

**THE HONG KONG SOCIETY FOR THE BLIND**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE PERIOD FROM 1ST APRIL 2017**  
**TO 31ST MARCH 2018**

## ANNUAL FINANCIAL REPORT

## THE HONG KONG SOCIETY FOR THE BLIND

1 APRIL 2017 TO 31 MARCH 2018

	Notes	2017-18 \$	2016-17 \$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	<b>1b</b>	120,983,110.00	114,398,949.00
b. Provident Fund	<b>1c</b>	9,940,506.00	10,013,954.00
Sub-total		<u>130,923,616.00</u>	<u>124,412,903.00</u>
2. Special One-off Grant		-	-
3. Fee Income	<b>2</b>	11,193,991.00	11,624,687.50
4. Central Items	<b>3</b>	8,028,288.00	7,143,776.00
5. Rent and Rates	<b>4</b>	1,479,975.00	1,484,634.00
6. Other Income	<b>5</b>	23,460,107.67	23,259,975.03
7. Interest Received		534,772.55	482,354.29
TOTAL INCOME		<u>175,620,750.22</u>	<u>168,408,329.82</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		111,762,811.50	105,409,865.54
b. Provident Fund	<b>1c</b>	9,304,807.64	8,773,550.25
c. Allowances		53,460.00	51,900.00
Sub-total	<b>6</b>	<u>121,121,079.14</u>	<u>114,235,315.79</u>
2. Other Charges	<b>7</b>	42,796,310.84	40,172,742.41
3. Central Items	<b>3</b>	8,456,376.94	6,808,897.97
4. Rent and Rates	<b>4</b>	1,999,240.00	2,067,360.00
5. Special One-off Grant Payments	<b>7a</b>	-	-
TOTAL EXPENDITURE		<u>174,373,006.92</u>	<u>163,284,316.17</u>
<b>C. SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>8</b>	<u>1,247,743.30</u>	<u>5,124,013.65</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.

SIGNATURESIGNATURE\_\_\_\_\_  
CHAIRMAN\_\_\_\_\_  
CHIEF EXECUTIVE

DATE:

DATE:

## 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:

<b><u>Provident Fund Contribution</u></b>	Snapshot Staff	6.8% and Other Posts	Total
	\$	\$	\$
Subvention Received	4,027,563.00	5,912,943.00	9,940,506.00
Provident Fund Contribution Paid during the Year	<u>4,025,090.47</u>	<u>5,279,717.17</u>	<u>9,304,807.64</u>
Surplus/ (Deficit) for the year of 2017/18	2,472.53	633,225.83	635,698.36
<b>Add:</b> Surplus/ (Deficit) b/f	659,932.64	12,291,432.95	12,951,365.59
Additional PF for 6.8% posts for 2015/16 arising from departure of Snapshot Staff	-	123,300.00	123,300.00
<b>Less:</b> Refund to Government			
Surplus in 2015/16 PF for Snapshot Staff returned to Government in Apr 2017	(636,151.00)	-	(636,151.00)
<b>Surplus/ (Deficit) c/f</b>	<u><u>26,254.17</u></u>	<u><u>13,047,958.78</u></u>	<u><u>13,074,212.95</u></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 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:

	2017-18 \$	2016-17 \$
<b>a. Income</b>		
Dementia Supplement for Elderly with Disabilities	3,934,008.00	2,746,203.00
Infirmary Care Supplement for Aged Blind Persons	3,194,280.00	2,890,728.00
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	-	202,730.00
Financial Incentive Scheme for Mentors of Employees with Disabilities ( <i>Note i</i> )	-	1,167.00
Training Sponsorship Scheme for Master in Physiotherapy (MPT) of the HK PolyU ( <i>Note iii</i> )	270,000.00	270,000.00
One-off for Enhanced Provision of Visiting Medical Officer for Residential Care Homes the Elderly	630,000.00	-
Special One-off Subsidy for Better Care for Elderly Persons with Dementia ( <i>Note ii</i> )	-	563,178.00
Special One-off Subsidy for Better Care for Elderly Persons Requiring Infirmary Care ( <i>Note ii</i> )	-	469,770.00
<b>Total</b>	<b>8,028,288.00</b>	<b>7,143,776.00</b>
<b>b. Expenditure</b>		
Dementia Supplement for Elderly with Disabilities	3,932,807.28	2,746,028.02
Infirmary Care Supplement for Aged Blind Persons	3,194,121.66	2,894,801.95
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	-	84,471.00
Financial Incentive Scheme for Mentors of Employees with Disabilities ( <i>Note i</i> )	-	-
Training Sponsorship Scheme for Master in Physiotherapy (MPT) of the HK PolyU ( <i>Note iii</i> )	270,000.00	-
One-off for Enhanced Provision of Visiting Medical Officer for Residential Care Homes the Elderly	26,500.00	-
Special One-off Subsidy for Better Care for Elderly Persons with Dementia ( <i>Note ii</i> )	563,178.00	504,390.00
Special One-off Subsidy for Better Care for Elderly Persons Requiring Infirmary Care ( <i>Note ii</i> )	469,770.00	579,207.00
<b>Total</b>	<b>8,456,376.94</b>	<b>6,808,897.97</b>
<u><i>Note i:</i></u>		
<i>Financial Incentive Scheme for Mentors of Employees with Disabilities</i>		
<i>Balance brought forward</i>	14,292.00	13,125.00
<i>Add: Adjustment for 2012/13</i>	-	1,167.00
<i>Balance carried forward</i>	<u>14,292.00</u>	<u>14,292.00</u>
<u><i>Note ii:</i></u>		
<i>Cash received in advance for next financial year:</i>		
<i>Special One-off Subsidy for Better Care for Elderly Persons with Dementia</i>	-	563,178.00
<i>Special One-off Subsidy for Better Care for Elderly Persons Requiring Infirmary Care</i>	-	469,770.00
<i>Balance carried forward</i>	<u>-</u>	<u>1,032,948.00</u>
<u><i>Note iii:</i></u>		
<i>Cash received in advance for next financial year:</i>		
<i>Training Sponsorship Scheme for Master in Physiotherapy (MPT) of the HK PolyU</i>	270,000.00	-
<i>Balance carried forward</i>	<u>270,000.00</u>	<u>-</u>

#### 4. Rent and Rates

This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditure on rent & 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:

	<u>2017-18</u>	<u>2016-17</u>
Other Income	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	19,981,327.41	20,369,964.82
(b) Others	<u>3,478,780.26</u>	<u>2,890,010.21</u>
<b>Total</b>	<u>23,460,107.67</u>	<u>23,259,975.03</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:

<b>Analysis of Personal Emoluments paid under LSG</b>	<u>No of Posts</u>	<u>HK\$</u>
HK\$700,001-HK\$800,000 p.a.	7	5,275,426.00
HK\$800,001-HK\$900,000 p.a.	3	2,516,723.00
HK\$900,001-HK\$1,000,000 p.a.	4	3,736,125.00
HK\$1,000,001-HK\$1,100,000 p.a.	1	1,059,359.00
HK\$1,100,001-HK\$1,200,000 p.a.	-	-
>HK\$1,200,000 p.a.	1	1,715,064.00

## 7. Other Charges

The breakdown on Other Charges is as follows:

	<u>2017-18</u>	<u>2016-17</u>
	\$	\$
<b>Other Charges</b>		
(a) Utilities	6,748,754.28	6,794,416.60
(b) Food	4,481,181.53	4,137,500.45
(c) Administrative Expenses	1,141,014.29	1,129,809.32
(d) Stores and Equipment	1,079,667.67	1,150,678.56
(e) Repair and Maintenance	6,104,413.47	5,002,488.02
(f) Special Allowances	-	-
(g) Programme Expenses	4,958,065.68	4,780,547.11
(h) Transportation and Travelling	657,153.29	561,840.47
(i) Insurance	911,798.00	851,352.73
(j) Miscellaneous	16,714,262.63	15,764,109.15
Direct Production Cost	4,874,791.34	4,859,671.33
Direct Raw Materials	9,240,503.74	8,584,059.91
Indirect Production Cost	1,226,476.26	1,257,103.03
Others	1,372,491.29	1,063,274.88
<b>Total</b>	<u>42,796,310.84</u>	<u>40,172,742.41</u>

### 7a. Special One-off Grant Payments

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

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

## 8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions as at 31/3/2018

Analysis of Reserve Fund					
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
<b>Income</b>					
Lump Sum Grant	130,923,616.00	-	-	-	130,923,616.00
Special One-off Grant	-	-	-	-	-
Fee Income	11,193,991.00	-	-	-	11,193,991.00
Other Income	23,460,107.67	-	-	-	23,460,107.67
Interest Received (Note (1))	534,772.55	-	-	-	534,772.55
Rent and Rates	-	-	1,479,975.00	-	1,479,975.00
Central Items	-	-	-	8,028,288.00	8,028,288.00
<b>Total Income</b> (a)	<b>166,112,487.22</b>	<b>-</b>	<b>1,479,975.00</b>	<b>8,028,288.00</b>	<b>175,620,750.22</b>
<b>Expenditure</b>					
Personal Emoluments	121,121,079.14	-	-	-	121,121,079.14
Other Charges	42,796,310.84	-	-	-	42,796,310.84
Rent and Rates	-	-	1,999,240.00	-	1,999,240.00
Central Items	-	-	-	8,456,376.94	8,456,376.94
Special One-off Grant Payments	-	-	-	-	-
<b>Total Expenditure</b> (b)	<b>163,917,389.98</b>	<b>-</b>	<b>1,999,240.00</b>	<b>8,456,376.94</b>	<b>174,373,006.92</b>
<b>Surplus/(Deficit) for the Year</b> (a) - (b) = (c)	<b>2,195,097.24</b>	<b>-</b>	<b>(519,265.00)</b>	<b>(428,088.94)</b>	<b>1,247,743.30</b>
Less: Surplus/(Deficit) of Provident Fund	635,698.36	-	-	-	635,698.36
<b>Surplus/(Deficit) for the Year</b> excluding Provident Fund	<b>1,559,398.88</b>	<b>-</b>	<b>(519,265.00)</b>	<b>(428,088.94)</b>	<b>612,044.94</b>
<b>Surplus/(Deficit) b/f (Note (2))</b> (d) + (e)	<b>38,738,264.22</b>	<b>-</b>	<b>(5,633,761.80)</b>	<b>6,181,624.33</b>	<b>39,286,126.75</b>
Add: Reimbursement for Rent and Rates (One-off payment) from 2011/12 to 2014/15	40,297,663.10	-	(6,153,026.80)	5,753,535.39	39,898,171.69
Less: Refund to Government	-	-	158,413.00	-	158,413.00
Transfer from LSG Reserve to cover the salary adjustment for DS & ICS (Note (3))	-	-	(16,768.00)	(4,644,957.90)	(4,661,725.90)
<b>Surplus/(Deficit) c/f (Note (4))</b>	<b>40,297,663.10</b>	<b>-</b>	<b>(6,011,381.80)</b>	<b>1,108,577.49</b>	<b>35,394,858.79</b>
	<b>S</b>				

**Notes:**

- (1) Interest received on LSG and PF 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 Dementia Supplement and Infirmity 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.
- [Total Expenditure excluding PF expenditure = \$163,917,389.98 - 9,304,807.64 = \$154,612,582.34]

(Remarks)	Lump Sum Grant	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
<b>Surplus/(Deficit) (Pre 4/2007) c/f</b> (d)	<b>23,734,971.92</b>	<b>-</b>	<b>(1,742,306.50)</b>	<b>192,517.70</b>	<b>22,185,183.12</b>
<b>Cumulated Surplus/(Deficit) (From 4/2007) b/f</b> (e)	<b>15,003,292.30</b>	<b>-</b>	<b>(3,891,455.30)</b>	<b>5,989,106.63</b>	<b>17,100,943.63</b>
Surplus/(Deficit) for 17/18 before transfers	1,559,398.88	-	(519,265.00)	(428,088.94)	612,044.94
Add: Reimbursement for Rent and Rates (One-off payment) from 2011/12 to 2014/15	-	-	158,413.00	-	158,413.00
Less: Refund to Government	-	-	(16,768.00)	(4,644,957.90)	(4,661,725.90)
Less: Transfer from LSG Reserve to cover the salary adjustment for CI (Note 3)	-	-	-	-	-
Surplus/(Deficit) for 17/18 after transfers (g)	1,559,398.88	-	(377,620.00)	(5,073,046.84)	(3,891,267.96)
<b>Cumulated Surplus/(Deficit) (From 4/2007) (e) + (g) = (S)</b> (S)	<b>16,562,691.18</b>	<b>-</b>	<b>(4,269,075.30)</b>	<b>916,059.79</b>	<b>13,209,675.67</b>
<b>Cumulated Surplus/(Deficit) as at 31.3.18</b> (d) + (S)	<b>40,297,663.10</b>	<b>-</b>	<b>(6,011,381.80)</b>	<b>1,108,577.49</b>	<b>35,394,858.79</b>

**Remuneration Packages for Staff in the Top Three Tiers  
of Subvented Non-governmental Organisations**

**Review Report for the Reporting Year of 2017-18**

(to be completed if not exempt from the Government Guidelines)

To: Director of Social Welfare  
(Attn: Subventions Section)  
38/F, Sunlight Tower,  
248 Queen's Road East  
Wan Chai, Hong Kong

**Fax No. : 2575 6537 or email at [suenq@swd.gov.hk](mailto:suenq@swd.gov.hk)**

[Please read the explanatory notes before completing this form. The completed form should reach SWD by 28 February 2019.]

Name of NGO (code) : The Hong Kong Society for the Blind ( 368 )

**Part A: Remuneration Packages**

Information of my staff in the top three tiers -

**(1) Staff of 1<sup>st</sup> Tier** <sup>[1]</sup>

- (a) Number of staff 1
- (b) Comparable rank in civil service CSWO
- (c) Post Chief Executive
- (d) Total annual staff costs <sup>[2]</sup> (including those not under SWD subventions, if applicable) \$ 1,727,156  
*[1(d) should be equal to or greater than 1(e)]* *(round up to the nearest dollar)*
- (e) Total annual staff costs under SWD subventions \$ 1,727,156  
*[1(e)=1(g)(i)+(ii)+(iii)+(iv)]* *(round up to the nearest dollar)*
- (f) Please specify the months covered if (1)(e) was not incurred for the full year: - months
- (g) Breakdown of (1)(e)
- (i) Salary <sup>[3]</sup> \$ 1,491,360
- (ii) Provident fund \$ 223,704
- (iii) Cash allowance <sup>[4]</sup> (please specify if any: ) \$ -
- (iv) Non-cash based benefits <sup>[5]</sup> (please specify if any: ) \$ 12,092

**(2) Staff of 2<sup>nd</sup> Tier** <sup>[1]</sup>

(a) Number of staff	6	
(b) Comparable rank in civil service	SWO	
(c) Post	Director	
(d) Total annual staff costs <sup>[2]</sup> (including those not under SWD subventions, if applicable) [2(d) should be equal to or greater than 2(e)]		<u>\$ 5,491,431</u> <i>(round up to the nearest dollar)</i>
(e) Total annual staff costs under SWD subventions [2(e)=2(f)(i)+(ii)+(iii)+(iv)]		<u>\$ 4,343,678</u> <i>(round up to the nearest dollar)</i>
(f) Breakdown of (2)(e)		
(i) Salary <sup>[3]</sup>		<u>\$ 4,045,343</u>
(ii) Provident fund		<u>\$ 298,335</u>
(iii) Cash allowance <sup>[4]</sup> (please specify if any: )		<u>\$ -</u>
(iv) Non-cash based benefits <sup>[5]</sup> (please specify if any: )		<u>\$ -</u>

**(3) Staff of 3<sup>rd</sup> Tier** <sup>[1]</sup>

(a) Number of staff	11	
(b) Comparable rank in civil service	SSWA/ASWO	
(c) Post	Manager, Supervisor, Superintendent	
(d) Total annual staff costs <sup>[2]</sup> (including those not under SWD subventions, if applicable) [3(d) should be equal to or greater than 3(e)]		<u>\$ 7,136,613</u> <i>(round up to the nearest dollar)</i>
(e) Total annual staff costs under SWD subventions [3(e)=3(f)(i)+(ii)+(iii)+(iv)]		<u>\$ 6,845,463</u> <i>(round up to the nearest dollar)</i>

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Breakdown of (3)(e)

(f)

(i) Salary <sup>l3l</sup>	\$ 6,259,490
(ii) Provident fund	\$ 585,973
(iii) Cash allowance <sup>l4l</sup> (please specify if any: )	\$ -
(iv) Non-cash based benefits <sup>l5l</sup> (please specify if any: )	\$ -

**(4) Any staff in the top three tiers serving their first contract <sup>l6l</sup> in 2017-18?**

*\*Please tick as appropriate.*

\* Yes (Please provide supplementary information on the next page and use additional sheet as necessary)

\* No

**(5) Review for changes <sup>l7l</sup>**

	<u>2016-17</u> (the year before)	<u>2017-18</u> (the reporting year)
(a) Total annual staff costs under SWD subventions in respect of the top three tiers [(1)(e)+(2)(e)+(3)(e)]	\$ 12,390,888	\$ 12,916,297

(b) Please tick and complete the following as appropriate to state the result of your review -

I have reviewed the remuneration packages of the staff in the top three tiers and **found no changes** in their remuneration as compared with the preceding year.

I have reviewed the remuneration packages of the staff in the top three tiers and **found changes** in their remuneration as compared with the preceding year. The tier(s) having changes and reasons for such changes are stated below -

*(Please use additional sheet as necessary.)*

1. Annual salary increment if meeting satisfactory performance \_\_\_\_\_
2. Salary adjustment according to civil service pay adjustment \_\_\_\_\_
3. Staff turnover \_\_\_\_\_