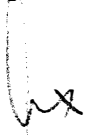


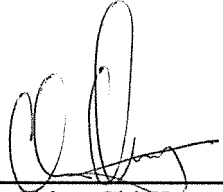
ANNUAL FINANCIAL REPORT
NGO: THE MENTAL HEALTH ASSOCIATION OF HONG KONG
(1 APRIL 2020 TO 31 MARCH 2021)

	<u>Notes</u>	2020-21 \$	2019-20 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	253,440,846.00	241,393,126.00
b. Provident Fund	1c	21,563,068.00	21,133,457.00
2. Fee Income	2	11,109,879.00	11,372,955.40
3. Central Items	3	2,660,426.00	3,303,193.00
4. Rent and Rates	4	9,305,162.00	9,514,201.00
5. Other Income	5	2,756,176.91	5,514,987.97
6. Interest Received		601,822.21	895,370.16
TOTAL INCOME		301,437,380.12	293,127,290.53
 B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		225,413,134.81	211,042,250.35
b. Provident Fund	1c	22,891,540.86	17,546,772.77
c. Allowances		0.00	0.00
Sub-total	6	248,304,675.67	228,589,023.12
2. Other Charges	7	33,280,986.22	35,480,629.61
3. Central Items	3	2,246,926.00	2,547,596.57
4. Rent and Rates	4	10,562,598.33	10,715,709.00
TOTAL EXPENDITURE		294,395,186.22	277,332,958.30
 C. SURPLUS/(DEFICIT) FOR THE YEAR	8	7,042,193.90	15,794,332.23

The Annual Financial Report from page 1 to 6 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



Dr. Lo Tak Lam
Chairman
Date: 22 OCT 2021



Mr. Ching Chi Kong
Director
Date: 22 OCT 2021

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>	Snapshot staff \$	6.8% and Other Posts \$	Total \$
Subvention Received	8,788,389.00	12,774,679.00	21,563,068.00
Provident Fund Contribution paid during the Year	6,700,157.03	16,191,383.83	22,891,540.86
Surplus/(Deficit) for the Year	2,088,231.97	(3,416,704.83)	(1,328,472.86)
Add: Surplus/(Deficit) b/f	3,459,726.92	15,143,751.66	18,603,478.58
Additional subvention received for previous year(s)		166,983.00	166,983.00
Less: Refund to Government	1,546,024.00		1,546,024.00
Surplus/(Deficit)c/f	4,001,934.89	11,894,029.83	15,895,964.72

- 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 LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

a. Income	2020-21 \$	2019-20 \$
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	960,000.00	540,000.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
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	-	1,062,767.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	1,700,426.00	1,700,426.00
Total	<u>2,660,426.00</u>	<u>3,303,193.00</u>
b. Expenditure		
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	540,000.00	540,000.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	6,500.00	3,500.00
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	-	283,151.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	1,700,426.00	1,720,945.57
Total	<u>2,246,926.00</u>	<u>2,547,596.57</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 should **not** be 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:

	2020-21	2019-20
Other Income	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	2,756,176.91	5,514,987.97
(b) Others	-	-
Total	<u><u>2,756,176.91</u></u>	<u><u>5,514,987.97</u></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.	13	9,788,080.42
HK\$800,001-HK\$900,000 p.a.	11	9,325,482.24
HK\$900,001-HK\$1,000,000 p.a.	6	5,810,060.76
HK\$1,000,001-HK\$1,100,000 p.a.	12	12,504,000.56
HK\$1,100,001-HK\$1,200,000 p.a.	2	2,273,113.58
>HK\$1,200,000 p.a.	2	3,041,986.61
Total	46	42,742,724.17

7. Other Charges The breakdown on Other Charges is as follows:

Other Charges	2020-21	2019-20
	\$	\$
(a) Utilities	3,836,388.90	4,397,767.00
(b) Food	8,152,140.00	8,390,810.20
(c) Administrative Expenses	464,904.27	408,788.90
(d) Stores and Equipment	3,217,908.03	2,520,850.21
(e) Repair and Maintenance	1,199,245.70	946,880.40
(f) Special Allowances	2,395,043.50	2,609,688.05
(g) Programme Expense	4,907,847.29	6,623,312.36
(h) Transportation and Travelling	649,411.55	791,035.13
(i) Insurance	5,107,541.71	4,660,169.88
(j) Miscellaneous	1,105,733.03	898,367.60
(k) Subcontract/Production Cost	2,244,822.24	3,232,959.88
Total	33,280,986.22	35,480,629.61

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	275,003,914.00	-	-	275,003,914.00
Fee Income	11,109,879.00	-	-	11,109,879.00
Other Income	2,756,176.91	-	-	2,756,176.91
Interest Received (Note (1))	601,822.21	-	-	601,822.21
Rent and Rates	-	9,305,162.00	-	9,305,162.00
Rent and Rates for previous year	-	-	-	-
Central Items	-	-	2,660,426.00	2,660,426.00
Total Income (a)	289,471,792.12	9,305,162.00	2,660,426.00	301,437,380.12
Expenditure				
Personal Emoluments	248,304,675.67	-	-	248,304,675.67
Other Charges	33,280,986.22	-	-	33,280,986.22
Rent and Rates	-	10,562,598.33	-	10,562,598.33
Central Items	-	-	2,246,926.00	2,246,926.00
Total Expenditure (b)	281,585,661.89	10,562,598.33	2,246,926.00	294,395,186.22
Surplus/(Deficit) for the Year (a)-(b)	7,886,130.23	(1,257,436.33)	413,500.00	7,042,193.90
Less: Surplus/(Deficit) of Provident Fund	(1,328,472.86)	-	-	(1,328,472.86)
	9,214,603.09	(1,257,436.33)	413,500.00	8,370,666.76
Surplus/(Deficit) b/f (Note (2))	83,321,412.93	(1,215,508.00)	1,420,804.43	83,526,709.36
	92,536,016.02	(2,472,944.33)	1,834,304.43	91,897,376.12
Adjustment of R&R subvention released in 2019/20 (Ref: SWD SF/SAS/4-65/107(496) II)		(1,517.00)		(1,517.00)
Adjustment for deficit on special allowance for staff in respect of Covid-19 (1st batch) (Ref: SWD SF/SAS/4-65/107(496) II)			20,519.57	20,519.57
Add: Refund from Government				
Backpayment of Rent & Rates for previous year		1,260,029.00		1,260,029.00
Less: Refund to Government				
Surplus of Rent & Rates for previous year		(61,521.00)	(1,099,616.00)	(1,099,616.00)
Surplus/(Deficit) c/f (Note (4))	92,536,016.02	(1,275,953.33)	755,208.00	92,015,270.69

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 of Central Items.
- (4) 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.