



Annual financial report
International Social Service Hong Kong Branch (412)
1 April 2018 to 31 March 2019

	Notes	Total 2018/2019	Total 2017/2018
A. INCOME			
1 Lump Sum			
a. Lump Sum Grant (excluding Provident Fund)	1(b)	\$ 72,632,726.00	\$ 68,869,010.00
b. Provident Fund	1(c)	7,379,841.00	6,985,071.00
2 Fee Income	2	13,683.30	6,817.48
3 Central Items	3	27,938,414.00	21,845,104.00
4 Rent and Rates	4	1,594,400.00	1,590,146.00
5 Other Income (e.g. Program Income)	5	887,755.80	665,153.40
6 Interest Received		9,617.14	19,232.33
TOTAL INCOME		<u>\$ 110,456,437.24</u>	<u>\$ 99,980,534.21</u>
B. EXPENDITURE			
1 Personal Emoluments			
a. Salaries		\$ 67,094,015.29	\$ 63,903,060.05
b. Provident Fund	1(c)	6,575,978.59	7,318,020.96
c. Allowance		-	-
Sub-total	6	\$ 73,669,993.88	\$ 71,221,081.01
2 Other Charges	7	6,860,121.40	6,197,200.54
3 Central Items	3	22,699,734.71	18,591,041.71
4 Rent and Rates	4	1,633,625.20	1,718,541.00
TOTAL EXPENDITURE		<u>\$ 104,863,475.19</u>	<u>\$ 97,727,864.26</u>
C. SURPLUS FOR THE YEAR	8	<u>\$ 5,592,962.05</u>	<u>\$ 2,252,669.95</u>

The Annual Financial Report from pages from 3 to 27 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.


Chairman
Date: 23 JUL 2019


Chief Executive
Date: 23 JUL 2019

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	\$ 4,118,883.00	\$ 3,260,958.00	\$ 7,379,841.00
Provident Fund Contribution Paid during the Year	<u>(3,862,290.30)</u>	<u>(2,713,688.29)</u>	<u>(6,575,978.59)</u>
Surplus/(deficit) for the year	\$ 256,592.70	\$ 547,269.71	\$ 803,862.41
Add: Surplus b/f	474,758.40	1,290,080.34	1,764,838.74
Additional Subvention received for previous year(s)	-	55,028.00	55,028.00
Less: Refund to Government	<u>(303,725.00)</u>	<u>-</u>	<u>(303,725.00)</u>
Surplus c/f	<u>\$ 427,626.10</u>	<u>\$ 1,892,378.05</u>	<u>\$ 2,320,004.15</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 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:

	2018 - 2019	2017 - 2018
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	/	/
- Dementia Supplement for Day Care Centre/units for the Elderly	/	/
- Foster Care Allowance/Emergency Foster Care Allowance	26,485,754.00	20,399,464.00
- After School Care Programme Fee Waiving Subsidy Scheme	/	/
- Temporary Financial Aid	/	/
- Emergency Fund	/	/
- Time-defined Subsidy Scheme for extended Hours Services Users	/	/
- Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	/	/
- Short-term Rental Assistance	/	/
- Allowances for Specific Services Arising from the Implementation of the MWO (Overnight On-site-on call Allowance)	1,452,660.00	1,445,640.00
- Neighbourhood Service Child Care Project (NSCCP) - Contract Subsidy	/	/
- NSCCP - Subsidy for Fee Reduction/Waiving	/	/
- NSCCP - Rent and Rates	/	/
- Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	/	/
- Training Subsidy programme for Children on the waiting list for Subvented Pre-school Rehabilitation Services	/	/
- Financial Incentive Scheme for Mentors Employees with Disabilities	/	/
- Cash Subsidy for Integrated Support Service for Persons with Severe Physical Disabilities	/	/
- Time-defined Subsidy Scheme for Occasional Child Care Service	/	/
- Enhanced After School Care Programme Fee Waiving Subsidy Scheme	/	/
- Navigation Scheme for Young Persons in Care Services - Operating Expenses	/	/
- Navigation Scheme for Young Persons in Care Services - Training Cost	/	/
- Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services	/	/
- One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Home for the Elderly	/	/
- One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	/	/
Total	<u>\$ 27,938,414.00</u>	<u>\$ 21,845,104.00</u>

3 Central Items (continued)

	2018 - 2019	2017 - 2018
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	/	/
- Dementia Supplement for Day Care Centre/units for the Elderly	/	/
- Foster Care Allowance/Emergency Foster Care Allowance	21,338,726.00	17,237,806.90
- After School Care Programme-Fee Waiving Subsidy Scheme	/	/
- Temporary Financial Aid	/	/
- Emergency Fund	/	/
- Time-defined Subsidy Scheme for extended Hours Services Users	/	/
- Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	/	/
- Short-term Rental Assistance	/	/
- Allowances for Specific Services Arising from the Implementation of the MWO (Overnight On-site-on call Allowance)	1,361,008.71	1,353,234.81
- Neighbourhood Service Child Care Project (NSCCP) - Contract Subsidy	/	/
- NSCCP - Subsidy for Fee Reduction/Waiving	/	/
- NSCCP - Rent and Rates	/	/
- Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	/	/
- Training Subsidy programme for Children on the waiting list for Subvented Pre-school Rehabilitation Services	/	/
- Financial Incentive Scheme for Mentors Employees with Disabilities	/	/
- Cash Subsidy for Integrated Support Service for Persons with Severe Physical Disabilities	/	/
- Time -defined Subsidy Scheme for Occasional Child Care Service	/	/
- Enhanced After School Care Programme Fee Waiving Subsidy Scheme	/	/
- Navigation Scheme for Young Persons in Care Services	/	/
- Operating Expenses	/	/
- Navigation Scheme for Young Persons in Care Services	/	/
- Training Cost	/	/
- Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services	/	/
- One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Home for the Elderly	/	/
- One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	/	/
Total	<u>\$ 22,699,734.71</u>	<u>\$ 18,591,041.71</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 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. In this respect, donations have been included if it is used to finance expenditure reflected in the AFR.

The breakdown on Other Income is as follows:

Other Income	<i>2018 - 2019</i>	<i>2017 - 2018</i>
(a) Fees and charges for services incidental to the operation of subvented services	\$ 887,755.80	\$ 665,153.40
(b) Others	0.00	0.00
Total	<u>\$ 887,755.80</u>	<u>\$ 665,153.40</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 paid under LSG each is appended below:

<i>Analysis of Personal Emoluments paid under LSG</i>	<i>No of Posts</i>	<i>2018 - 2019</i>
HK\$700,001 - HK\$800,000 p.a.	2	\$ 1,468,182.00
HK\$800,001 - HK\$900,000 p.a.	1	829,653.30
HK\$900,001 - HK\$1,000,000 p.a.	20	19,474,008.00
HK\$1,000,001 - HK\$1,100,000 p.a.	1	1,081,644.00
HK\$1,100,001 - HK\$1,200,000 p.a.	3	3,550,878.00
>HK\$1,200,001 p.a.	1	1,451,415.00

7 Other Charges

The breakdown on Other Charges is as follows:

Other Charges	<i>2018 – 2019</i>	<i>2017 – 2018</i>
(a) Utilities	\$ 711,639.37	\$ 716,063.13
(b) Food	1,041,826.80	1,010,245.10
(c) Administrative Expenses	952,250.08	861,585.78
(d) Stores and Equipment	465,359.01	421,134.35
(e) Repair and Maintenance	512,201.30	278,677.70
(f) Special Allowances (Housefather Allowance – SGH)	618,146.80	579,380.30
(g) Programme Expenses	1,530,338.13	1,321,787.30
(h) Transport and Travelling	161,741.14	159,281.90
(i) Insurance	271,027.72	275,794.47
(j) Membership Fee	518,491.35	509,533.51
(k) Miscellaneous	77,099.70	63,717.00
Total	<u>\$ 6,860,121.40</u>	<u>\$ 6,197,200.54</u>

8 Analysis of Reserve Fund

	Analysis of Reserve Fund			
	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
Income				
Lump Sum Grant	\$ 80,012,567.00	\$ -	\$ -	\$ 80,012,567.00
Fee Income	13,683.30	-	-	13,683.30
Other Income (Note (5))	887,755.80	-	-	887,755.80
Interest Received (Note (1))	9,617.14	-	-	9,617.14
Rent and Rates	-	1,594,400.00	-	1,594,400.00
Central Items	-	-	27,938,414.00	27,938,414.00
Total Income (a)	\$ 80,923,623.24	\$ 1,594,400.00	\$ 27,938,414.00	\$ 110,456,437.24
Expenditure				
Personal Emoluments	\$ 73,669,993.88	\$ -	\$ -	\$ 73,669,993.88
Other Charges	6,860,121.40	-	-	6,860,121.40
Rent and Rates	-	1,633,625.20	-	1,633,625.20
Central Items	-	-	22,699,734.71	22,699,734.71
Total Expenditure (b)	\$ 80,530,115.28	\$ 1,633,625.20	\$ 22,699,734.71	\$ 104,863,475.19
Surplus/(Deficit) for the Year (a) - (b)	\$ 393,507.96	\$ (39,225.20)	\$ 5,238,679.29	\$ 5,592,962.05
Less: Surplus of Provident Fund	803,862.41	-	-	803,862.41
	\$ (410,354.45)	\$ (39,225.20)	\$ 5,238,679.29	\$ 4,789,099.64
Surplus/(deficit) b/f (Note (2))	9,865,609.35	(258,449.14)	3,267,559.29	12,874,719.50
Less: Refund to Government Ref: SWD SF/SAS/4-55/1/1 (30 November 2018)	-	10,280.00	3,254,062.29	3,264,342.29
Add: Refund from Government Ref: Recurrent subvention for February 2019	-	178,230.00	-	178,230.00
Ref: Recurrent subvention for March 2019	-	88,848.00	-	88,848.00
Transfer from LSG Reserve to cover the salary adjustment for Dementia supplement and Infirmary care supplement (Note (3))	-	-	-	-
Surplus/(Deficit) c/f (Note (4))	\$ 9,455,254.90	\$ (40,876.34)	\$ 5,252,176.29	\$ 14,666,554.85

8 Analysis of Reserve Fund (continued)

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 Demetia Supplement and Infirmary 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.
- (5) Included \$200,147.50 as amount raised by Lottery Ticket Sale.