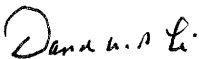


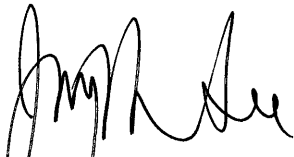
**ANNUAL FINANCIAL REPORT**  
**NGO : ST. JAMES' SETTLEMENT**  
**1 APRIL 2017 TO 31 MARCH 2018**

	Notes	Total <u>2017-18</u> \$	Total <u>2016-17</u> \$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	181,815,692.00	176,000,425.00
b. Provident Fund	1c	16,007,480.00	15,718,585.00
2. Special One-off Grant		-	-
3. Fee Income	2	13,952,689.85	13,999,986.48
4. Central Items	3	4,001,292.00	3,257,050.00
5. Rent and Rates	4	3,646,126.00	4,134,294.00
6. Other Income	5	10,590,359.24	9,614,548.28
7. Interest Received		265,908.32	308,700.70
<b>TOTAL INCOME</b>		<u>230,279,547.41</u>	<u>223,033,589.46</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		166,302,554.73	159,847,410.46
b. Provident Fund	1c	17,548,676.49	16,496,748.00
c. Allowances		2,940,582.00	2,461,013.00
Sub-total	6	<u>186,791,813.22</u>	<u>178,805,171.46</u>
2. Other Charges	7	37,521,170.62	36,395,454.72
3. Central Items	3	3,556,412.00	2,569,664.30
4. Rent and Rates	4	4,065,641.32	4,628,490.40
5. Special One-off Grant Payments	7a	-	-
<b>TOTAL EXPENDITURE</b>		<u>231,935,037.16</u>	<u>222,398,780.88</u>
<b>C. (DEFICIT)/SURPLUS FOR THE YEAR</b>	8	<u>(1,655,489.75)</u>	<u>634,808.58</u>

The Annual Financial Report from pages 2 to 11 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE

  
 CHAIRMAN  
 DATE: 22 OCT 2018

  
 CHIEF EXECUTIVE OFFICER  
 DATE: 22 OCT 2018

**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:

<b><u>Provident Fund Contribution</u></b>	<b><u>Snapshot Staff</u></b>	<b><u>6.8 % and Other Posts</u></b>	<b><u>Total</u></b>
	\$	\$	\$
Subvention Received	6,806,212.00	9,201,268.00	16,007,480.00
Provident Fund Contribution Paid during the Year	(5,935,048.00)	(11,613,628.49)	(17,548,676.49)
Surplus/(Deficit) for the Year	871,164.00	(2,412,360.49)	(1,541,196.49)
<b><u>Add</u></b> : Surplus/(Deficit) b/f	225,733.78	12,373,410.50	12,599,144.28
Additional subvention received for previous year(s)	-	109,475.00	109,475.00
<b><u>Less</u></b> : Refund to Government	(537,608.00)	-	(537,608.00)
Adjustment : SWD (43) in SWD SF/SAS/4-65/138(67)II	(341,616.35)	341,616.35	-
<b>Surplus/(Deficit) c/f</b>	<b>217,673.43</b>	<b>10,412,141.36</b>	<b>10,629,814.79</b>

**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:

	<u>2017-18</u>	<u>2016-17</u>
	\$	\$
<b>a. <u>Income</u></b>		
Dementia Supplement for Elderly with Disabilities	50,436.00	56,341.00
Infirmiry Care Supplement for the Aged Blind Person	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmiry Care Supplement for Residential Elderly Services	-	-
Dementia Supplement for Day care Centres/Units for the Elderly	1,271,004.00	1,031,422.00
Foster Care Allowance/Emergency Foster Care Allowance	-	-
After School Care Programme - Fee Waiving Subsidy Scheme	566,700.00	405,000.00
Temporary Financial Aid	-	-
Emergency Fund	90,000.00	90,000.00
Time-defined Subsidy Scheme for Extended Hours Service Users	11,357.00	11,357.00
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Short-term Rental Assistance	-	-
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	214,166.00	202,730.00
Neighbourhood Service Child Care Project (NSCCP) Contract Subsidy	-	-
NSCCP - Subsidy for Fee Reduction/waiving	-	-
NSCCP - Rent and Rates	-	-
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	540,000.00	540,000.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	421,707.00	427,336.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	26,500.00	26,500.00
Enhanced After School Care Programme - Fee Waiving Subsidy Scheme	564,422.00	466,364.00
Navigation Scheme for Young Persons in Care Services - Operating Expenses	-	-
Navigation Scheme for Young Persons in Care Services - Training Cost	-	-
Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services	-	-
One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly	-	-
One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	245,000.00	0.00
<b>Total</b>	<u>4,001,292.00</u>	<u>3,257,050.00</u>
<b>b. <u>Expenditure</u></b>		
Dementia Supplement for Elderly with Disabilities	58,590.90	55,103.00
Infirmiry Care Supplement for the Aged Blind Persons	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmiry Care Supplement for Residential Elderly Services	-	-
Dementia Supplement for Day Care Centres/units for the Elderly	1,266,708.50	1,021,020.00
Foster Care Allowance/Emergency Foster Care Allowance	-	-
After School Care Programme - Fee Waiving Subsidy Scheme	552,251.00	402,336.00
Temporary Financial Aid	-	-
Emergency Fund	97,796.60	87,629.30
Time-defined Subsidy Scheme for Extended Hours Service Users	-	-
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Short-term Rental Assistance	-	-
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	106,186.00	109,876.00
Neighbourhood Service Child Care Project (NSCCP) Contract Subsidy	-	-
NSCCP - Subsidy for Fee Reduction/waiving	-	-
NSCCP - Rent and Rates	-	-
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	445,000.00	-
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	421,707.00	427,336.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
Enhanced After School Care Programme - Fee Waiving Subsidy Scheme	564,422.00	466,364.00
Navigation Scheme for Young Persons in Care Services - Operating Expenses	-	-
Navigation Scheme for Young Persons in Care Services - Training Cost	-	-
Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services	-	-
One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly	-	-
One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	43,750.00	-
<b>Total</b>	<u>3,556,412.00</u>	<u>2,569,664.30</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
	\$	\$
<b>Other Income</b>		
(a) Fees and charges for services incidental to operation of subvented services	8,822,849.10	8,012,357.74
(b) Others	1,767,510.14	1,602,190.54
<b>Total</b>	<u>10,590,359.24</u>	<u>9,614,548.28</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:

<u>Analysis of Personal Emoluments paid under LSG</u>	<u>No of Posts</u>	<u>\$</u>
HK\$700,001 - HK\$800,000 p.a.	6	4,492,551.00
HK\$800,001 - HK\$900,000 p.a.	4	3,478,065.00
HK\$900,001 - HK\$1,000,000 p.a.	11	10,206,164.00
HK\$1,000,001 - HK\$1,100,000 p.a.	1	1,067,273.00
HK\$1,100,001 - HK\$1,200,000 p.a.	6	6,872,237.00
> HK\$1,200,000 p.a.	3	4,943,667.00

**7. Other Charges**

The breakdown on Other Charges is as follows:

	2017-18	2016-17
	\$	\$
<b>Other Charges</b>		
(a) Utilities	4,046,881.92	4,140,387.29
(b) Food	7,668,582.95	7,403,904.76
(c) Administrative Expenses	2,514,340.45	2,468,364.56
(d) Stores and Equipment	3,290,140.06	3,446,093.70
(e) Repair and Maintenance	3,091,699.37	2,831,242.28
(f) Special Allowances	1,034,096.25	1,038,371.25
(g) Programme Expenses	11,261,482.52	10,711,766.75
(h) Transportation and Travelling	2,789,865.63	2,601,177.74
(i) Insurance	1,370,888.18	1,305,579.59
(j) Miscellaneous	453,193.29	448,566.80
<b>Total</b>	<u>37,521,170.62</u>	<u>36,395,454.72</u>

**7a. Special One-off Grant Payment** Details of Special One-off Grant Payments are as follows:

	2017-18	2016-17
	\$	\$
<b>Special one-off Grant Payments</b>		
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
<b>Total</b>	<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
<b>Income</b>	\$	\$	\$	\$	\$
Lump Sum Grant	197,823,172.00	-	-	-	197,823,172.00
Special One-off Grant	-	-	-	-	-
Fee Income	13,952,689.85	-	-	-	13,952,689.85
Other Income	10,590,359.24	-	-	-	10,590,359.24
Interest Received (Note (1))	265,908.32	-	-	-	265,908.32
Rent and Rates	-	-	3,646,126.00	-	3,646,126.00
Central Items	-	-	-	4,001,292.00	4,001,292.00
<b>Total Income (a)</b>	<b>222,632,129.41</b>	<b>-</b>	<b>3,646,126.00</b>	<b>4,001,292.00</b>	<b>230,279,547.41</b>
<b>Expenditure</b>					
Personal Emoluments	186,791,813.22	-	-	-	186,791,813.22
Other Charges	37,521,170.62	-	-	-	37,521,170.62
Rent and Rates	-	-	4,065,641.32	-	4,065,641.32
Central Items	-	-	-	3,556,412.00	3,556,412.00
Special One-off Grant Payments	-	-	-	-	-
<b>Total Expenditure (b)</b>	<b>224,312,983.84</b>	<b>-</b>	<b>4,065,641.32</b>	<b>3,556,412.00</b>	<b>231,935,037.16</b>
<b>Surplus/(Deficit) for the Year (a) - (b)</b>	<b>(1,680,854.43)</b>	<b>-</b>	<b>(419,515.32)</b>	<b>444,880.00</b>	<b>(1,655,489.75)</b>
Less: Surplus/(Deficit) of Provident Fund	(1,541,196.49)	-	-	-	(1,541,196.49)
	(139,657.94)	-	(419,515.32)	444,880.00	(114,293.26)
<b>Surplus/(Deficit) b/f (Note (2))</b>	<b>15,002,496.67</b>	<b>-</b>	<b>(705,008.90)</b>	<b>2,698,162.70</b>	<b>16,995,650.47</b>
Add :					
Adjustment for R&R balance ref letter (43) in SWD SF/SAS/4-65/138(672)II	-	-	10,086.00	-	10,086.00
Annual Surplus Assessment for 16-17 letter (98) in SWD SF/SAS/4-55/1/1 II	-	-	-	39,364.00	39,364.00
Deficit covered by SJS's Fund for Dementia Supplement for Day Care Centre - 6792	-	-	-	5,111.00	5,111.00
Back payment of Rent & Rates for previous financial years	-	-	518,828.00	-	518,828.00
Less :					
Refund to Government for 15-16 letter (64) in SWD SF/SAS/4-55/1/1	-	-	(153,316.00)	(128,038.00)	(281,354.00)
Refund to Government for 16-17 letter (166) in SWD SF/SAS/4-55/1/1	-	-	(9,514.26)	(236,072.00)	(245,586.26)
Annual Surplus Assessment for 15-16 letter (138) in SWD SF/SAS/4-55/1/1	-	-	-	(17,472.00)	(17,472.00)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmiry Care Supplementary (Note (3))	-	-	-	-	-
<b>Surplus/(Deficit) c/f (Note (4))</b>	<b>14,862,838.73</b>	<b>-</b>	<b>(758,440.48)</b>	<b>2,805,935.70</b>	<b>16,910,333.95</b>

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 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 Infirmiry Care Supplement, if any, as per Schedule for Central Items.
- (4) The level of LSG cumulative reserve (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.