

ANNUAL FINANCIAL REPORT
NGO: THE MENTAL HEALTH ASSOCIATION OF HONG KONG
(1 APRIL 2024 TO 31 MARCH 2025)

	<u>Notes</u>	2024-25	2023-24
		\$	\$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	297,585,145.00	280,974,855.00
b. Provident Fund	1c	20,365,714.00	19,722,242.00
2. Fee Income	2	12,198,799.40	12,318,017.90
3. Central Items	3	1,020,000.00	1,920,000.00
4. Rent and Rates	4	10,994,848.00	10,994,848.00
5. Other Income	5	41,858,760.16	7,148,658.56
6. Interest Received		4,282,296.39	4,128,649.60
TOTAL INCOME		<u>388,305,562.95</u>	<u>337,207,271.06</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		289,403,720.51	249,766,869.17
b. Provident Fund	1c	22,869,258.17	16,766,432.15
c. Allowances		-	-
Sub-total	6	<u>312,272,978.68</u>	<u>266,533,301.32</u>
2. Other Charges	7	70,526,843.93	43,698,639.93
3. Central Items	3	480,000.00	1,453,100.00
4. Rent and Rates	4	11,427,775.29	11,327,669.35
TOTAL EXPENDITURE		<u>394,707,597.90</u>	<u>323,012,710.60</u>
C. (DEFICIT) / SURPLUS FOR THE YEAR	8	<u>(6,402,034.95)</u>	<u>14,194,560.46</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 Subvention Manual.



Dr. Lo Tak Lam
Chairman
Date: 28 OCT 2025



Mr. Ching Chi Kong
Director
Date: 28 OCT 2025

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 services defined in Funding and Service Agreement (FSA) (including support services to FSA activities) funded by the Social Welfare Department (SWD) under the Lump Sum Grant Subvention System and also FSA services / FSA-related activities funded by Other Funds or Donations for Designated Purposes. 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.

Other posts represent those staff that are employed after 1 April 2000. The Provident Fund received and contributed for staff under the Central Items and Other Funds or Donations for Designated Purposes which are separately included as part of the income and expenditure of the relevant disclosures have been shown under Notes 3 and 8.

Details are analysed below:

<u>Provident Fund Contribution</u>	Snapshot Staff	Other Posts	Total
	\$	\$	\$
Subvention Received	3,476,843.00	16,888,871.00	20,365,714.00
Provident Fund Contribution			
Paid during the Year	3,422,642.84	17,982,532.82	21,405,175.66
Surplus / (Deficit) for the Year	54,200.16	(1,093,661.82)	(1,039,461.66)
Add: Surplus / (Deficit) b/f	1,404,608.49	18,932,887.93	20,337,496.42
Additional subvention received for previous year(s)		547,045.00	547,045.00
Less: Refund to Government	1,394,014.00		1,394,014.00
Add: Adjustment	88,191.59		88,191.59
Surplus / (Deficit) c/f	152,986.24	18,386,271.11	18,539,257.35

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 Subvention 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 5.5.4(c) of the LSG Subvented Manual). The income and expenditure of each of the Central Items are as follows:

a. Income	2024-25	2023-24
	\$	\$
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	1,020,000.00	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>1,020,000.00</u>	<u>1,920,000.00</u>
b. Expenditure		
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	480,000.00	1,451,100.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	2,000.00
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	-	-
Total	<u>480,000.00</u>	<u>1,453,100.00</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 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 Other Funds or Donations for Designated Purposes may be included in AFR if they are used to finance expenditure of the FSA services / FSA-related activities as reflected in the AFR.

The breakdown on Other Income is as follows:

	2024-25	2023-24
Other Income	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	8,659,269.44	7,037,186.36
(b) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	109,986.12	111,472.20
(c) Others Funds for Designated Purposes	33,089,504.60	-
Total	<u><u>41,858,760.16</u></u>	<u><u>7,148,658.56</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 \$1,000,000 each paid under LSG is appended below:

Analysis of Personal Emoluments paid under LSG	No. of Posts	\$
HK\$1,000,001-HK\$1,100,000 p.a.	10	10,621,015.90
HK\$1,100,001-HK\$1,200,000 p.a.	10	11,405,995.57
HK\$1,200,001-HK\$1,300,000 p.a.	-	-
HK\$1,300,001-HK\$1,400,000 p.a.	-	-
HK\$1,400,001-HK\$1,500,000 p.a.	-	-
>HK\$1,500,000 p.a.	2	3,676,392.71
Total	22	25,703,404.18

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

Other Charges	2024-25	2023-24
	\$	\$
(a) Utilities	5,681,056.35	5,996,558.03
(b) Food (including food for service users)	9,889,644.69	9,896,216.82
(c) Administrative Expenses	701,047.22	641,577.52
(d) Stores and Equipment	2,978,557.70	3,182,668.82
(e) Minor Repairs and Maintenance	1,683,341.20	2,287,777.70
(f) Special Allowances	3,942,720.50	3,254,064.50
(g) Programme Expense	34,374,842.34	7,878,646.34
(h) Transportation and Travelling	1,492,937.27	1,361,756.04
(i) Insurance	4,266,012.46	5,141,526.45
(j) Miscellaneous	1,914,757.22	1,641,347.17
(k) Subcontract/Production Cost	3,601,926.98	2,416,500.54
Total	70,526,843.93	43,698,639.93

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

	Lump Sum Grant (LSG)	Holding Account (HA)	Other Funds or Donations for Designated Purposes	Adjustment for Utilised allocation under ASCP / Enhanced ASCP / ASCP(PC) - FWSS	Rent and Rates	Central Items (CI)	Total
	\$	\$	\$	\$	\$	\$	\$
Income							
Lump Sum Grant	317,950,859.00				-	-	317,950,859.00
Fee Income	12,198,799.40				-	-	12,198,799.40
Other Income	8,769,255.56		33,089,504.60		-	-	41,858,760.16
Interest Received (Note (1))	4,282,296.39				-	-	4,282,296.39
Rent and Rates	-				10,994,848.00	-	10,994,848.00
Central Items	-				-	1,020,000.00	1,020,000.00
Total Income (a)	343,201,210.35	-	33,089,504.60		10,994,848.00	1,020,000.00	388,305,562.95
Expenditure							
Personal Emoluments	282,865,053.55		29,407,925.13		-	-	312,272,978.68
Other Charges	45,077,762.16	259,957.94	25,189,123.83		-	-	70,526,843.93
Rent and Rates	-				11,427,775.29	-	11,427,775.29
Central Items	-				-	480,000.00	480,000.00
Total Expenditure (b)	327,942,815.71	259,957.94	54,597,048.96		11,427,775.29	480,000.00	394,707,597.90
Surplus/(Deficit) for the Year (a)-(b)	15,258,394.64	(259,957.94)	(21,507,544.36)		(432,927.29)	540,000.00	(6,402,034.95)
Less: Surplus/(Deficit) of Provident Fund	(1,039,461.66)				-	-	(1,039,461.66)
Surplus/(Deficit) for the Year (excl. PF)	16,297,856.30	(259,957.94)	(21,507,544.36)		(432,927.29)	540,000.00	(5,362,573.29)
Surplus/(Deficit) b/f (Note (2))	82,007,319.23	39,624,015.30			(354,332.28)	590,208.00	121,867,210.25
	98,305,175.53	39,364,057.36	(21,507,544.36)		(787,259.57)	1,130,208.00	116,504,636.96
Add: Refund from Government							
Backpayment of Rent & Rates for previous year					146,728.88		146,728.88
Less: Refund to Government							
Surplus of Rent & Rates for previous year					(130,170.73)		(130,170.73)
Less :							
Opening balance of Other Funds			(7,365,198.87)				(7,365,198.87)
Surplus/(Deficit) c/f (Note (4))	98,305,175.53	39,364,057.36	(28,872,743.23)	-	(770,701.42)	1,130,208.00	109,155,996.24

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], the balance of HA and balance of Other Funds or Donations for Designated Purposes should be separately reported.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Infirmary Care Supplement, if any, as per Schedule for 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 (K1)] 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 reported 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 (K1)] for the year.
 - (ii) With 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 (K1)] 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 (K1)] 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.]
- (5) As a facilitating measure for the implementation of the Productivity Enhancement Programme, the claw-back arrangement of LSG cumulative reserve amounting exceeding 25% of the NGO's operating expenditure would be suspended from 2023-24 (for NGOs with 2024-25 provisional subvention allocation of \$50M or more) / 2024-25 (for NGOs with 2024-25 provisional subvention allocation of less than \$50M) until 2028-29 as stipulated in SWD's letter under reference (1) / (2) / (3) / (4) in SWD 0075-0010-0060-0080-0040 of 3 March 2025.