

## ANNUAL FINANCIAL REPORT

NGO : HONG KONG SOCIETY FOR THE PROTECTION OF CHILDREN

(1 APRIL 2020 TO 31 MARCH 2021)

	Notes	2020-21 \$	2019-20 \$
<b>A. INCOME</b>			
1 Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	88,141,256	80,782,502
b. Provident Fund	1c	5,861,454	5,526,205
2 Fee Income	2	244,284	596,609
3 Central Items	3	2,958,535	3,072,425
4 Rent and Rates	4	232,937	224,626
5 Others Income	5	4,255,078	1,004,117
6 Interest Received		336,785	376,320
<b>TOTAL INCOME</b>		<u>102,030,329</u>	<u>91,582,804</u>
<b>B EXPENDITURE</b>			
1 Personal Emoluments			
a. Salaries		72,635,954	63,567,957
b. Provident Fund	1c	4,110,177	3,524,130
c. Allowances		-	-
d. Long Service Payments		51,890	-
e. Severance Payments		-	3,304
f. Relief Workers		1,064,845	1,353,333
<i>Sub-total</i>	6	<u>77,862,866</u>	<u>68,448,724</u>
2 Other Charges	7	6,812,205	7,797,420
3 Central Items	3	2,432,572	2,169,438
4 Rent and Rates	4	1,913,208	1,455,661
<b>TOTAL EXPENDITURE</b>		<u>89,020,851</u>	<u>79,871,243</u>
<b>C SURPLUS/(DEFICIT) FOR THE YEAR</b>	8	<u>13,009,478</u>	<u>11,711,561</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.



Mr Robin Hammond  
CHAIRMAN



Ms Susan So  
DIRECTOR

DATE : 21 October 2021

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## 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>	<b>Snapshot Staff</b>	<b>6.8% and Other Posts</b>	<b>Total</b>
	\$	\$	\$
Subvention Received	404,399	5,457,055	5,861,454
Provident Fund Contribution Paid during the Year	438,673	3,671,504	4,110,177
Surplus/(Deficit) for the Year	(34,274)	1,785,551	1,751,277
<b>Add</b> : Surplus/(Deficit) b/f	96,635	7,545,340	7,641,975
Additional subvention received for previous year (s)	-	11,732	11,732
<b>Less</b> : Refund to Government	(30,183)	-	(30,183)
<b>Surplus/(Deficit) c/f</b>	<u>32,178</u>	<u>9,342,623</u>	<u>9,374,801</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 LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	2020-21 \$	2019-20 \$
<b>a. Income</b>		
After School Care Programme - Fee Waiving Subsidy Scheme	712,764	448,200
Time-defined Subsidy Scheme for Extended Hours Service Users	256,069	256,069
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	153,700	148,400
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	967,042	1,057,695
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	320,000	270,000
Grant under the Pilot Scheme of On-site Pre-school Rehabilitation Services	-	-
Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infectious Agent	-	343,101
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	548,960	548,960
<b>Total</b>	<b>2,958,535</b>	<b>3,072,425</b>
<b>b. Expenditure</b>		
After School Care Programme - Fee Waiving Subsidy Scheme	714,444	383,175
Time-defined Subsidy Scheme for Extended Hours Child Service Users	3,224	2,330
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	11,500	8,925
Time-defined Subsidy Scheme for Occasional Child Care Service	-	928
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	1,026,679	1,115,754
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	270,000	270,000
Grant under the Pilot Scheme of On-site Pre-school Rehabilitation Services	-	-
Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infectious Agent	-	-
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	406,725	388,326
<b>Total</b>	<b>2,432,572</b>	<b>2,169,438</b>

- 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 :

	2020-21 \$	2019-20 \$
<b>Other Income</b>		
(a) Fees and charges for services incidental to the operation of subvented services	-	-
(b) Subsidy from Central Items (CI) - After School Care Programme (ASCP) / Enhanced ASCP - Fee Waiving Subsidy Scheme (FWSS) *	-	-
(c) Others	4,255,078	1,004,117
Sub-Total	<u>4,255,078</u>	<u>1,004,117</u>
<u>Less :</u> Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS which forms as part of Other Income *	-	-
<b>Total</b>	<u><u>4,255,078</u></u>	<u><u>1,004,117</u></u>

\* For those programmes which are regarded as FSA-related activities only

- 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>	<b>No of Posts</b>	<b>\$</b>
HK\$700,001 - HK\$800,000 p.a.	3	2,278,121
HK\$800,001 - HK\$900,000 p.a.	1	809,828
HK\$900,001 - HK\$1,000,000 p.a.		
HK\$1,000,001 - HK\$1,100,000 p.a.	2	2,054,207
HK\$1,100,001 - HK\$1,200,000 p.a.		
> HK\$1,200,000 p.a.	1	1,826,110

**7. Other Charges**

The breakdown on Other Charges is as follows:

<b>Other Charges</b>	<b>2020-21</b>	<b>2019-20</b>
	<b>\$</b>	<b>\$</b>
(a) Utilities	583,875	761,682
(b) Food	748,042	1,116,804
(c) Administrative Expenses	789,015	869,858
(d) Stores and Equipment	2,240,904	2,205,758
(e) Repair and Maintenance	1,084,401	1,598,559
(f) Special Allowances	-	-
(g) Programme Expenses	244,668	193,933
(h) Transportation and Travelling	19,224	35,154
(i) Insurance	531,446	510,005
(j) Staff Training Expenses	63,054	80,985
(k) Medicine and Medical	33,605	46,552
(l) Miscellaneous	473,971	378,130
<b>Sub-Total</b>	<b>6,812,205</b>	<b>7,797,420</b>

Less : Utilised allocation under CI-ASCP /  
Enhanced ASCP - FWSS \*  
which forms as part of Other Income  
to fund the operating expenses of  
FSA-related activities

<b>Total</b>	<b>6,812,205</b>	<b>7,797,420</b>
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\* For those programmes which are regarded as FSA-related activities only

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

	Lum Sum Grant (LSG)	Adjustment for Utilised allocation under ASAP / Enhanced ASCP - FWSS	Rent and Rates	Central Items (CI)	Total
	\$	\$	\$	\$	\$
<b>Income</b>					
Lump Sum Grant	94,002,710		-	-	94,002,710
Fee Income	244,284		-	-	244,284
Others Income	4,255,078	-	-	-	4,255,078
Interest Received (Note (1))	336,785		-	-	336,785
Rent and Rates	-		232,937	-	232,937
Central Items	-		-	2,958,535	2,958,535
<b>Total Income (a)</b>	<b>98,838,857</b>	<b>-</b>	<b>232,937</b>	<b>2,958,535</b>	<b>102,030,329</b>
<b>Expenditure</b>					
Personal Emoluments	77,862,866		-	-	77,862,866
Other Charges	6,812,205	-	-	-	6,812,205
Rent and Rates	-		1,913,208	-	1,913,208
Central Items	-		-	2,432,572	2,432,572
<b>Total Expenditure (b)</b>	<b>84,675,071</b>	<b>-</b>	<b>1,913,208</b>	<b>2,432,572</b>	<b>89,020,851</b>
<b>Surplus/(Deficit) for the Year (a) - (b)</b>	<b>14,163,786</b>	<b>-</b>	<b>(1,680,271)</b>	<b>525,963</b>	<b>13,009,478</b>
<u>Less</u> : Surplus/(Deficit) of Provident Fund	1,751,277	-	-	-	1,751,277
	12,412,509		(1,680,271)	525,963	11,258,201
<b>Surplus/(Deficit) b/f (Note (2))</b>	<b>33,476,199</b>		<b>(1,231,035)</b>	<b>3,085,956</b>	<b>35,331,120</b>
Less : Omission of entries - Rates 1/10/18-31/1/19 (Note 5)			(3,460)		(3,460)
Less : Adjustment of Management Fee & Air-Conditioning Charges 1/4/19-30/9/19 (Note 5)			(120)		(120)
Add : Adjustment of Cost Apportionment 2018-19 & 2019-20 (Note 6)	493,800				493,800
	46,382,508		(2,914,886)	3,611,919	47,079,541
<u>Add</u> : Refund from Government	-		1,237,627	-	1,237,627
<u>Less</u> : Refund to Government	(6,110,637)		(3,012)	(904,946)	(7,018,595)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplementary (Note (3))	-		-	-	-
Adjustment for utilised allocation under Enhanced ASCP - FWSS * (over-estimated) / under-estimated in pervious year (s)	-		-	-	-
<b>Surplus/(Deficit) c/f (Note (4))</b>	<b>40,271,871</b>	<b>-</b>	<b>(1,680,271)</b>	<b>2,706,973</b>	<b>41,298,573</b>

**Notes :**

- # Including an amount \$0 being the utilised allocation under CI - ASCP / Enhanced ASCP - FWSS \*  
\* For those programmes which are regarded as FSA-related activities only

- (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 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.
- (5) According to the revised claim form (E2), the backpayment was released on 15/10/2020.
- (6) Refer to the email "Cost Apportionment for Head Office - Meeting with HKSPC Board (3.12.2020) - Submission of Cost Apportionment Plan" dated 25 Jan 2021, it was required to adjust LSG reserve based on cost apportionment of PE and OC under CAO for 2018-19 and 2019-20. The opening balance of LSG reserve is increased by \$493,800 (\$284,100 + 209,700) in 2020-21 AFR.