

**SUB-ORGANISATIONS  
SUBSIDISED BY SOCIAL WELFARE DEPARTMENT  
OPERATED BY THE HONG KONG BUDDHIST ASSOCIATION**

**FOR THE PERIOD FROM 1ST APRIL, 2020  
TO 31ST MARCH, 2021**

**ANNUAL FINANCIAL REPORT**

**LUI & MAK CPA LIMITED**

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**NGO: THE HONG KONG BUDDHIST ASSOCIATION**  
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**FOR THE PERIOD FROM 1ST APRIL, 2020 TO 31ST MARCH, 2021**

	<u>NOTE</u>	<u>2020/21</u> HK\$	<u>2019/20</u> HK\$
<b>A. INCOME</b>			
1 Lump Sum Grant			
(a) Lump Sum Grant (excluding PF)	(1b)	53,725,752.00	52,915,041.00
(b) Provident Fund	(1c)	4,124,851.00	4,216,005.00
2 Fee Income	(2)	5,439,010.00	5,664,735.50
3 Central Items	(3a)	7,320,522.00	7,012,920.00
4 Rent and Rates	(4)	1,220,204.00	1,197,185.00
5 Other Income	(5)	1,748,607.57	2,548,139.80
6 Interest Received		<u>78.40</u>	<u>3,874.15</u>
<b>TOTAL INCOME</b>		<u>73,579,024.97</u>	<u>73,557,900.45</u>
<b>B. EXPENDITURE</b>			
1 Personal Emoluments			
(a) Salaries		47,757,870.45	46,855,060.93
(b) Provident Fund	(1c)	<u>3,482,872.03</u>	<u>3,735,559.08</u>
Sub-total	(6)	51,240,742.48	50,590,620.01
2 Other Charges	(7)	9,167,878.52	8,792,416.84
3 Central Items	(3b)	7,299,532.85	6,692,689.00
4 Rent and Rates	(4)	<u>1,892,551.00</u>	<u>1,204,127.00</u>
<b>TOTAL EXPENDITURE</b>		<u>69,600,704.85</u>	<u>67,279,852.85</u>
<b>C. SURPLUS FOR THE YEAR</b>	(8)	<u>3,978,320.12</u>	<u>6,278,047.60</u>

The Annual Financial Report from pages 3 to 10 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



Chairman



Chief Executive Officer

Date: 29th October, 2021

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**NOTES ON THE ANNUAL FINANCIAL REPORT**

**FOR THE PERIOD FROM 1ST APRIL, 2020 TO 31ST MARCH, 2021**

**(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.

Details are analysed below:

<b><u>Provident Fund Contribution</u></b>	<b><u>Existing staff</u> <u>HK\$</u></b>	<b><u>6.8% and other posts</u> <u>HK\$</u></b>	<b><u>Total</u> <u>HK\$</u></b>
Subvention Received	997,095.00	3,127,756.00	4,124,851.00
Less: Provident Fund Contribution Paid during the year	<u>1,004,131.80</u>	<u>2,478,740.23</u>	<u>3,482,872.03</u>
(Deficit)/Surplus for the year	(7,036.80)	649,015.77	641,978.97
Surplus brought forward	110,301.29	7,888,607.37	7,998,908.66
Additional subvention (refund)/received for previous years	(29,119.00)	13,666.00	(15,453.00)
Refund to Government	<u>(44,037.00)</u>	<u>-</u>	<u>(44,037.00)</u>
Surplus carried forward	<u>30,108.49</u>	<u>8,551,289.14</u>	<u>8,581,397.63</u>

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**(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 Agency.

The income and expenditure of each of the central items and as follows:

	<u>2020/21</u> HK\$	<u>2019/20</u> HK\$
<b>(a) Income</b>		
Dementia Supplement for Residential Elderly Services	4,911,374.00	4,666,102.00
Infirmiry Care Supplement for Residential Elderly Services	1,903,640.00	1,537,293.00
Time-defined Subsidy Scheme for Occasional Child Care Service	10,600.00	5,300.00
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	-	309,317.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	<u>494,908.00</u>	<u>494,908.00</u>
Total	7,320,522.00 =====	7,012,920.00 =====
<b>(b) Expenditure</b>		
Dementia Supplement for Residential Elderly Services	4,911,374.00	4,666,102.00
Infirmiry Care Supplement for Residential Elderly Services	1,903,640.00	1,537,293.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	<u>484,518.85</u>	<u>489,294.00</u>
Total	7,299,532.85 =====	6,692,689.00 =====

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**(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 recognized 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:

	<u>2020/21</u> HK\$	<u>2019/20</u> HK\$
(a) Fees and charges for services incidental to the operation of subvented services	619,886.10	1,463,358.70
(b) Others	<u>1,128,721.47</u>	<u>1,084,781.10</u>
	<u>1,748,607.57</u> =====	<u>2,548,139.80</u> =====

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**(6) PERSONAL EMOLUMENTS**

Personal emoluments include salary, provident fund and salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over HK\$700,000 each paid under LSG is appended below:

<b><u>Analysis of Personal Emoluments paid under LSG</u></b>	<b><u>No. of Posts</u></b>	<b><u>HK\$</u></b>
HK\$700,001 – HK\$800,000 p.a.	1	797,431.00
HK\$800,001 – HK\$900,000 p.a.	-	-
HK\$900,001 – HK\$1,000,000 p.a.	2	1,906,967.00
HK\$1,000,001 – HK\$1,100,000 p.a.	-	-
HK\$1,100,001 – HK\$1,200,000 p.a.	-	-
>HK\$1,200,000 p.a.	-	-
	=====	=====

**(7) OTHER CHARGES**

The breakdown on Other Charges is as follows:

	<b><u>2020/21</u></b>	<b><u>2019/20</u></b>
	<b><u>HK\$</u></b>	<b><u>HK\$</u></b>
(a) Utilities Expenses	1,379,368.40	1,487,340.40
(b) Food	2,974,057.77	2,575,076.30
(c) Administrative Expenses	795,055.26	568,465.31
(d) Stores and Equipment	80,597.66	136,504.41
(e) Repair and Maintenance	706,491.40	616,720.81
(f) Special Allowances	-	-
(g) Programme Expenses	784,925.64	1,238,748.50
(h) Transportation and Travelling	46,600.71	51,841.50
(i) Insurance	1,310,692.10	1,449,760.54
(j) Miscellaneous	1,090,089.58	667,959.07
	9,167,878.52	8,792,416.84
	=====	=====

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**(8) ANALYSIS OF LUMP SUM GRANT RESERVE AND BALANCES OF OTHER  
 SWD SUBVENTIONS**

	<u>Lump Sum Grant (LSG)</u> HK\$	<u>Rent and Rates</u> HK\$	<u>Central Items</u> HK\$	<u>2021 Total</u> HK\$	<u>2020 Total</u> HK\$
<b>Income</b>					
Lump Sum Grant	57,850,603.00	-	-	57,850,603.00	57,131,046.00
Fee Income	5,439,010.00	-	-	5,439,010.00	5,664,735.50
Other Income	1,748,607.57	-	-	1,748,607.57	2,548,139.80
Interest Received (Note 1)	78.40	-	-	78.40	3,874.15
Rent and Rates	-	1,220,204.00	-	1,220,204.00	1,197,185.00
Central Items	-	-	7,320,522.00	7,320,522.00	7,012,920.00
<b>Total income</b>	<b>65,038,298.97</b>	<b>1,220,204.00</b>	<b>7,320,522.00</b>	<b>73,579,024.97</b>	<b>73,557,900.45</b>
<b>Expenditure</b>					
Personal Emoluments	51,240,742.48	-	-	51,240,742.48	50,590,620.01
Other Charges	9,167,878.52	-	-	9,167,878.52	8,792,416.84
Rent and Rates	-	1,892,551.00	-	1,892,551.00	1,204,127.00
Central Items	-	-	7,299,532.85	7,299,532.85	6,692,689.00
<b>Total expenditure</b>	<b>60,408,621.00</b>	<b>1,892,551.00</b>	<b>7,299,532.85</b>	<b>69,600,704.85</b>	<b>67,279,852.85</b>
Surplus/(Deficit) for the year	4,629,677.97	(672,347.00)	20,989.15	3,978,320.12	6,278,047.60
Less: Surplus of provident fund	641,978.97	-	-	641,978.97	480,445.92
	3,987,699.00	(672,347.00)	20,989.15	3,336,341.15	5,797,601.68
<b>Surplus/(Deficit) brought forward (Note 2)</b>	<b>14,374,533.75</b>	<b>(70,849.24)</b>	<b>404,354.00</b>	<b>14,708,038.51</b>	<b>8,914,292.83</b>
Add: Refund from Government	-	6,942.00	-	6,942.00	1,444.00
Less: Refund to Government	462,664.31	-	320,231.00	782,895.31	5,300.00
<b>Surplus/(Deficit) carried forward (Note 4)</b>	<b>17,899,568.44</b>	<b>(736,254.24)</b>	<b>105,112.15</b>	<b>17,268,426.35</b>	<b>14,708,038.51</b>

Notes:

- (1) Interest received on LSG and PF reserves, rent and rates, central items 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. HK\$17,899,568.44), 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.