

ANNUAL FINANCIAL REPORT


NGO: KIANGSU CHEKIANG AND SHANGHAI RESIDENTS (HONG KONG) ASSOCIATION

FOR THE PERIOD FROM 1 APRIL 2020 TO 31 MARCH 2021


(in Hong Kong Dollars)

| | <u>Note</u> | <u>2020/21</u> | <u>2019/20</u> |
|--|-------------|-------------------------|-------------------------|
| A. INCOME | | | |
| 1. Lump Sum Grant | | | |
| (a) Lump Sum Grant (excluding Provident Fund) | 1b | \$ 33,116,355.00 | \$ 32,480,988.00 |
| (b) Provident Fund | 1c | 2,739,474.00 | 2,740,057.00 |
| 2. Fee Income | 2 | 4,707,190.00 | 4,815,900.00 |
| 3. Central Items | 3 | 6,549,749.00 | 6,273,426.00 |
| 4. Rent and Rates | 4 | 2,206,102.00 | 1,938,423.00 |
| 5. Other Income | 5 | - | 21,650.00 |
| 6. Interest Received | | 30,680.60 | 11,343.76 |
| TOTAL INCOME | | \$ 49,349,550.60 | \$ 48,281,787.76 |
| B. EXPENDITURE | | | |
| 1. Personal Emoluments | | | |
| (a) Salaries | | \$ 28,372,797.90 | \$ 28,480,411.31 |
| (b) Provident Fund | 1c | 2,153,692.69 | 2,113,132.37 |
| (c) Allowances | | 837,212.25 | 572,014.89 |
| Sub-total | 6 | 31,363,702.84 | 31,165,558.57 |
| 2. Other Charges | 7 | 8,246,646.96 | 7,441,406.09 |
| 3. Central Items | 3 | 6,365,158.77 | 5,818,658.16 |
| 4. Rent and Rates | 4 | 2,204,837.00 | 2,113,945.00 |
| TOTAL EXPENDITURE | | \$ 48,180,345.57 | \$ 46,539,567.82 |
| C. SURPLUS FOR THE YEAR | 8 | \$ 1,169,205.03 | \$ 1,742,219.94 |

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.



 Mr. CHOW Wai Wai, John
 Agency Head



 Mr. TSUI Chung Hou, Stanley
 Vice Chariman

Date : 21 October 2021

**NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 1 APRIL 2020 TO 31 MARCH 2021**

(in Hong Kong Dollars)

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 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 Note 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 | \$ 964,727.00 | \$ 1,774,747.00 | \$ 2,739,474.00 |
| Provident Fund Contribution Paid during the year | (904,023.50) | (1,249,669.19) | (2,153,692.69) |
| Surplus for the year | 60,703.50 | 525,077.81 | 585,781.31 |
| <u>Add:</u> Surplus b/f | 59,300.00 | 4,110,952.38 | 4,170,252.38 |
| Adjusted by SWD for 2018/19 | - | 20,107.00 | 20,107.00 |
| <u>Less:</u> Refunded to SWD for 2018/19 | (33,077.00) | - | (33,077.00) |
| One-off voluntary contribution for MPF staff | - | (768,000.00) | (768,000.00) |
| Surplus c/f | <u>\$ 86,926.50</u> | <u>\$ 3,888,137.19</u> | <u>\$ 3,975,063.69</u> |

NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 1 APRIL 2020 TO 31 MARCH 2021

(in Hong Kong Dollars)

2. FEE INCOME

This represents social welfare fee income received for the year in respect of the fees and charges recognized for the purpose of subvention as set out in the Lump Sum Grant Manual.

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 NGO. 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:

| | <u>2020/21</u> | <u>2019/20</u> |
|---|------------------------|------------------------|
| (a) Income | | |
| Dementia Supplement for Residential Elderly Services | \$ 3,597,867.00 | \$ 3,418,191.00 |
| Infirmary Care Supplement for Residential Elderly Services | 2,474,732.00 | 2,079,867.00 |
| 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 | - | 298,218.00 |
| Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19 | 477,150.00 | 477,150.00 |
| Total | <u>\$ 6,549,749.00</u> | <u>\$ 6,273,426.00</u> |
| (b) Expenditure | | |
| Dementia Supplement for Residential Elderly Services | \$ 3,456,016.74 | \$ 3,355,479.80 |
| Infirmary Care Supplement for Residential Elderly Services | 2,437,714.97 | 1,998,426.09 |
| 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 | - | - |
| Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19 | 471,427.06 | 464,752.27 |
| Total | <u>\$ 6,365,158.77</u> | <u>\$ 5,818,658.16</u> |

4. RENT AND RATES

This represents the amount paid by Social Welfare Department (SWD) in respect of premises recognized by SWD. Expenditure on rent and rates in respect of premises not recognized by SWD have not been included in the Annual Financial Report.

5. OTHER INCOME

This includes programme income and all income other than recognized 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.

**NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 1 APRIL 2020 TO 31 MARCH 2021**

(in Hong Kong Dollars)

5. OTHER INCOME (CONTINUED)

The breakdown on Other Income is as follows:

| | <u>2020/21</u> | <u>2019/20</u> |
|---|----------------|---------------------|
| (a) Fees and charges for services incidental to the operation of subvented services | \$ - | \$ - |
| (b) Programme fee income | - | 21,650.00 |
| (c) Others | - | - |
| | <hr/> | <hr/> |
| Total | \$ - | \$ 21,650.00 |
| | <hr/> <hr/> | <hr/> <hr/> |

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 | <u>No. of Posts</u> | |
|---|---------------------|---------------|
| HK\$700,001 – HK\$800,000 p.a. | 1 | \$ 791,452.00 |
| HK\$800,001 – HK\$900,000 p.a. | 1 | 823,612.00 |
| 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. | 2 | 2,529,956.00 |

7. OTHER CHARGES

The breakdown on Other Charges is as follows :

| | <u>2020/21</u> | <u>2019/20</u> |
|-----------------------------------|------------------------|------------------------|
| (a) Utilities | \$ 1,260,061.80 | \$ 1,532,456.00 |
| (b) Food | 2,700,376.36 | 2,381,341.25 |
| (c) Administrative Expenses | 523,085.64 | 312,923.90 |
| (d) Stores and Equipment | 842,281.44 | 310,926.71 |
| (e) Repair and Maintenance | 586,672.00 | 762,222.40 |
| (f) Programme Expenses | 56,705.70 | 60,695.70 |
| (g) Transportation and Travelling | 22,044.70 | 15,667.00 |
| (h) Insurance | 886,869.82 | 804,343.63 |
| (i) Miscellaneous | 7,659.00 | 27,700.00 |
| (j) Medical Expenses | 1,055,534.00 | 1,064,851.00 |
| (k) Medical Supplies | 305,356.50 | 168,278.50 |
| | <hr/> | <hr/> |
| Total | \$ 8,246,646.96 | \$ 7,441,406.09 |
| | <hr/> <hr/> | <hr/> <hr/> |

NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 1 APRIL 2020 TO 31 MARCH 2021

(in Hong Kong Dollars)

8. ANALYSIS OF LUMP SUM GRANT RESERVE AND BALANCES OF OTHER SWD SUBVENTIONS

| | Lump Sum Grant (LSG) | Rent and Rates | Central Items | Total |
|--|-------------------------|------------------------|------------------------|-------------------------|
| Income | | | | |
| Lump Sum Grant | \$ 35,855,829.00 | \$ - | \$ - | \$ 35,855,829.00 |
| Fee Income | 4,707,190.00 | - | - | 4,707,190.00 |
| Other Income | - | - | - | - |
| Interest Received (Note 1) | 30,680.60 | - | - | 30,680.60 |
| Rent and Rates | - | 2,206,102.00 | - | 2,206,102.00 |
| Central Items | - | - | 6,549,749.00 | 6,549,749.00 |
| Total Income (a) | \$ 40,593,699.60 | \$ 2,206,102.00 | \$ 6,549,749.00 | \$ 49,349,550.60 |
| Expenditure | | | | |
| Personal Emoluments | \$ 31,363,702.84 | \$ - | \$ - | \$ 31,363,702.84 |
| Other Charges | 8,246,646.96 | - | - | 8,246,646.96 |
| Rent and Rates | - | 2,204,837.00 | - | 2,204,837.00 |
| Central Items | - | - | 6,365,158.77 | 6,365,158.77 |
| Total Expenditure (b) | \$ 39,610,349.80 | \$ 2,204,837.00 | \$ 6,365,158.77 | \$ 48,180,345.57 |
| Surplus for the year (a)-(b) | \$ 983,349.80 | \$ 1,265.00 | \$ 184,590.23 | \$ 1,169,205.03 |
| Less: Surplus of Provident Fund | (585,781.31) | - | - | (585,781.31) |
| | 397,568.49 | 1,265.00 | 184,590.23 | 583,423.72 |
| Surplus / (Deficit) b/f (Note 2) | 6,226,190.36 | (175,522.00) | 454,767.84 | 6,505,436.20 |
| | 6,623,758.85 | (174,257.00) | 639,358.07 | 7,088,859.92 |
| Add: Refund from Government | - | 184,260.00 | - | 184,260.00 |
| <u>Less</u> : Refund to Government | - | (8,738.00) | (454,767.84) | (463,505.84) |
| Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note 3) | - | - | - | - |
| Surplus c/f (Note 4) | \$ 6,623,758.85 | \$ 1,265.00 | \$ 184,590.23 | \$ 6,809,614.08 |

Notes :

- (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 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 Infirmary 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.