

THE HONG KONG SOCIETY FOR THE BLIND

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

31ST MARCH 2021

ANNUAL FINANCIAL REPORT

THE HONG KONG SOCIETY FOR THE BLIND

1 APRIL 2020 TO 31 MARCH 2021

	Notes	2020-21 \$	2019-20 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	147,472,015.00	143,949,542.00
b. Provident Fund	1c	11,001,810.00	11,020,070.00
Sub-total		<u>158,473,825.00</u>	<u>154,969,612.00</u>
2. Special One-off Grant		-	-
3. Fee Income	2	11,683,689.10	11,834,496.50
4. Central Items	3	10,453,208.00	11,385,742.00
5. Rent and Rates	4	1,629,714.00	1,589,630.00
6. Other Income	5	21,927,511.20	22,222,102.93
7. Interest Received		434,153.30	856,743.11
TOTAL INCOME		<u>204,602,100.60</u>	<u>202,858,326.54</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		139,113,651.63	132,671,327.68
b. Provident Fund	1c	10,212,018.53	9,769,491.24
c. Allowances		58,800.00	58,800.00
Sub-total	6	<u>149,384,470.16</u>	<u>142,499,618.92</u>
2. Other Charges	7	40,538,769.45	43,793,286.14
3. Central Items	3	10,675,186.19	10,482,068.70
4. Rent and Rates	4	2,525,142.44	2,443,153.29
5. Special One-off Grant Payments		-	-
TOTAL EXPENDITURE		<u>203,123,568.24</u>	<u>199,218,127.05</u>
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	<u>1,478,532.36</u>	<u>3,640,199.49</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.

SIGNATURE

SIGNATURE



CHAIRMAN

DATE: 21 OCT 2021



CHIEF EXECUTIVE

DATE: 21 OCT 2021

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	3,246,626.00	7,741,262.00	10,987,888.00
Provident Fund Contribution Paid during the Year	<u>3,213,451.98</u>	<u>6,998,566.55</u> <i>(Note)</i>	<u>10,212,018.53</u>
Surplus/ (Deficit) for the year of 2020-21	33,174.02	742,695.45	775,869.47
<u>Add:</u> Surplus/ (Deficit) b/f	106,463.49	14,217,097.89	14,323,561.38
Additional PF for 6.8% posts for 2018-19 or before arising from departure of Snapshot Staff	-	41,977.00	41,977.00
<u>Less:</u> Refund to Government			
Clawback arrangement in Apr-2020	<u>(28,055.00)</u>	-	<u>(28,055.00)</u>
Surplus/ (Deficit) c/f	<u><u>111,582.51</u></u>	<u><u>15,001,770.34</u></u>	<u><u>15,113,352.85</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:

	2020-21	2019-20
	\$	\$
a. Income		
Dementia Supplement for Elderly with Disabilities	5,254,028.00	4,991,644.00
Infirmity Care Supplement for Aged Blind Persons	3,712,098.00	3,707,589.00
Training Sponsorship Scheme for Master in Physiotherapy (MPT/MOT) of the HK PolyU	-	270,000.00
Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the "Severe Respiratory Disease associated with a Noval Infectious Agent"	-	929,427.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	1,487,082.00	1,487,082.00
Total	<u>10,453,208.00</u>	<u>11,385,742.00</u>
b. Expenditure		
Dementia Supplement for Elderly with Disabilities	5,224,332.02	4,990,406.78
Infirmity Care Supplement for Aged Blind Persons	3,693,773.02	3,707,746.65
Training Sponsorship Scheme for Master in Physiotherapy (MPT/MOT) of the HK PolyU	270,000.00	270,000.00
Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the "Severe Respiratory Disease associated with a Noval Infectious Agent"	-	26,834.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	1,487,081.15	1,487,081.27
Total	<u>10,675,186.19</u>	<u>10,482,068.70</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 is as follows:

	2020-21	2019-20
	\$	\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	14,081,638.89	18,895,781.09
(b) Others	7,845,872.31	3,326,321.84
Total	21,927,511.20	22,222,102.93

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.	8	5,986,914.00
HK\$800,001-HK\$900,000 p.a.	6	5,091,744.00
HK\$900,001-HK\$1,000,000 p.a.	4	3,738,884.00
HK\$1,000,001-HK\$1,100,000 p.a.	2	2,062,403.00
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:

	<u>2020-21</u>	<u>2019-20</u>
Other Charges	\$	\$
(a) Utilities	6,652,448.00	6,851,810.79
(b) Food	5,150,304.87	4,948,868.71
(c) Administrative Expenses	1,123,891.33	1,163,949.93
(d) Stores and Equipment	1,160,627.53	1,215,841.68
(e) Repair and Maintenance	7,695,101.26	7,695,001.20
(f) Programme Expenses	4,887,805.36	5,639,721.36
(g) Transportation and Travelling	514,346.72	680,189.55
(h) Insurance	1,351,630.72	1,217,868.37
(i) Miscellaneous	12,002,613.66	14,380,034.55
Direct Production Cost	3,962,416.33	4,897,070.47
Direct Raw Materials	5,268,120.83	6,980,832.13
Indirect Production Cost	1,297,961.74	1,051,659.54
Others	1,474,114.76	1,450,472.41
Total	<u>40,538,769.45</u>	<u>43,793,286.14</u>

8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions as at 31/3/2021

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
Income					
Lump Sum Grant	158,473,825.00				158,473,825.00
Special One-off Grant					-
Fee Income	11,683,689.10				11,683,689.10
Other Income	21,927,511.20				21,927,511.20
Interest Received (Note (1))	434,153.30				434,153.30
Rent and Rates	-		1,629,714.00		1,629,714.00
Central Items	-			10,453,208.00	10,453,208.00
Total Income	(a) 192,519,178.60	-	1,629,714.00	10,453,208.00	204,602,100.60
Expenditure					
Personal Emoluments	149,384,470.16				149,384,470.16
Other Charges	40,538,769.45				40,538,769.45
Rent and Rates			2,525,142.44		2,525,142.44
Central Items				10,675,186.19	10,675,186.19
Special One-off Grant Payments					-
Total Expenditure	(b) 189,923,239.61	-	2,525,142.44	10,675,186.19	203,123,568.24
Surplus/(Deficit) for the Year					
(a) - (b) = (c)	(c) 2,595,938.99	-	(895,428.44)	(221,978.19)	1,478,532.36
Less: Surplus/(Deficit) of Provident Fund	789,791.47	-	-	-	789,791.47
Surplus/(Deficit) for the Year excluding Provident Fund	1,806,147.52	-	(895,428.44)	(221,978.19)	688,740.89
Surplus/(Deficit) b/f (Note (2))	(d) 41,758,122.32	-	(469,770.84)	1,407,391.73	42,695,743.21
	43,564,269.84	-	(1,365,199.28)	1,185,413.54	43,384,484.10
Supported by Government - Rent and Rates for 2019/20			357,222.00		357,222.00
Refund to Government for 2019/20- RCNT, IAC & MGCH			(30,387.37)		(30,387.37)
Unsupport balance of Rent and Rates for 2019/20			142,936.21		142,936.21
Unsupport balance of Rent and Rates for 2020/21			337,527.85		337,527.85
Refund to Government				(903,673.30)	(903,673.30)
Surplus/(Deficit) c/f (Note (4))	43,564,269.84	-	(557,900.59)	281,740.24	43,288,109.49

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 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.

[Total Expenditure excluding Provident Fund expenditure: (\$203,123,568.24 - \$10,212,018.53)*25% = \$48,227,887.43

(2) Staff of 2nd Tier ^[1]

(a) Number of staff	5	
(b) Comparable rank in civil service ^[2]	SWO	
(c) Post	Director	
(d) Total annual staff costs ^[3] (including those not under SWD subventions, if applicable) <i>[2(d) should be equal to or greater than 2(e)]</i>		\$ 5,101,173 <i>(round up to the nearest dollar)</i>
(e) Total annual staff costs under SWD subventions <i>[2(e)=2(f)(i)+(ii)+(iii)+(iv)]</i>		\$3,815,085 <i>(round up to the nearest dollar)</i>
(f) Breakdown of (2)(e)		
(i) Salary ^[4]		\$ 3,587,546
(ii) Provident fund		\$ 227,539
(iii) Cash allowance ^[5] (please specify if any:)		\$ -
(iv) Non-cash based benefits ^[6] (please specify if any:)		\$ -

(3) Staff of 3rd Tier ^[1]

(a) Number of staff	13	
(b) Comparable rank in civil service ^[2]	SSWA/ASWO	
(c) Post	Manager / Supervisor / Superintendent	
(d) Total annual staff costs ^[3] (including those not under SWD subventions, if applicable) <i>[3(d) should be equal to or greater than 3(e)]</i>		\$ 9,801,353 <i>(round up to the nearest dollar)</i>
(e) Total annual staff costs under SWD subventions <i>[3(e)=3(f)(i)+(ii)+(iii)+(iv)]</i>		\$ 9,122,132 <i>(round up to the nearest dollar)</i>

(f) Breakdown of (3)(e)

(i) Salary ^{l4l}	\$ 8,335,265
(ii) Provident fund	\$ 738,867
(iii) Cash allowance ^{l5l} (please specify if any: Special allowance for staff of subvented RS units iro COVID-19)	\$ 48,000
(iv) Non-cash based benefits ^{l6l} (please specify if any:)	\$ -

(4) Review for changes ^{l7l}

	<u>2019-20</u> (the year before)	<u>2020-21</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)]	\$ 15,051,848	\$ 14,443,408

(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 change** in their remunerations as compared with the preceding year.
- I have reviewed the remuneration packages of the staff in the top three tiers and **found change(s)** in their remunerations as compared with the preceding year. The tier(s) having changes and reasons for such changes are stated below –
 - Upward/downward pay adjustment in accordance with Civil Service Pay Adjustment (details are given at the bottom).
 - Upward/downward pay adjustment other than Civil Service Pay Adjustment (details are given at the bottom).
 - Incremental creep (details are given at the bottom).
 - Organisational restructuring or upgrading/downgrading of top three tier posts (details are given at the bottom).
 - Increase/decrease of number of staff of the top three tiers (details are given at the bottom).
 - Other circumstances (details are given at the bottom).

Details (please use additional sheet as necessary):

1) Annual salary increment if meet with satisfactory performance

2) Salary adjustment according to Civil Service Pay Adjustment

3) Staff retirement and replacement
