

ANNUAL FINANCIAL REPORT

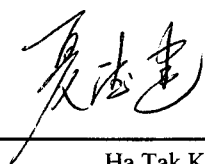
NGO : TUNG SIN TAN HOME FOR THE AGED

1 APRIL 2017 TO 31 MARCH 2018

	Notes	Total 2017-18 \$	Total 2016-17 \$	Remarks
A. INCOME				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	7,359,653	7,111,622	
b. Provident Fund	1c	578,611	562,090	
2. Special One-off Grant		-	-	
3. Fee Income	2	1,194,630	1,178,986	
4. Central Items	3	1,028,284	1,094,965	
5. Rent & Rates	4	48,655	48,472	
6. Other Income	5	8,800	9,600	
7. Interest Received		290	215	
TOTAL INCOME		10,218,923	10,005,950	
 B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries		5,122,452	5,166,728	
b. Provident Fund	1c	362,418	369,357	
c. Allowances		-	-	
Sub-total	6	5,484,870	5,536,085	
2. Other Charges	7	2,883,930	2,238,530	
3. Central Items	3	931,880	885,450	
4. Rent and Rates	4	73,760	73,760	
5. Special One-off Grant Payments	7a	-	-	
TOTAL EXPENDITURE		9,374,440	8,733,825	
 C. SURPLUS/(DEFICIT) FOR THE YEAR	 8	 844,483	 1,272,125	

The Annual Financial Report from pages 2 to 8 has been prepared in accordance with the requirement as set out in the Lump Sum Grant Manual.

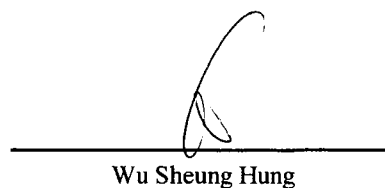
Chairman:



Ha Tak Kin

Date: 15 JUN 2018

Superintendent:



Wu Sheung Hung

Date: 15 JUN 2018

NOTE 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** like 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 3. Details are analysed below:

<u>Provident Fund Contribution</u>	Snapshot <u>Staff</u> \$	6.8% and Other <u>Posts</u> \$	<u>Total</u> \$
Subvention Received	155,713	422,898	578,611
Provident Fund Contribution Paid during the year	(153,687)	(208,731)	(362,418)
Surplus/(Deficit) for the Year	2,026	214,167	216,193
Add: Surplus/(Deficit) b/f	44,382	1,412,366	1,456,748
Adjustment to balance b/f Understatement of Provident Fund	(11,827) *	11,827 *	-
Contribution Paid in 2016/17	(5,062)	-	(5,062)
Additional subvention received for previous year(s)	-	-	-
Less: Refund to Government	(25,522) **	11,496 **	(14,026)
Surplus/(Deficit) c/f	<u>3,997</u>	<u>1,649,856</u>	<u>1,653,853</u>

* \$11,827 of 6.8% and other posts was received and adjusted for 2016-17 balanced b/f

** Ref.: SWD/S/102/1 (2017) dated 22 March 2017

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:

	2017-18	2016-17
	\$	\$
a. Income		
Dementia Supplement for Residential Elderly Services	958,284	1,094,965
One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly	70,000	-
	<u>1,028,284</u>	<u>1,094,965</u>
b. Expenditure		
Dementia Supplement for Residential Elderly Services	931,880	885,450
One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly	-	-
Total	<u>931,880</u>	<u>885,450</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
	\$	\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvention services	8,800	9,600
(b) Others	-	-
Total	<u>8,800</u>	<u>9,600</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

	<u>No. of Posts</u>	<u>\$</u>
HK\$700,001- HK\$800,000 p.a.	1	714,028
HK\$800,001- HK\$900,000 p.a.	None	-
HK\$900,001- HK\$1,000,000 p.a.	None	-
HK\$1,000,001- HK\$1,100,000 p.a.	None	-
HK\$1,100,001- HK\$1,200,000 p.a.	None	-
>HK\$1,200,000 p.a.	None	-

7. Other Charges

The breakdown on Other Charges is as follows:

	2017-18	2016-17
Other Charges	\$	\$
(a) Utilities	432,739	422,339
(b) Food	770,088	738,916
(c) Administrative Expenses	859,959	468,380
(d) Stores and Equipment	105,280	104,676
(e) Repair and Maintenance	370,397	153,816
(f) Special Allowances	-	-
(g) Programme Expenses	21,248	23,767
(h) Transportation and Travelling	7,592	6,728
(i) Insurance	218,333	255,686
(j) Miscellaneous	98,294	62,602
(k) Staff Training and Development	-	1,620
Total	2,883,930	2,238,530

7a. Special One-off Grant Payments

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

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

8. Analysis of Reserve Fund

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	7,938,264	-	-	-	7,938,264
Special One-off Grant	-	-	-	-	-
Fee Income	1,194,630	-	-	-	1,194,630
Other Income	8,800	-	-	-	8,800
Interest Received (Note (1))	290	-	-	-	290
Rent and Rates	-	-	48,655	-	48,655
Central Items	-	-	-	1,028,284	1,028,284
Total Income (a)	9,141,984	-	48,655	1,028,284	10,218,923
Expenditure					
Personal Emoluments	5,484,870	-	-	-	5,484,870
Other Charges	2,883,930	-	-	-	2,883,930
Rent and Rates	-	-	73,760	-	73,760
Central Items	-	-	-	931,880	931,880
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	8,368,800	-	73,760	931,880	9,374,440
Surplus/(Deficit) for the Year (a) - (b)	773,184	-	(25,105)	96,404	844,483
Less: Surplus/(Deficit) of Provident Fund	216,193	-	-	-	216,193
Surplus/(Deficit) b/f (Note (2))	556,991	-	(25,105)	96,404	628,290
	3,960,014	-	(101,174)	669,020	4,527,860
Less: Refund to Government	(1,761,497) *	-	-	(464,873) #	(2,226,370)
Backpayment from Government	-	-	88,536	-	88,536
Overstatement of surplus of Provident Fund and reversal of refund for Provident Fund in 2016/17	10,124	-	-	-	10,124
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmiry Care Supplementary (Note (3))	-	-	-	-	-
Surplus/(Deficit) c/f (Note (4))	2,765,632	-	(37,743)	300,551	3,028,440

- 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 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.

* Ref.: SWD SF/SAS/4-65/153(742) \$1,035,440.75 letter dated 29 May 2017 & \$726,055.75 letter dated 29 November
Ref.: (70) in SWD SF/SAS/4-55/1/1 \$274,102 dated 31 May 2017 & (172) in SWD SF/SAS/4-55/1/1 \$190,771 dated 1 December 2017