Mr. Christopher Law

Title: Chairman

Date: 18 OCT 2018

Signature:

Name: Ms. Amarantha Yip

Title: Executive Director

Date: 18 OCT 2018

HONG KONG FAMILY WELFARE SOCIETY
NOTES ON THE ANNUAL FINANCIAL REPORT
1ST APRIL 2017 TO 31ST MARCH 2018

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 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 like 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 staffs are defined as those staff occupying recognised or holding against subvented posts as at 1st April 2000.

6.8% and other posts represent those staffs that are employed after 1st April 2000.

Please note that 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>	<u>Snapshot Staff</u> HK\$	<u>6.8% and Other Posts</u> HK\$	<u>Total</u> HK\$
Subvention Received	10,670,826.00	10,166,809.00	20,837,635.00
Less: Provident Fund Contribution paid during the year	(10,607,333.42)	(10,384,681.07)	(20,992,014.49)
Surplus/(deficit) for the year	63,492.58	(217,872.07)	(154,379.49)
Add: Surplus b/f Additional subvention received for prior year's deficit	1,538,626.26	16,522,512.55	18,061,138.81
Less: Recovery of surplus for Provident Fund	-	290,220.00	290,220.00
	(875,857.00)	-	(875,857.00)
Surplus c/f	726,261.84	16,594,860.48	17,321,122.32

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 Lump Sum Grant Manual.

HONG KONG FAMILY WELFARE SOCIETY
NOTES ON THE ANNUAL FINANCIAL REPORT
1ST APRIL 2017 TO 31ST MARCH 2018

3 Central Items

These are subvented service activities which are not included in Lump Sum Grant and are subject to their own procedures as set out in other SWD's papers and correspondence with the Society. 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 Lump Sum Grant Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	2017-18	2016-17
	HK\$	HK\$
a. Income		
Foster Care Allowance/Emergency Foster Care Allowance	27,175,780.00	23,191,892.00
After School Care Programme-Fee Waiving Subsidy Scheme	217,800.00	189,000.00
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	540,000.00	540,000.00
Neighbourhood Support Child Care Project (NSCCP)		
- Contract Subsidy & Fee Income	2,673,851.50	2,628,644.90
- Subsidy for Fee Reduction/Waiving	-	-
Total	30,607,431.50	26,549,536.90
b. Expenditure		
Foster Care Allowance/Emergency Foster Care Allowance	23,594,557.80	20,080,563.80
After School Care Programme-Fee Waiving Subsidy Scheme	217,226.85	188,500.14
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	540,000.00	-
Neighbourhood Support Child Care Project (NSCCP)		
- Contract Subsidy	2,621,858.59	2,430,979.43
- Subsidy for Fee Reduction/Waiving	136,612.00	144,770.50
Total	27,110,255.24	22,844,813.87

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 the AFR.

HONG KONG FAMILY WELFARE SOCIETY
NOTES ON THE ANNUAL FINANCIAL REPORT
1ST APRIL 2017 TO 31ST MARCH 2018

- 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 the 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 Lump Sum Grant Manual (October 2016)) is as follows:

	2017-18	2016-17
	HK\$	HK\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	6,649,755.40	6,539,393.20
(b) Others	271,217.53	126,006.25
Total	6,920,972.93	6,665,399.45

- 6 **Personal Emoluments** Personal Emoluments include salary, provident fund and salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over HK\$700,000 each paid under Lump Sum Grant is appended below:

Analysis of Personal Emoluments paid under Lump Sum Grant	No. of Posts	HK\$
HK\$700,001 - HK\$800,000 p.a.	22	16,033,939.00
HK\$800,001 - HK\$900,000 p.a.	1	881,280.00
HK\$900,001 - HK\$1,000,000 p.a.	10	9,344,040.00
HK\$1,000,001 - HK\$1,100,000 p.a.	1	1,095,624.00
HK\$1,100,001 - HK\$1,200,000 p.a.	2	2,307,360.00
>HK\$1,200,000 p.a.	1	1,411,452.00

- 7 **Other Charges** The breakdown on Other Charges is as follows:

	2017-18	2016-17
	HK\$	HK\$
Other Charges		
(a) Utilities	1,633,152.13	1,641,582.44
(b) Food/Laundry Costs	5,653,068.77	5,405,946.36
(c) Administrative Expenses	2,376,524.11	2,418,653.54
(d) Stores and Equipment	1,267,633.18	1,399,016.92
(e) Repair and Maintenance	1,544,812.39	1,463,601.78
(f) Programme Expenses	2,240,183.29	2,112,254.66
(g) Nursing Care	1,489,066.90	1,418,300.40
(h) Medical Expenses	863,310.00	776,765.95
(i) Transportation and Travelling	1,183,505.10	1,145,085.73
(j) Insurance	1,907,860.12	1,920,165.38
(k) Course/Workshop/Training	80,573.00	88,620.00
(l) Miscellaneous	900,067.58	653,156.98
(m) Staff Training and Development	48,960.00	-
Total	21,188,716.57	20,443,150.14

HONG KONG FAMILY WELFARE SOCIETY
NOTES ON THE ANNUAL FINANCIAL REPORT
1ST APRIL 2017 TO 31ST MARCH 2018

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

	Lump Sum Grant HK\$	Rent and Rates HK\$	Central Items HK\$	Total HK\$
Income				
Lump Sum Grant	240,761,165.00	-	-	240,761,165.00
Fee Income	3,225,507.40	-	-	3,225,507.40
Other Income	6,920,972.93	-	-	6,920,972.93
Interest Received	1,782.36	-	-	1,782.36
Rent and Rates	-	5,190,923.00	-	5,190,923.00
Central Items	-	-	30,607,431.50	30,607,431.50
Total Income (a)	250,909,427.69	5,190,923.00	30,607,431.50	286,707,782.19
Expenditure				
Personal Emoluments	223,229,833.25	-	-	223,229,833.25
Other Charges	21,188,716.57	-	-	21,188,716.57
Rent & Rates	-	5,903,703.09	-	5,903,703.09
Central Items	-	-	27,110,255.24	27,110,255.24
Total Expenditure (b)	244,418,549.82	5,903,703.09	27,110,255.24	277,432,508.15
Surplus/(Deficit) for the year (a) – (b)	6,490,877.87	(712,780.09)	3,497,176.26	9,275,274.04
Add: Deficit of Provident Fund	154,379.49	-	-	154,379.49
	6,645,257.36	(712,780.09)	3,497,176.26	9,429,653.53
Surplus/(Deficit) b/f	78,552,667.25	(1,213,012.55)	7,868,577.68	85,208,232.38
	85,197,924.61	(1,925,792.64)	11,365,753.94	94,637,885.91
Add: Backpayment from SWD for prior years' deficit	-	917,445.00	-	917,445.00
Less: Recovery of Surplus for Rent and Rates	-	(47,941.73)	-	(47,941.73)
Less: Recovery of Surplus for Foster Care Allowance	-	-	(5,376,617.20)	(5,376,617.20)
Surplus/(Deficit) c/f	85,197,924.61	(1,056,289.37)	5,989,136.74	90,130,771.98