

**FRENI CARE AND ATTENTION HOME OF  
HONG KONG TUBERCULOSIS, CHEST AND HEART DISEASES ASSOCIATION  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

	<u>Notes</u>	<u>2020-21</u> HK\$	<u>2019-20</u> HK\$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	31,013,049.00	30,534,208.00
b. Provident Fund	1c	2,358,415.00	2,394,482.00
2. Fee Income	2	4,798,551.10	4,900,960.40
3. Central Items	3a	6,219,585.00	7,027,634.00
4. Rent and Rates	4	292,803.00	282,365.00
5. Other Income	5	2,759,805.95	2,870,040.11
6. Interest Received		307,982.82	333,353.10
<b>TOTAL INCOME</b>		<u>47,750,191.87</u>	<u>48,343,042.61</u>
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<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		17,789,593.04	17,810,773.99
b. Provident Fund	1c	1,264,030.97	1,446,238.91
c. Allowances		<u>10,325,750.85</u>	<u>11,135,463.17</u>
Sub-total	6	29,379,374.86	30,392,476.07
2. Other Charges	7	9,077,712.81	9,272,819.65
3. Central Items	3b	6,026,592.71	6,557,182.54
4. Rent and Rates	4	<u>367,035.20</u>	<u>373,744.55</u>
<b>TOTAL EXPENDITURE</b>		<u>44,850,715.58</u>	<u>46,596,222.81</u>
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<b>C. SURPLUS FOR THE YEAR</b>	8	<u>2,899,476.29</u>	<u>1,746,819.80</u>
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The Annual Financial Report from pages 2 to 12 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



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Mr. Steve Y. F. LAN  
Chairman



.....  
Ms. LEUNG Sze Hang Suzanna  
NGO Head

Date: 21 OCT 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, and prepared in compliance with the applicable provisions of the constitution of Hong Kong Tuberculosis, Chest and Heart Diseases Association. 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>	<u>Snapshot Staff</u> HK\$	<u>6.8% and Other Posts</u> HK\$	<u>Total</u> HK\$
Subvention Received	487,476.00	1,870,939.00	2,358,415.00
Provident Fund Contribution Paid during the year	(552,335.88)	(711,695.09)	(1,264,030.97)
(Deficit)/surplus for the Year	(64,859.88)	1,159,243.91	1,094,384.03
<b>Add:</b> (Deficit)/surplus b/f	(7,696.00)	8,413,884.87	8,406,188.87
<b>Less:</b> Surplus recovered by SWD per SWD's letter ref. SWD/S/102/1 (2020)	(44,983.00)	-	(44,983.00)
<b>Add:</b> Other Expenses	0.48	-	0.48
<b>Add:</b> Additional Subvention received for previous year per SWD's letter ref. SWD/S/102/1(2020)	-	28,043.00	28,043.00
<b>Add:</b> Adjustment for 3-tiers remuneration of 2019-20	30,000.00	-	30,000.00
(Deficit)/Surplus c/f	(87,538.40)	9,601,171.78	9,513,633.38

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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 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:

	<u>2020-21</u> HK\$	<u>2019-20</u> HK\$
<b>a. Income</b>		
Dementia Supplement for Residential Elderly Services	1,770,379.00	1,681,967.00
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Infirmity Care Supplement for Residential Elderly Services	3,997,644.00	4,611,879.00
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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	-	282,226.00
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Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	451,562.00	451,562.00
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<b>Total</b>	<u>6,219,585.00</u>	<u>7,027,634.00</u>
<b>b. Expenditure</b>		
Dementia Supplement for Residential Elderly Services	1,770,379.00	1,681,967.00
Infirmity Care Supplement for Residential Elderly Services	3,997,644.00	4,611,879.00
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	-	-
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	258,569.71	263,336.54
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<b>Total</b>	<u>6,026,592.71</u>	<u>6,557,182.54</u>

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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 recognised by SWD have not been included in AFR.

**5. OTHER INCOME**

These include 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\$
<b>Other Income</b>		
(a) Fees and charges for services incidental to the operation of subvented services	2,759,805.95	2,870,040.11
(b) Others	-	-
<b>Total</b>	<u>2,759,805.95</u>	<u>2,870,040.11</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 HK\$700,000.00 each paid under LSG is appended below:

<b>Analysis of Personal Emoluments paid under LSG</b>	<b>No. of Posts</b>	<b>HK\$</b>
HK\$700,001.00 – HK\$800,000.00 p.a.	Nil	Nil
HK\$800,001.00 – HK\$900,000.00 p.a.	1	821,999.88
HK\$900,001.00 – HK\$1,000,000.00 p.a.	Nil	Nil
HK\$1,000,001.00 – HK\$1,100,000.00 p.a.	1	1,035,207.00
HK\$1,100,001.00 – HK\$1,200,000.00 p.a.	Nil	Nil
> HK\$1,200,000.00 p.a.	1	<u>1,826,472.17</u>

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**7. OTHER CHARGES**

The breakdown on Other Charges is as follows:

	<u>2020-21</u> HK\$	<u>2019-20</u> HK\$
(a) Utilities	1,365,975.66	1,470,968.07
(b) Food	1,286,081.60	1,363,326.44
(c) Administrative Expenses	699,994.66	712,096.07
(d) Stores and Equipment	568,941.03	611,432.12
(e) Repair and Maintenance	652,381.47	837,020.07
(f) Programme Expenses	165,013.52	279,087.62
(g) Transportation and Travelling	97,454.01	106,194.31
(h) Insurance	576,042.07	616,688.15
(i) Miscellaneous	<u>3,149,934.79</u>	<u>3,102,161.80</u>
	8,561,818.81	9,098,974.65
Property, plant and equipment included in "PPE"	<u>515,894.00</u>	<u>173,845.00</u>
<b>Total</b>	<u><u>9,077,712.81</u></u>	<u><u>9,272,819.65</u></u>

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**HONG KONG TUBERCULOSIS, CHEST AND HEART DISEASES ASSOCIATION**

**NOTES ON THE ANNUAL FINANCIAL REPORT**

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

	Lump Sum Grant (LSG)	Rent and Rates	Central Items (CI)	Total
	HK\$	HK\$	HK\$	HK\$
<b>INCOME</b>				
Lump Sum Grant	33,371,464.00	-	-	33,371,464.00
Fee Income	4,798,551.10	-	-	4,798,551.10
Other income	2,759,805.95	-	-	2,759,805.95
Interest Received (Note (1))	307,982.82	-	-	307,982.82
Rent and Rates	-	292,803.00	-	292,803.00
Central Items	-	-	6,219,585.00	6,219,585.00
<b>Total Income (a)</b>	<b>41,237,803.87</b>	<b>292,803.00</b>	<b>6,219,585.00</b>	<b>47,750,191.87</b>
<b>EXPENDITURE</b>				
Personal Emoluments	29,379,374.86	-	-	29,379,374.86
Other Charges	9,077,712.81	-	-	9,077,712.81
Rent and Rates	-	367,035.20	-	367,035.20
Central Items	-	-	6,026,592.71	6,026,592.71
<b>Total Expenditure (b)</b>	<b>38,457,087.67</b>	<b>367,035.20</b>	<b>6,026,592.71</b>	<b>44,850,715.58</b>
<b>Surplus/(Deficit) for the Year (a) – (b)</b>	<b>2,780,716.20</b>	<b>(74,232.20)</b>	<b>192,992.29</b>	<b>2,899,476.29</b>
Less: Surplus of Provident Fund	(1,094,384.03)	-	-	(1,094,384.03)
<b>Surplus/(Deficit) b/f (Note (2))</b>	<b>1,686,332.17</b>	<b>(74,232.20)</b>	<b>192,992.29</b>	<b>1,805,092.26</b>
	15,011,249.99	(227,487.73)	483,799.46	15,267,561.72
	16,697,582.16	(301,719.93)	676,791.75	17,072,653.98
<b>Add: Deficit recovered from SWD of 2018/2019</b>	-	136,110.00	-	136,110.00
<b>Add: Deficit recovered from SWD of 2019/2020</b>	-	91,380.00	-	91,380.00
<b>Less: Other income</b>	-	(2.15)	-	(2.15)
<b>Less: Surplus refund to Government per SWD's letter ref. SWD SF/SAS/4-55/1(385)</b>	-	(0.12)	-	(0.12)
<b>Less: Surplus recovered by SWD</b>	-	-	(470,451.46)	(470,451.46)
<b>Add: Adjustment for 3-tiers remuneration of 2019-20</b>	200,000.00	-	-	200,000.00
<b>Surplus/(Deficit) c/f (Note (4))</b>	<b>16,897,582.16</b>	<b>(74,232.20)</b>	<b>206,340.29</b>	<b>17,029,690.25</b>

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**8. ANALYSIS OF LUMP SUM GRANT RESERVE AND BALANCES OF OTHER SWD SUBVENTIONS (CONT'D)**

Notes:

- (1) Interest received on LSG and Provident Fund 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 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, 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.

(A) Total expenditure excluding PF expenditure

$$\begin{aligned} &= \text{HK\$}38,457,087.67 - \text{HK\$}1,264,030.97 \\ &= \text{HK\$}37,193,056.70 \end{aligned}$$

$$\text{HK\$}37,193,056.70 \times 25\% = \text{HK\$}9,298,264.18$$

(B) Total surplus of LSG and interest received excluding PF as at 31 March 2021

$$= \text{HK\$}16,897,582.16$$

(C) The level of LSG cumulative reserve, less LSG Reserve kept in the holding account

$$= \text{HK\$}16,897,582.16 - \text{HK\$}5,768,022.49$$

$$= \text{HK\$}11,129,559.67$$