

Annual financial report

International Social Service Hong Kong Branch (412)

1 April 2016 to 31 March 2017

	Notes	Total 2016/2017	Total 2015/2016
A. INCOME			
1 Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1(b)	\$ 66,648,247.00	\$ 63,635,969.00
b. Provident Fund	1(c)	6,878,137.00	6,548,624.00
2 Special One-Off Grant		-	2,354,975.00
3 Fee Income	2	28,892.60	20,596.20
4 Central Items	3	18,677,884.00	18,050,300.00
5 Rent and Rates	4	1,585,709.00	1,490,215.00
6 Other Income (e.g. Program Income)	5	644,267.40	766,845.20
7 Interest Received		3,252.12	2,744.37
TOTAL INCOME		<u>\$ 94,466,389.12</u>	<u>\$ 92,870,268.77</u>
B. EXPENDITURE			
1 Personal Emoluments			
a. Salaries		\$ 61,683,919.40	\$ 56,385,006.51
b. Provident Fund	1(c)	7,171,651.92	7,062,155.58
c. Allowance		-	-
Sub-total	6	\$ 68,855,571.32	\$ 63,447,162.09
2 Other Charges	7	6,148,566.47	5,671,340.82
3 Central Items	3	16,581,585.28	15,384,341.24
4 Rent and Rates	4	1,712,793.00	1,546,581.00
5 Special One-off Grant Payments	7(a)	-	2,354,975.00
TOTAL EXPENDITURE		<u>\$ 93,298,516.07</u>	<u>\$ 88,404,400.15</u>
C. SURPLUS FOR THE YEAR	8	<u>\$ 1,167,873.05</u>	<u>\$ 4,465,868.62</u>

Chairman

Date: 26 JUL 2017

Chief Executive

Date: 26 JUL 2017

Notes on the annual financial report

1 Lump Sum Grant

(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 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 note 3.

Details are analysed below:

<i>Provident Fund Contribution</i>	<i>Snapshot Staff</i>	<i>6.8% and Other Posts</i>	<i>Total</i>
Subvention Received	\$ 3,957,019.00	\$ 2,921,118.00	\$ 6,878,137.00
Provident Fund Contribution Paid during the Year	(3,653,294.25)	(3,518,357.67)	(7,171,651.92)
Surplus/(deficit) for the year	\$ 303,724.75	\$ (597,239.67)	\$ (293,514.92)
Add: surplus b/f	574,889.30	2,199,589.32	2,774,478.62
Less: Refund to Government	(379,462.00)	128,070.00	(251,392.00)
Surplus c/f	\$ 499,152.05	\$ 1,730,419.65	\$ 2,229,571.70

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 Lump Sum Grant Manual.

3 Central Items

These are subvented service activities which are not included in Lump Sum Grant and are subject to their own procedures as set out in other SWD's papers and correspondence with the NGOs. The PF 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:

	2016 - 2017	2015 - 2016
a. Income		
– Dementia Supplement for Elderly with Disabilities	\$ /	\$ /
– Infirmary Care Supplementary for the Aged Blind Person	/	/
– Dementia Supplement for Residential Elderly Services	/	/
– Infirmary Care Supplementary for Residential Elderly Services	/	/
– Foster Care Allowance/Emergency Foster Care Allowance	17,309,440.00	16,690,640.00
– Permanent and/or Time-defined Programme Assistants/Care Assistants for Elderly Services and Rehabilitation Medical & Social Services	/	/
– Temporary Financial Aid	/	/
– Emergency Fund	/	/
– Time-defined Subsidy Scheme for extended Hours Child Care Services	/	/
– Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential CCC	/	/
– Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	/	/
– Programme Work posts extended for one year in 2013-14	/	/
– Regularized Programmed Assistant (PA)/Care Assistants (CA)	/	/
– Subsidy under the Home Environment Improvement Scheme for the Elderly	/	/
– Short-term Rental Assistance to Newly Discharged Prisoners	/	/
– One-off Supplementary Grant for Service Re-engineering Plan of the Factory for the Blind	/	/
– Allowances for Specific Services Arising from the Implementation of the MWO (Overnight On-site-on call Allowance)	1,368,444.00	1,359,660.00
– Neighbourhood Service Child Care Project (NSCCP) - Contract Subsidy	/	/
– NSCCP - Subsidy for Fee Reduction/Waiving	/	/
Total	<u>\$ 18,677,884.00</u>	<u>\$ 18,050,300.00</u>

3 Central Items (continued)

	2016 - 2017	2015 - 2016
b. Expenditure		
– Dementia Supplement for Elderly with Disabilities	\$ /	\$ /
– Infirmary Care Supplementary for the Aged Blind Person	/	/
– Dementia Supplement for Residential Elderly Services	/	/
– Infirmary Care Supplementary for Residential Elderly Services	/	/
– Foster Care Allowance/Emergency Foster Care Allowance	15,275,490.60	14,109,895.20
– Permanent and Time-defined Programme Assistants/Care Assistants for Elderly Services and Rehabilitation Medical & Social Services	/	/
– Temporary Financial Aid	/	/
– Emergency Fund	/	/
– Time-defined Subsidy Scheme for extended Hours Child Care Services	/	/
– Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential CCC	/	/
– Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	/	/
– Programme Work posts extended for one year in 2013 - 2014*	/	/
– Regularized Programmed Assistant (PA)/Care Assistants (CA)	/	/
– Subsidy under the Home Environment Improvement Scheme for the Elderly	/	/
– Short-term Rental Assistance to Newly Discharged Prisoners	/	/
– One-off Supplementary Grant for Service Re-engineering Plan of the Factory for the Blind	/	/
– Allowances for Specific Services Arising from the Implementation of the MWO (Overnight On-site-on call Allowance)	1,306,094.68	1,274,446.04
– Neighbourhood Service Child Care Project (NSCCP) - Contract Subsidy	/	/
– NSCCP - Subsidy for Fee Reduction/Waiving	/	/
Total	<u>\$ 16,581,585.28</u>	<u>\$ 15,384,341.24</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 should not be included in AFR.

5 Other Income

This include 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.

The breakdown on Other Income (paragraph 2.29 of LSG Manual (October 2016)) is as follows:

	2016 - 2017	2015 - 2016
Other Income		
(a) Fees and charges for services	\$ 644,267.40	\$ 766,845.20
(b) Others	0.00	0.00
Total	\$ 644,267.40	\$ 766,845.20

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 is appended below:

<i>Analysis of Personal Emoluments</i>	<i>No of Posts</i>	<i>2016 - 2017</i>
HK\$700,001 - HK\$800,000 p.a.	1	\$ 709,441.56
HK\$800,001 - HK\$900,000 p.a.	15	13,421,826.17
HK\$900,001 - HK\$1,000,000 p.a.	6	5,536,537.00
HK\$1,000,001 - HK\$1,100,000 p.a.	1	1,020,234.00
HK\$1,100,001 - HK\$1,200,000 p.a.	3	3,349,467.00
>HK\$1,200,001 p.a.	1	1,369,029.00

7 Other Charges

The breakdown on Other Charges is as follows:

	2016 - 2017	2015 - 2016
Other Charges		
(a) Utilities	\$ 745,847.56	\$ 725,138.90
(b) Food	1,002,662.00	978,029.00
(c) Administrative Expenses	875,842.65	741,218.50
(d) Stores and Equipment	454,229.20	402,383.60
(e) Repair and Maintenance	252,525.50	345,282.86
(f) Special Allowances (Housefather Allowance – SGH)	608,726.00	515,327.00
(g) Programme Expenses	1,421,403.86	1,286,468.56
(h) Transport and Travelling	166,347.80	156,443.80
(i) Insurance	276,236.54	179,607.49
(j) Membership Fee	279,618.36	280,540.51
(k) Miscellaneous	65,127.00	60,900.60
Total	\$ 6,148,566.47	\$ 5,671,340.82

7 Other Charges (continued)

(a) Special One-off Grant Payments

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

	2016 - 2017	2015 - 2016
Special one-off Grant Payments		
(a) Voluntary Retirement Scheme	\$ -	\$ -
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related initiatives	-	2,354,975.00
Total	\$ -	\$ 2,354,975.00

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	\$ 73,526,384.00	\$ -	\$ -	\$ -	\$ 73,526,384.00
Special One-off Grant	-	-	-	-	-
Fee Income	28,892.60	-	-	-	28,892.60
Other Income (Note (5))	644,267.40	-	-	-	644,267.40
Interest Received (Note (1))	3,252.12	-	-	-	3,252.12
Rent and Rates	-	-	1,585,709.00	-	1,585,709.00
Central Items	-	-	-	18,677,884.00	18,677,884.00
Total Income (a)	\$ 74,202,796.12	\$ -	\$ 1,585,709.00	\$ 18,677,884.00	\$ 94,466,389.12
Expenditure					
Personal Emoluments	\$ 68,855,571.32	\$ -	\$ -	\$ -	\$ 68,855,571.32
Other Charges	6,148,566.47	-	-	-	6,148,566.47
Rent and Rates	-	-	1,712,793.00	-	1,712,793.00
Central Items	-	-	-	16,581,585.28	16,581,585.28
Special One-off Grant Payment	-	-	-	-	-
Total Expenditure (b)	\$ 75,004,137.79	\$ -	\$ 1,712,793.00	\$ 16,581,585.28	\$ 93,298,516.07
Surplus/(Deficit) for the Year (a) - (b)	\$ (801,341.67)	\$ -	\$ (127,084.00)	\$ 2,096,298.72	\$ 1,167,873.05
Less: Deficit of Provident Fund	293,514.92	-	-	-	293,514.92
	\$ (507,826.75)	\$ -	\$ (127,084.00)	\$ 2,096,298.72	\$ 1,461,387.97
Surplus b/f (Note (2))	10,913,483.48	-	(63,808.14)	5,771,812.20	16,621,487.54
Less: Refund to Government					
Ref: SWD SF/SA/4-65/(412) (31 Oct 2016)	-	-	(4,825.00)	(3,065,603.69)	(3,070,428.69)
Ref: SWD SF/SA/4-65/(412) (7 Nov 2016)	-	-	-	(26,749.75)	(26,749.75)
Ref: Refund the deficit of Rent & Rates for year 2015-16 (Nov 2016)	-	-	94,920.00	-	94,920.00
Transfer from LSG Reserve to cover the salary adjustment for Dementia supplement and Infirmary care supplement (Note (3))	-	-	-	-	-
	\$ 10,405,656.73	\$ -	\$ (100,797.14)	\$ 4,775,757.48	\$ 15,080,617.07
Surplus/(Deficit) c/f (Note (4))	\$ 10,405,656.73	\$ -	\$ (100,797.14)	\$ 4,775,757.48	\$ 15,080,617.07

8 Analysis of Reserve Fund (continued)

Notes:

- (1) All the Interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant is 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 and all interest received in previous years are included in the surplus b/f under LSG.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Programme Assistants, Care Assistants, Dementia Supplement and Infirmary Care Supplement. If any, as per Schedule of Central Items.
- (4) The level of LSG cumulative reserves (i.e. S) will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.
- (5) Included \$198,610.30 as amount raised by Lottery Ticket Sale.