

ANNUAL FINANCIAL REPORT

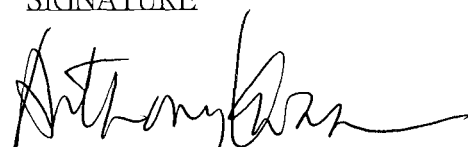
NGO: Tung Lum Buddhist Aged Home

1 April 2017 to 31 March 2018

| | Notes | 2017-18 \$ | 2016-17 \$ |
|---|-------|----------------------|----------------------|
| A. INCOME | | | |
| 1. Lump Sum Grant | | | |
| a. Lump Sum Grant (excluding Provident Fund) | 1b | 9,802,182.00 | 9,484,631.00 |
| b. Provident Fund | 1c | 940,158.00 | 913,307.00 |
| 2. Fee Income | 2 | 1,668,323.00 | 1,651,995.00 |
| 3. Central Items | 3 | 1,277,712.00 | 1,204,472.00 |
| 4. Special One-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmity Care in RCHEs for 2017-18 | | 201,632.00 | 207,553.00 |
| 5. Rent and Rates | 4 | 100,640.00 | 100,640.00 |
| 6. Other Income | 5 | 933,678.50 | 907,809.40 |
| 7. Interest Received | | 30,623.10 | 11,487.02 |
| TOTAL INCOME | | 14,954,948.60 | 14,481,894.42 |
| B. EXPENDITURE | | | |
| 1. Personal Emoluments | | | |
| a. Salaries | | 9,254,803.21 | 8,526,539.26 |
| b. Provident Fund | 1c | 874,823.10 | 800,047.29 |
| c. Allowances | | 0.00 | 0.00 |
| Sub-total | 6 | 10,129,626.31 | 9,326,586.55 |
| 2. Other Charges | 7 | 3,202,648.01 | 3,154,358.12 |
| 3. Central Items | 3 | 1,479,344.00 | 1,412,025.00 |
| 4. Rent and Rates | 4 | 100,640.00 | 100,640.00 |
| TOTAL EXPENDITURE | | 14,912,258.32 | 13,993,609.67 |
| C. SURPLUS/(DEFICIT) FOR THE YEAR | 8 | 42,690.28 | 488,284.75 |

The Annual Financial Report from pages [1] to [5] has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

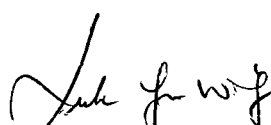
SIGNATURE



Kwan Wai Ming Anthony
CHAIRMAN

DATE: 30th October 2018

SIGNATURE



Luk Yun Wing
NGO HEAD

DATE: 30th October 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 :

| <u>Provident Fund Contribution</u> | Snapshot Staff | 6.8% and Other Posts | Total |
|--|----------------|-------------------------|---------------------|
| | \$ | \$ | \$ |
| Subvention Received | 447,381.00 | 492,777.00 | 940,158.00 |
| Provident Fund Contribution Paid | | | |
| during the Year | (447,381.00) | (427,442.10) | (874,823.10) |
| Surplus/(Deficit) for the Year | 0.00 | 65,334.90 | 65,334.90 |
| Add: Surplus/(Deficit) b/f | 28,944.00 | 1,339,180.52 | 1,368,124.52 |
| Transfer from Snapshot Staff to 6.8% and other posts | (9,217.00) | 9,217.00 | 0.00 |
| Less: Refund to Government | 19,727.00 | 0.00 | 19,727.00 |
| Surplus/(Deficit) c/f | <u>0.00</u> | <u>1,413,732.42</u> | <u>1,413,732.42</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:

| | 2017-18 | 2016-17 |
|--|---------------------|---------------------|
| a. Income | \$ | \$ |
| Dementia Supplement for Residential Elderly Services | 857,412.00 | 562,200.00 |
| Infirmary Care Supplement for Residential Elderly Services | 420,300.00 | 849,825.00 |
| Total | 1,277,712.00 | 1,412,025.00 |
| b. Expenditure | | |
| Dementia Supplement for Residential Elderly Services | 947,194.00 | 562,200.00 |
| Infirmary Care Supplement for Residential Elderly Services | 532,150.00 | 849,825.00 |
| Total | 1,479,344.00 | 1,412,025.00 |

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 |
|---|-------------------|-------------------|
| Other Income | \$ | \$ |
| (a) Fees and charges for services incidental to the operation of subvented services | 125,824.00 | 124,641.00 |
| (b) Others | 807,854.50 | 783,168.40 |
| Total | 933,678.50 | 907,809.40 |

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. | | |
| HK\$800,001 - HK\$900,000 p.a. | | |
| 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. | 1 | 1,130,416.27 |
| >HK\$1,200,000 p.a. | | |

7. **Other Charges**

The breakdown on Other Charges is as follows:

| | 2017-18 | 2016-17 |
|------------------------------------|---------------------|---------------------|
| Other Charges | \$ | \$ |
| (a) Utilities | 607,297.00 | 564,998.90 |
| (b) Food | 979,303.58 | 964,067.64 |
| (c) Administrative Expenses | 179,555.19 | 167,857.25 |
| (d) Stores and Equipment | 161,175.64 | 133,159.48 |
| (e) Repair and Maintenance | 110,302.30 | 79,832.00 |
| (f) Programme Expenses | 105,300.10 | 116,058.56 |
| (g) Transportation and Travelling | 43,977.10 | 75,373.01 |
| (h) Insurance | 177,062.69 | 300,622.08 |
| (i) Medical Expenses | 96,678.70 | 85,378.30 |
| (j) Medical Care Services | 153,640.00 | 161,020.00 |
| (k) Nursing Care Material | 544,057.00 | 443,436.70 |
| (l) Staff Training and Development | 19,396.00 | 57,576.50 |
| (m) Staff Uniform | 20,748.00 | 600.00 |
| (n) Miscellaneous | 4,154.71 | 4,377.70 |
| Total | 3,202,648.01 | 3,154,358.12 |

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 | 10,742,340.00 | - | - | 10,742,340.00 |
| Special One-off Grant | - | - | - | 0.00 |
| Fee Income | 1,668,323.00 | - | - | 1,668,323.00 |
| Other Income | 933,678.50 | - | - | 933,678.50 |
| Interest Received (Note (1)) | 30,623.10 | - | - | 30,623.10 |
| Rent and Rates | - | 100,640.00 | - | 100,640.00 |
| Central Items | - | - | 1,277,712.00 | 1,277,712.00 |
| Total Income (a) | 13,374,964.60 | 100,640.00 | 1,277,712.00 | 14,753,316.60 |
| Expenditure | | | | |
| Personal Emoluments | 10,129,626.31 | - | - | 10,129,626.31 |
| Other Charges | 3,202,648.01 | - | - | 3,202,648.01 |
| Rent and Rates | - | 100,640.00 | - | 100,640.00 |
| Central Items | - | - | 1,479,344.00 | 1,479,344.00 |
| Special One-off Grant Payments | - | - | - | - |
| Total Expenditure (b) | 13,332,274.32 | 100,640.00 | 1,479,344.00 | 14,912,258.32 |
| Surplus/(Deficit) for the Year (a)-(b) | 42,690.28 | - | (201,632.00) | (158,941.72) |
| Less: Surplus/ (Deficit) of Provident Fund | 65,334.90 | - | - | 65,334.90 |
| | (22,644.62) | 0.00 | (201,632.00) | (224,276.62) |
| Surplus/(Deficit) b/f(Note(2)) | 4,574,393.63 | | | 4,574,393.63 |
| | 4,551,749.01 | 0.00 | (201,632.00) | 4,350,117.01 |
| Add: Special One-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmiry Care in RCHEs for 2017-18 (LSG Reserve) | - | - | 201,632.00 | 201,632.00 |
| Surplus/(Deficit) c/f (Note(4)) | 4,551,749.01 | 0.00 | 0.00 | 4,551,749.01 |
| | | | | |

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 Infirmiry 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 NGO's operating expenditure (excluding Provident Fund expenditure) for the year.