

ANNUAL FINANCIAL REPORT

ABERDEEN KAI-FONG WELFARE ASSOCIATION SOCIAL SERVICE

(1 APRIL 2017 TO 31 MARCH 2018)

	Notes	2017-18 \$	2016-17 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	62,240,524.00	60,497,255.00
b. Provident Fund	1c	6,398,633.00	6,274,741.00
2. Special One-Off Grant		-	-
3. Fee Income	2	1,976,368.60	2,008,014.00
4. Central Items	3	1,337,954.00	1,178,976.00
5. Rent and Rates	4	2,046,274.00	2,035,095.00
6. Other Income	5	12,626,127.01	13,035,371.14
7. Interest Received		105,472.63	115,388.94
TOTAL INCOME		86,731,353.24	85,144,841.08
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		63,469,422.63	62,439,727.59
b. Provident Fund	1c	5,457,438.66	5,603,744.36
c. Allowances		250,623.37	241,313.40
Sub-total	6	69,177,484.66	68,284,785.35
2. Other Charges	7	13,245,707.23	14,168,061.20
3. Central Items	3	1,349,935.78	681,723.14
4. Rent and Rates	4	2,281,593.00	2,261,445.00
5. Special One-off Grant Payments	8	-	-
TOTAL EXPENDITURE		86,054,720.67	85,396,014.69
C. SURPLUS/(DEFICIT) FOR THE YEAR	9	676,632.57	(251,173.61)

The Annual Financial Report from pages 2 to 7 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE



Chan Lee Shing, William, J.P.
CHAIRMAN

DATE : 18 OCT 2018

SIGNATURE



Wan Ngai Teck, Alice
NGO HEAD/HEAD OF SOCIAL WELFARE SERVICES

DATE : 18 OCT 2018

ABERDEEN KAI-FONG WELFARE ASSOCIATION SOCIAL SERVICE

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) 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 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 have been shown under 3.

Details are analysed below :

<u>Provident Fund Contribution</u>	<u>Snapshot Staff HK\$</u>	<u>6.8% and Other Posts HK\$</u>	<u>Total HK\$</u>
Subvention Received	3,382,635.00	2,951,325.00	6,333,960.00
Provident Fund Contribution Paid during the Year	2,907,001.00	2,550,437.66	5,457,438.66
Surplus/(Deficit) for the Year	475,634.00	400,887.34	876,521.34
Add : Surplus/(Deficit) b/f	226,484.00	7,072,133.55	7,298,617.55
Additional subvention received for previous year(s)	-	64,673.00	64,673.00
Add/(Less) : Adjustment of opening balance after 2017 Accounting Inspection			
- SWD Ref : SWD SF/SI/4-65/1(004)II - point 2(i) &(ii)	(21,003.00)	21,003.00	-
- SWD Ref : SWD SF/SI/4-65/1(004)II - point 2(iii)	2,403.00	-	2,403.00
- SWD Ref : SWD SF/SI/4-65/1(004)II - point 2(iv)	(78,277.00)	78,277.00	-
Less : Refund to Government	-	-	-
Surplus/(Deficit) c/f	605,241.00	7,636,973.89	8,242,214.89

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:

<u>a. Income</u>	<u>2017-18</u> <u>HK\$</u>	<u>2016-17</u> <u>HK\$</u>
Dementia Supplement for Elderly with Disabilities	-	-
Infirmity Care Supplement for the Aged Blind Person	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmity Care Supplement for Residential Elderly Services	-	-
Dementia Supplement for Day Care Centres/units for the Elderly	514,454.00	404,976.00
Foster Care Allowance/Emergency Foster Care Allowance	-	-
After School Care Programme - Fee Waiving Subsidy Scheme	283,500.00	234,000.00
Temporary Financial Aid	-	-
Emergency Fund	-	-
Time-defined Subsidy Scheme for Extended Hours Service 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 Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	-	-
Neighbourhood Support 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	540,000.00	540,000.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
Enhanced After School Care Programme	-	-
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 Homes for the Elderly	-	-
One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	-	-
Total	1,337,954.00	1,178,976.00

		<u>2017-18</u>	<u>2016-17</u>
		HK\$	HK\$
3. Central Items	b. Expenditure		
<i>(continued)</i>	Dementia Supplement for Elderly with Disabilities	-	-
	Infirmiry Care Supplement for the Aged Blind Person	-	-
	Dementia Supplement for Residential Elderly Services	-	-
	Infirmiry Care Supplement for Residential Elderly Services	-	-
	Dementia Supplement for Day Care Centres/units for the Elderly	514,454.00	404,976.00
	Foster Care Allowance/Emergency Foster Care Allowance	-	-
	After School Care Programme - Fee Waiving Subsidy Scheme	295,481.78	276,747.14
	Temporary Financial Aid	-	-
	Emergency Fund	-	-
	Time-defined Subsidy Scheme for Extended Hours Service 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 Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	-	-
	Neighbourhood Support 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	540,000.00	-
	Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	-	-
	Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
	Cash Subsidy for Integrated Support Services 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 Homes 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>1,349,935.78</u>	<u>681,723.14</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
	HK\$	HK\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	12,398,550.91	13,023,561.44
(b) Others	227,576.10	11,809.70
	<u>12,626,127.01</u>	<u>13,035,371.14</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	No. of Posts	HK\$
HK\$700,001 - HK\$800,000 p.a.	2	1,556,667.20
HK\$800,001 - HK\$900,000 p.a.	4	3,383,898.37
HK\$900,001 - HK\$1,000,000 p.a.	3	2,779,097.00
HK\$1,000,001 - HK\$1,100,000 p.a.	1	1,028,876.30
HK\$1,100,001 - HK\$1,200,000 p.a.	3	3,412,404.00
> HK\$1,200,000 p.a.	0	-

7. Other Charges

The breakdown on Other Charges is as follows:

	2017-18	2016-17
	HK\$	HK\$
Other Charges		
(a) Utilities	1,474,991.22	1,679,554.26
(b) Food	2,185,279.00	2,244,986.57
(c) Administrative Expenses	458,523.89	496,816.29
(d) Stores and Equipment	531,443.44	596,411.87
(e) Repair and Maintenance	328,351.30	511,827.80
(f) Special Allowances	60,408.00	47,870.00
(g) Programme Expenses	7,198,008.64	7,701,217.35
(h) Transportation and Travelling	318,669.58	287,709.14
(i) Insurance	339,385.95	331,543.86
(j) Miscellaneous	350,646.21	270,124.06
Total	<u>13,245,707.23</u>	<u>14,168,061.20</u>

8. Special One-off Grant Payments

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

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

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

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	68,639,157.00	-	-	-	68,639,157.00
Special One-off Grant	-	-	-	-	-
Fee Income	1,976,368.60	-	-	-	1,976,368.60
Other Income	12,626,127.01	-	-	-	12,626,127.01
Interest Received (Note (1))	105,472.63	-	-	-	105,472.63
Rent and Rates	-	-	2,046,274.00	-	2,046,274.00
Central Items	-	-	-	1,337,954.00	1,337,954.00
Total Income(a)	83,347,125.24	-	2,046,274.00	1,337,954.00	86,731,353.24
Expenditure					
Personal Emoluments	69,177,484.66	-	-	-	69,177,484.66
Other Charges	13,245,707.23	-	-	-	13,245,707.23
Rent and Rates	-	-	2,281,593.00	-	2,281,593.00
Central Items	-	-	-	1,349,935.78	1,349,935.78
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	82,423,191.89	-	2,281,593.00	1,349,935.78	86,054,720.67
Surplus/(Deficit) for the Year (a)-(b)	923,933.35	-	(235,319.00)	(11,981.78)	676,632.57
Less: Surplus/(Deficit) of Provident Fund	941,194.34	-	-	-	941,194.34
	(17,260.99)	-	(235,319.00)	(11,981.78)	(264,561.77)
Surplus/(Deficit) b/f (Note (2))	13,619,728.21	-	(610,912.20)	699,002.62	13,707,818.63
Add/(Less) : Adjustment of opening balance after 2017 Accounting Inspection	44,769.85	-	-	(44,769.85)	-
	13,647,237.07	-	(846,231.20)	642,250.99	13,443,256.86
Add : Deficit to be met by Agency's own fund	-	-	-	11,981.78	11,981.78
Add : Backpay from Government	-	-	243,150.00	-	243,150.00
Less : Refund to Government	-	-	33,600.00	114,232.77	147,832.77
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))					
Surplus/(Deficit) c/f (Note (4))	13,647,237.07	-	(636,681.20)	540,000.00	13,550,555.87

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 of 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 Infirmary Care Supplement, if any, as per Schedule of Central Items.
- (4) The level of LSG cumulative reserve (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.

Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1/4/2017 to 31/3/2018

Name of Agency : Aberdeen Kai-fong Welfare Association Social Service Centre

Unit Code and Name (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the Year		Surplus b/f (Note 5) (e)	Refund to Government (f)	Surplus c/f (Note 6) (f)=(e)+(a)-(d)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)			
6731	Dementia Supplement for Day Care Centres/Units for the Elderly	\$ 514,454.00	\$ 514,454.00	-	-	N.A.	N.A.	-	-
3013	After School Care Programme - Fee Waiving Subsidy Scheme	283,500.00	295,481.78	-	(11,981.78)	N.A.	N.A.	-	N.A.
004S	Programme Assistants (PA)	-	-	-	-	N.A.	114,232.77 *	114,232.77	-
6382	Care Assistants (CA)	-	-	-	-	N.A.	44,769.85 *1	-	-
6561	Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	540,000.00	540,000.00	-	-	N.A.	540,000.00	-	540,000.00
TOTAL		1,337,954.00	1,349,935.78	-	(11,981.78)		699,002.62	114,232.77	540,000.00

Remarks : * Adjustment for the opening balance of Central Items Reserve by increasing \$114,232.77 after 2014 accounting inspection.

*1 The opening balance of Care Assistants (CA) transferred to Lump Sum Grant Reserve as per SWD Ref : SWD SE/SI/4-65/1(004) II - point 3.

Notes:

- The figures for the whole financial year are extracted from the payroll for March (Final) of the financial year.
- Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
- Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
- Deficit i.e. the following central items arising from salary adjustment are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref(28) in SWD/S/104/2 Pt. 17 dated 31 October 2017.
 - Dementia Supplement for Elderly with Disabilities
 - Infirmity Care Supplement for the Aged Blind Persons
 - Dementia Supplement for Residential Elderly Services
 - Infirmity Care Supplement for Residential Elderly Services
- "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
- "Surplus carried forward (c/f)" means surplus brought forward less refund to Government plus surplus, if any, arising from operations in current year.
- Unit code and name are extracted from the payroll from SWD.
- The income and expenditure for the Special one-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmity Care as allocated via SWD's letter ref SWD/S/E/R/C/3 Pt. 7 dated 27 February 2017 should also be included in the income/expenditure of the respective items.
- The central items as listed above may not be exhaustive and any relevant details of central items released and/or expended during the year, where appropriate, should also be included.

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period from 1/4/2017 to 31/3/2018

Name of Agency : Aberdeen Kai-fong Welfare Association Social Service Centre

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
		\$	\$	\$	\$
1005-CC	Rates	169,965.00	215,012.00	-	45,047.00
	Government Rent	138.00	138.00	-	-
	Total	170,103.00	215,150.00	-	45,047.00
1007-WKDCC	Rates	25,188.00	32,474.00	-	7,286.00
	PHE Rental	303,600.00	303,600.00	-	-
	Other Rental	90,150.00	144,000.00	-	53,850.00
	Government Rent	12,755.00	19,440.00	-	6,685.00
	Total	431,693.00	499,514.00	-	67,821.00
1011-IHCS III	Other Rental	16,800.00	-	16,800.00	-
	Total	16,800.00	-	16,800.00	-
1013-ENHANCEMENT OF COMMUNITY SUPPORT SERVICES FOR ELDERLY PERSONS (SDECC & SDIESC)	Rates	57,466.00	81,183.00	-	23,717.00
	PHE Rental	158,400.00	158,400.00	-	-
	Other Rental	143,712.00	180,129.00	-	36,417.00
	Total	359,578.00	419,712.00	-	60,134.00
1159-ENHANCEMENT OF COMMUNITY SUPPORT SERVICES FOR ELDERLY PERSONS (NEC including FWWTNEC & LYWNEC)	Rates	30,297.00	33,998.00	-	3,701.00
	Private Rental	143,268.00	175,104.00	-	31,836.00
	Other Rental	27,756.00	36,564.00	-	8,808.00
	Government Rent	18,209.00	25,200.00	-	6,991.00
	Total	219,530.00	270,866.00	-	51,336.00
1162-JCISC	Rates	58,594.00	80,000.00	-	21,406.00
	PHE Rental	581,460.00	581,460.00	-	-
	Total	640,054.00	661,460.00	-	21,406.00
7198-ENHANCEMENT OF COMMUNITY SUPPORT SERVICES FOR ELDERLY PERSONS (JCDECC)	Rates (sub base + CC building)	52,756.00	59,131.00	-	6,375.00
	PHE Rental (sub-base)	155,760.00	155,760.00	-	-
	Total	208,516.00	214,891.00	-	6,375.00
Grand Total		2,046,274.00	2,281,593.00	16,800.00	252,119.00

Notes :

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year.
2. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
3. Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.

Schedule for Investment
Analysis of Investment as at 31 March 2018

Agency: Aberdeen Kai-fong Welfare Association Social Service Centre

	2017/2018 HK\$	2016/2017 HK\$
LSG Reserve as at 31 March	<u>13,647,237.07</u>	<u>13,619,728.21</u>

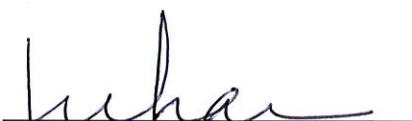
Represented by :

Investments

a. HKD Bank Account Balances	-	-
b. HKD 24-Hour call Deposits	-	-
c. HKD Fixed Deposits	13,647,237.07	13,619,728.21
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	<u>13,647,237.07</u>	<u>13,619,728.21</u>

Note: The investments should be reported at historical cost.

Confirmed by:-



Chan Lee Shing, William, J.P.
CHAIRMAN

DATE: 18 OCT 2018



Wan Ngai Teck, Alice
NGO HEAD/HEAD OF SOCIAL WELFARE
SERVICES

DATE: 18 OCT 2018