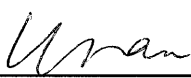


ANNUAL FINANCIAL REPORT
THE HONG KONG SOCIETY FOR REHABILITATION
1 APRIL 2017 TO 31 MARCH 2018

	Notes	Total 2017-18 \$	Total 2016-17 \$
A. INCOME			
1. Lump Sum Grant		35,014,738.00	34,222,100.00
a. Lump Sum Grant (excluding Provident Fund)	1b	31,209,611.00	30,375,238.00
b. Provident Fund	1c	3,805,127.00	3,846,862.00
2. Special One-off Grant		0.00	0.00
3. Fee Income	2	87,510.00	91,150.00
4. Central Items	3	0.00	0.00
5. Rent and Rates	4	1,074,939.00	1,071,608.00
6. Other Income	5	4,760,373.30	6,221,529.75
7. Interest Received		21,339.97	18,480.53
TOTAL INCOME		40,958,900.27	41,624,868.28
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		32,648,198.58	31,497,570.39
b. Provident Fund	1c	3,248,720.95	3,236,630.30
c. Allowances		0.00	0.00
Sub-total	6	35,896,919.53	34,734,200.69
2. Other Charges	7	3,784,950.95	3,967,926.43
3. Central Items	3	0.00	0.00
4. Rent and Rates	4	1,138,832.16	1,136,630.16
5. Special One-off Grant Payments	7a	0.00	0.00
TOTAL EXPENDITURE		40,820,702.64	39,838,757.28
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	138,197.63	1,786,111.00

The Annual Financial Report from pages 1 to 7 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



PROF. CHAN LAI-WAN CECILIA
CHAIRPERSON
DATE : 28 AUG 2018



DR. LEUNG PUI-YU PAMELA
CHIEF EXECUTIVE OFFICER
DATE : 28 AUG 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 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>	Snapshot Staff	6.8% and Other Posts	Total
	\$	\$	\$
Subvention Received	2,592,768.00	1,143,815.00	3,736,583.00
Provident Fund Contribution Paid during the Year	2,158,253.84	1,090,467.11	3,248,720.95
Surplus/ (Deficit) for the Year	434,514.16	53,347.89	487,862.05
<u>Add</u> : Surplus/(Deficit) b/f	290,437.37	1,638,369.83	1,928,807.20
Additional subvention received for previous year(s)	31,625.00	36,919.00	68,544.00
<u>Less</u> : Refund to Government	0.00	0.00	0.00
Surplus/(Deficit) c/f	<u>756,576.53</u>	<u>1,728,636.72</u>	<u>2,485,213.25</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:

a. Income	2017-18	2016-17
	\$	\$
Dementia Supplement for Elderly with Disabilities	0.00	0.00
Infirmiry Care Supplement for the Aged Blind Persons	0.00	0.00
Dementia Supplement for Residential Elderly Services	0.00	0.00
Infirmiry Care Supplement for Residential Elderly Services	0.00	0.00
Dementia Supplement for Day Care Centres/units for the Elderly	0.00	0.00
Foster Care Allowance/Emergency Foster Care Allowance	0.00	0.00
After School Care Programme - Fee Waiving Subsidy Scheme	0.00	0.00
Temporary Financial Aid	0.00	0.00
Emergency Fund	0.00	0.00
Time-defined Subsidy Scheme for Extended Hours Service Users	0.00	0.00
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	0.00	0.00
Short-term Rental Assistance	0.00	0.00
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	0.00	0.00
Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy	0.00	0.00
NSCCP - Subsidy for Fee Reduction/Waiving	0.00	0.00
NSCCP - Rent and Rates	0.00	0.00
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	0.00	0.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	0.00	0.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	0.00	0.00
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities	0.00	0.00
Time-defined Subsidy Scheme for Occasional Child Care Service	0.00	0.00
Enhanced After School Care Programme - Fee Waiving Subsidy Scheme	0.00	0.00
Navigation Scheme for Young Persons in Care Services- Operating Expenses	0.00	0.00
Navigation Scheme for Young Persons in Care Services- Training Cost	0.00	0.00
Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services	0.00	0.00
One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly	0.00	0.00
One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	0.00	0.00
Total	<u>0.00</u>	<u>0.00</u>

b. Expenditure	2017-18	2016-17
	\$	\$
Dementia Supplement for Elderly with Disabilities	0.00	0.00
Infirmiry Care Supplement for the Aged Blind Persons	0.00	0.00
Dementia Supplement for Residential Elderly Services	0.00	0.00
Infirmiry Care Supplement for Residential Elderly Services	0.00	0.00
Dementia Supplement for Day Care Centres/units for the Elderly	0.00	0.00
Foster Care Allowance/Emergency Foster Care Allowance	0.00	0.00
After School Care Programme - Fee Waiving Subsidy Scheme	0.00	0.00
Temporary Financial Aid	0.00	0.00
Emergency Fund	0.00	0.00
Time-defined Subsidy Scheme for Extended Hours Service Users	0.00	0.00
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	0.00	0.00
Short-term Rental Assistance	0.00	0.00
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	0.00	0.00
Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy	0.00	0.00
NSCCP - Subsidy for Fee Reduction/Waiving	0.00	0.00
NSCCP - Rent and Rates	0.00	0.00
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	0.00	0.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	0.00	0.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	0.00	0.00
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities	0.00	0.00
Time-defined Subsidy Scheme for Occasional Child Care Service	0.00	0.00
Enhanced After School Care Programme - Fee Waiving Subsidy Scheme	0.00	0.00
Navigation Scheme for Young Persons in Care Services- Operating Expenses	0.00	0.00
Navigation Scheme for Young Persons in Care Services- Training Cost	0.00	0.00
Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services	0.00	0.00
One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly	0.00	0.00
One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	0.00	0.00
Total	<u>0.00</u>	<u>0.00</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:

Other Income	2017-18 \$	2016-17 \$
(a) Fees and charges for services incidental to the operation of subvented services	4,385,401.64	5,188,059.82
(b) Others	374,971.66	1,033,469.93
Total	<u>4,760,373.30</u>	<u>6,221,529.75</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.	0	0.00
HK\$800,001 - HK\$900,000 p.a.	0	0.00
HK\$900,001 - HK\$1,000,000 p.a.	6	5,584,411.50
HK\$1,000,001 - HK\$1,100,000 p.a.	5	5,305,115.25
HK\$1,100,001 - HK\$1,200,000 p.a.	0	0.00
>HK\$1,200,000 p.a.	2	2,726,370.00

7. Other Charges

The breakdown on Other Charges is as follows:

Other Charges	2017-18	2016-17
	\$	\$
(a) Utilities	290,408.89	290,828.38
(b) Food	0.00	0.00
(c) Administrative Expenses	593,873.91	638,036.89
(d) Stores and Equipment	344,211.64	323,428.26
(e) Repair and Maintenance	119,780.20	93,517.20
(f) Special Allowances	0.00	0.00
(g) Programme Expenses	1,822,991.29	2,172,880.14
(h) Transportation and Travelling	22,509.50	24,223.86
(i) Insurance	446,389.42	235,364.96
(j) Staff Training and Development	51,250.00	26,720.71
(k) Miscellaneous	93,536.10	162,926.03
Total	3,784,950.95	3,967,926.43

7a. Special One-off Grant Payments

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

Special one-off Grant Payments	2017-18	2016-17
	\$	\$
(a) Voluntary Retirement Scheme	0.00	0.00
(b) Compensation Scheme	0.00	0.00
(c) Staff Training and Development	0.00	0.00
(d) Other Staff-related Initiatives	0.00	0.00
Total	0.00	0.00

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

	Lump Sum Grant (LSG) \$	Special One-off Grant (SOG) \$	Rent and Rates \$	Central Items \$	Total \$
Income					
Lump Sum Grant	35,014,738.00				35,014,738.00
Special One-off Grant		0.00			0.00
Fee Income	87,510.00				87,510.00
Other Income	4,760,373.30				4,760,373.30
Interest Received (Note (1))	21,339.97				21,339.97
Rent and Rates			1,074,939.00		1,074,939.00
Central Items				0.00	0.00
Total Income (a)	39,883,961.27	0.00	1,074,939.00	0.00	40,958,900.27
Expenditure					
Personal Emoluments	35,896,919.53	0.00			35,896,919.53
Other Charges	3,784,950.95				3,784,950.95
Rent and Rates			1,138,832.16		1,138,832.16
Central Items				0.00	0.00
Special One-off Grant Payments					0.00
Total Expenditure (b)	39,681,870.48	0.00	1,138,832.16	0.00	40,820,702.64
	(J+M)				
Surplus/(Deficit) for the Year (a) - (b)	202,090.79	0.00	(63,893.16)	0.00	138,197.63
Less : Surplus/(Deficit) of Provident Fund	556,406.05				556,406.05
	(354,315.26)	0.00	(63,893.16)	0.00	(418,208.42)
Surplus/(Deficit) b/f (Note (2))	4,624,470.12	0.00	(78,678.92)	181,674.00	4,727,465.20
	4,270,154.86	0.00	(142,572.08)	181,674.00	4,309,256.78
Less :	Refund to Government for 2015 - 2016 (Paylist July 2017) (25) in SWD SF/SAS/4-55/1/1 (373) dd 31/5/17				
	Kornhill		(2,158.00)		(2,158.00)
	Tai Hing		(88.74)		(88.74)
	Tai Ping		(1,977.00)		(1,977.00)
	Prince of Wales		(1,367.00)		(1,367.00)
	Annual Surplus Assessment for 2005 - 2006 to 2007 - 2008 (Paylist December 2017) (1) in SWD SF/SA/4-65/(373) dd 11/10/2017 Programme Assistant			(54,049.00)	(54,049.00)
	Refund to Government for 2016 - 2017 (Paylist January 2018) (128) in SWD SF/SAS/4-55/1/1 dd 01/12/2017				
	Kornhill		(1,032.00)		(1,032.00)
	Tai Ping		(815.00)		(815.00)
	Prince of Wales		(335.00)		(335.00)
	Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))				0.00
Add :	Repayment from Government for 2016 - 2017 (Paylist September 2017)				
	Kornhill		10,038.00		10,038.00
	Wang Tau Hom		11,110.00		11,110.00
	Lei Cheng Uk		13,412.00		13,412.00
	Tai Hing		3,413.00		3,413.00
	Tai Ping		2,052.00		2,052.00
	Prince of Wales		27,180.00		27,180.00
	Rounding difference for Tai Hing rates		(0.84)		(0.84)
Surplus/(Deficit) c/f (Note 4)	4,270,154.86	0.00	(83,140.66)	127,625.00	4,314,639.20
	(S)				

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 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
- (5) 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.

$$S \text{ excluding LSG Reserve Kept in the Holding account cannot exceed } 25\% \times (J + M \text{ excluding PF expenditure})$$

S	=	4,270,154.86
Holding account	=	1,790,585.54
		<u>2,479,569.32</u>

$$(J+M \text{ excluding PF expenditure}) \times 25\% = (39,681,870.48 - 3,248,720.95) \times 25\% = 9,108,287.38$$