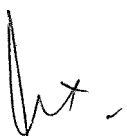


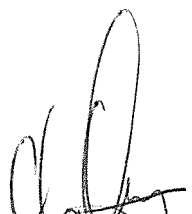
ANNUAL FINANCIAL REPORT
NGO: THE MENTAL HEALTH ASSOCIATION OF HONG KONG
(1 APRIL 2023 TO 31 MARCH 2024)

	<u>Notes</u>	2023-24 \$	2022-23 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	280,974,855.00	265,766,613.00
b. Provident Fund	1c	19,722,242.00	20,281,286.00
2. Fee Income	2	12,318,017.90	12,128,521.60
3. Central Items	3	1,920,000.00	-
4. Rent and Rates	4	10,994,848.00	10,987,258.00
5. Other Income	5	7,148,658.56	4,807,876.93
6. Interest Received		4,128,649.60	1,929,144.03
TOTAL INCOME		<u>337,207,271.06</u>	<u>315,900,699.56</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		249,766,869.17	237,196,845.41
b. Provident Fund	1c	16,766,432.15	16,358,773.68
c. Allowances		-	-
Sub-total	6	<u>266,533,301.32</u>	<u>253,555,619.09</u>
2. Other Charges	7	43,698,639.93	41,722,227.19
3. Central Items	3	1,453,100.00	4,826,000.00
4. Rent and Rates	4	<u>11,327,669.35</u>	<u>10,988,158.38</u>
TOTAL EXPENDITURE		<u>323,012,710.60</u>	<u>311,092,004.66</u>
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	<u>14,194,560.46</u>	<u>4,808,694.90</u>

The Annual Financial Report from pages 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: 25 OCT 2024



 Mr. Ching Chi Kong
 NGO Head/Head of Social Welfare Services
 Date: 25 OCT 2024

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) services (including support services to FSA services) 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 which are separately included as part of the income and expenditure of the relevant disclosures have been shown under Note 3. Details are analysed below:

<u>Provident Fund Contribution</u>	Snapshot Staff \$	6.8% and Other Posts \$	Total \$
Subvention Received	3,818,858.00	15,903,384.00	19,722,242.00
Provident Fund Contribution			
Paid during the Year	3,907,049.59	12,859,382.56	16,766,432.15
Surplus/(Deficit) for the Year	(88,191.59)	3,044,001.44	2,955,809.85
Add: Surplus/(Deficit) b/f	3,434,381.08	15,290,725.49	18,725,106.57
Additional subvention received for previous year(s)		598,161.00	598,161.00
Less: Refund to Government	1,941,581.00		1,941,581.00
Surplus/(Deficit)c/f	1,404,608.49	18,932,887.93	20,337,496.42

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:

a. Income	2023-24 \$	2022-23 \$
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	1,920,000.00	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	-	-
Total	<u>1,920,000.00</u>	<u>-</u>
b. Expenditure		
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	1,451,100.00	1,900,000.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	2,000.00	1,000.00
One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	-	2,925,000.00
Total	<u>1,453,100.00</u>	<u>4,826,000.00</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 should be included if it is used to finance expenditure of the FSA services/FSA-related activities reflected in the AFR.

The breakdown on Other Income is as follows:

Other Income	2023-24 \$	2022-23 \$
(a) Fees and charges for services incidental to the operation of subvented services	7,037,186.36	4,783,820.56
(b) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	111,472.20	24,056.37
Total	7,148,658.56	4,807,876.93

- 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.	7	5,411,845.85
HK\$800,001-HK\$900,000 p.a.	15	12,505,378.52
HK\$900,001-HK\$1,000,000 p.a.	4	3,841,520.27
HK\$1,000,001-HK\$1,100,000 p.a.	12	12,501,495.59
HK\$1,100,001-HK\$1,200,000 p.a.	7	7,801,996.65
>HK\$1,200,000 p.a.	2	3,660,919.01
Total	47	45,723,155.89

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

Other Charges	2023-24	2022-23
	\$	\$
(a) Utilities	5,996,558.03	5,491,603.93
(b) Food	9,896,216.82	9,686,079.94
(c) Administrative Expenses	641,577.52	637,322.07
(d) Stores and Equipment	3,182,668.82	6,324,782.93
(e) Repair and Maintenance	2,287,777.70	1,928,989.50
(f) Special Allowances	3,254,064.50	2,872,533.00
(g) Programme Expenses	7,878,646.34	6,571,040.38
(h) Transportation and Travelling	1,361,756.04	1,158,562.53
(i) Insurance	5,141,526.45	4,100,192.32
(j) Miscellaneous	1,641,347.17	1,120,633.42
(k) Subcontract/Production Cost	2,416,500.54	1,830,487.17
Total	43,698,639.93	41,722,227.19

on 10.2024

8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	Lump Sum Grant (LSG)	Holding Account (HA)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP / ASCP (PC) - FWSS	Rent and Rates	Central Items (CI)	Total
	\$	\$	\$	\$	\$	\$
Income						
Lump Sum Grant	300,697,097.00			-	-	300,697,097.00
Fee Income	12,318,017.90			-	-	12,318,017.90
Other Income	7,148,658.56			-	-	7,148,658.56
Interest Received (Note (1))	4,128,649.60			-	-	4,128,649.60
Rent and Rates	-			10,994,848.00	-	10,994,848.00
Central Items	-			-	1,920,000.00	1,920,000.00
Total Income (a)	324,292,423.06			10,994,848.00	1,920,000.00	337,207,271.06
Expenditure						
Personal Emoluments	261,050,768.18	5,482,533.14		-	-	266,533,301.32
Other Charges	43,463,894.51	234,745.42		-	-	43,698,639.93
Rent and Rates	-			11,327,669.35	-	11,327,669.35
Central Items	-			-	882,808.00	882,808.00
Total Expenditure (b)	304,514,662.69	5,717,278.56		11,327,669.35	882,808.00	322,442,418.60
Surplus/(Deficit) for the Year (a)-(b)	19,777,760.37	(5,717,278.56)		(332,821.35)	1,037,192.00	14,764,852.46
Less: Surplus/(Deficit) of Provident Fund	2,955,809.85			-	-	2,955,809.85
	16,821,950.52	(5,717,278.56)		(332,821.35)	1,037,192.00	11,809,042.61
Surplus/(Deficit) b/f (Note (2))	65,185,368.71	45,341,293.86		(18,200.89)	123,308.00	110,631,769.68
	82,007,319.23	39,624,015.30		(351,022.24)	1,160,500.00	122,440,812.29
Adjustment Apportionment of administrative cost between Funding Service Agreement (FSA) & non-FSA activities for 2014/15-2020/21 (Refer to email of SWD dated 13 Sept 2022)				(4,210.79)		(4,210.79)
<u>Add:</u> Refund from Government Backpayment of Rent & Rates for previous year				376,991.00		376,991.00
<u>Less:</u> Refund to Government Surplus of Rent & Rates for previous year				(376,090.25)	(570,292.00)	(946,382.25)
Surplus/(Deficit) c/f (Note (4))	82,007,319.23	39,624,015.30	-	(354,332.28)	590,208.00	121,867,210.25



3. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions (cont'd)

Notes:

- (1) Interest received on LSG (including HA) 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 of LSG Surplus b/f from previous years {including all interest received in previous years [see (1) above]} and the balance of HA should be separately reported as in the surplus b/f under LSG and HA respectively.
- (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) For NGOs without HA, separate disclosure of the movement of HA in their respective AFRs is not necessary. The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure [i.e. Total Expenditure (T1) excluding Provident Fund Contribution (k)] for the year.

For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows:

- (i) With Snapshot Staff (SS) [i.e. Position of SS as at 1 September being reporting on the Agency Staff List submitted by NGO last year was greater than zero]

The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure [i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution (k)] for the year.

- (ii) Without SS [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year (which is regarded as Year 0) was zero]

For the next three years (Year 1 to Year 3), the level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure [i.e. Total Expenditure (T1) excluding Provident Fund Contribution (k)] for the year.

From the fourth financial year (Year 4) onwards, the level of LSG cumulative reserve and HA reserve will be counted altogether and the combined reserve amount (i.e. S1+S2) will be capped at 25% of the NGO's operating expenditure [i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution (k)] for the year. In this regard, separate disclosure of the movement of HA in their respective AFRs is not necessary.

[For details of (4)(i) and (4)(ii) above, please also refer to SWD's letter under reference (11) in SWD/S/109/1/10 of 4 April 2022.]

For any amount above the cap, SWD would arrange the claw-back (including provisional in the following financial year except for those 58 NGOs which are subject to Productivity Enhancement Programme as stipulated in SWD's letter under reference (9) in SWD/S/133/1 of 6 March 2024. For details of the claw-back arrangement of the said 58 NGOs, please refer to the above letter.)