

THE HONG KONG SOCIETY FOR THE BLIND
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
31ST MARCH 2022

ANNUAL FINANCIAL REPORT

THE HONG KONG SOCIETY FOR THE BLIND

1 APRIL 2021 TO 31 MARCH 2022

	Notes	2021-22 \$	2020-21 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	148,835,063.00	147,472,015.00
b. Provident Fund	1c	11,002,800.00	11,001,810.00
Sub-total		<u>159,837,863.00</u>	<u>158,473,825.00</u>
2. Special One-off Grant			
3. Fee Income	2	11,565,534.80	11,683,689.10
4. Central Items	3	10,275,682.00	10,453,208.00
5. Rent and Rates	4	1,620,150.00	1,629,714.00
6. Other Income	5	21,505,387.23	21,927,511.20
7. Interest Received		127,919.41	434,153.30
TOTAL INCOME		<u>204,932,536.44</u>	<u>204,602,100.60</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		138,588,212.36	139,113,651.63
b. Provident Fund	1c	9,647,475.83	10,212,018.53
c. Allowances		60,038.40	58,800.00
Sub-total	6	<u>148,295,726.59</u>	<u>149,384,470.16</u>
2. Other Charges	7	43,377,936.78	40,538,769.45
3. Central Items	3	8,991,891.72	10,675,186.19
4. Rent and Rates	4	2,600,357.20	2,525,142.44
5. Special One-off Grant Payments		-	-
TOTAL EXPENDITURE		<u>203,265,912.29</u>	<u>203,123,568.24</u>
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	<u>1,666,624.15</u>	<u>1,478,532.36</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

DATE:

CHIEF EXECUTIVE

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 **Note 3**.

Details are analysed below:

<u>Provident Fund Contribution</u>	Snapshot Staff	6.8% and Other Posts	Total
	\$	\$	\$
Subvention Received	3,151,602.00	7,851,198.00	11,002,800.00
Provident Fund Contribution Paid during the Year	<u>2,714,033.01</u>	<u>6,933,442.82</u> <i>(Note)</i>	<u>9,647,475.83</u>
Surplus/ (Deficit) for the year of 2021-22	437,568.99	917,755.18	1,355,324.17
<u>Add:</u> Surplus/ (Deficit) b/f	111,582.51	15,001,770.34	15,113,352.85
Additional PF for 6.8% posts for 2018-19 or before arising from departure of Snapshot Staff	0.00	39,555.00	39,555.00
Less: Refund to Government			
Clawback arrangement in Apr-2021 (Surplus for the year 2019-20)	<u>(78,408.00)</u>	<u>0.00</u>	<u>(78,408.00)</u>
Surplus/ (Deficit) c/f	<u><u>470,743.50</u></u>	<u><u>15,959,080.52</u></u>	<u><u>16,429,824.02</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:

	2021-22	2020-21
	\$	\$
a. Income		
Dementia Supplement for Elderly with Disabilities	5,113,220.00	5,254,028.00
Infirmary Care Supplement for Aged Blind Persons	3,902,462.00	3,712,098.00
Training Sponsorship Scheme for Master in Physiotherapy (MPT/MOT) of the HK PolyU	1,260,000.00	-
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	1,487,082.00
	<hr/>	<hr/>
Total	10,275,682.00	10,453,208.00
	<hr/>	<hr/>
b. Expenditure		
Dementia Supplement for Elderly with Disabilities	5,091,480.87	5,224,332.02
Infirmary Care Supplement for Aged Blind Persons	3,900,410.85	3,693,773.02
Training Sponsorship Scheme for Master in Physiotherapy (MPT/MOT) of the HK PolyU	-	270,000.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	1,487,081.15
	<hr/>	<hr/>
Total	8,991,891.72	10,675,186.19
	<hr/>	<hr/>

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 is as follows:

	2021-22	2020-21
Other Income	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	13,986,156.94	14,081,638.89
(c) Others	7,519,230.29	7,845,872.31
Total	21,505,387.23	21,927,511.20

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 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.	5	3,669,259.00
HK\$800,001-HK\$900,000 p.a.	6	5,119,436.00
HK\$900,001-HK\$1,000,000 p.a.	4	3,704,638.00
HK\$1,000,001-HK\$1,100,000 p.a.	2	2,046,402.00
HK\$1,100,001-HK\$1,200,000 p.a.	1	1,105,395.00
>HK\$1,200,000 p.a.	1	1,506,190.00

7. Other Charges

The breakdown on Other Charges is as follows:

Other Charges	2021-22	2020-21
	\$	\$
(a) Utilities	6,657,008.71	6,652,448.00
(b) Food	5,410,804.71	5,150,304.87
(c) Administrative Expenses	1,247,082.44	1,123,891.33
(d) Stores and Equipment	1,204,394.42	1,160,627.53
(e) Repair and Maintenance	10,160,326.48	7,695,101.26
(f) Programme Expenses	5,118,935.47	4,887,805.36
(g) Transportation and Travelling	490,382.29	514,346.72
(h) Insurance	1,366,226.66	1,351,630.72
(i) Miscellaneous	11,722,775.60	12,002,613.66
Direct Production Cost	3,877,962.02	3,962,416.33
Direct Raw Materials	4,711,168.92	5,268,120.83
Indirect Production Cost	1,003,047.48	1,297,961.74
Others	2,130,597.18	1,474,114.76
Total	43,377,936.78	40,538,769.45

8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions as at 31/3/2022

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
Income					
Lump Sum Grant	159,837,863.00				159,837,863.00
Special One-off Grant					-
Fee Income	11,565,534.80				11,565,534.80
Other Income	21,505,387.23				21,505,387.23
Interest Received (Note (1))	127,919.41				127,919.41
Rent and Rates	-		1,620,150.00		1,620,150.00
Central Items	-			10,275,682.00	10,275,682.00
Total Income	(a) 193,036,704.44	-	1,620,150.00	10,275,682.00	204,932,536.44
Expenditure					
Personal Emoluments	148,295,726.59				148,295,726.59
Other Charges	43,377,936.78				43,377,936.78
Rent and Rates			2,600,357.20		2,600,357.20
Central Items				8,991,891.72	8,991,891.72
Special One-off Grant Payments					-
Total Expenditure	(b) 191,673,663.37	-	2,600,357.20	8,991,891.72	203,265,912.29
Surplus/(Deficit) for the Year					
(a) - (b) = (c)	(c) 1,363,041.07	-	(980,207.20)	1,283,790.28	1,666,624.15
Less: Surplus/(Deficit) of Provident Fund	1,355,324.17	-	-	-	1,355,324.17
Surplus/(Deficit) for the Year	7,716.90	-	(980,207.20)	1,283,790.28	311,299.98
excluding Provident Fund					
Surplus/(Deficit) b/f (Note (2))	(d) 43,564,269.84	-	(557,900.59)	281,740.24	43,288,109.49
	43,571,986.74	-	(1,538,107.79)	1,565,530.52	43,599,409.47
Supported by Government - Rent and Rates for 2019/20			418,833.47		418,833.47
Refund to Government for 2020/21- RCNT, IAC & MGCH			(48,312.48)		(48,312.48)
Unsupport balance of Rent and Rates for 2020/21			104,514.07		104,514.07
Unsupport balance of Rent and Rates for 2021/22			1,051,297.68		1,051,297.68
Refund to Government				(48,021.81)	(48,021.81)
Surplus/(Deficit) c/f (Note (4))	43,571,986.74	-	(11,775.05)	1,517,508.71	45,077,720.40

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 of LSG 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 Infirmiry 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.