

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

**FOR THE PERIOD FROM 1ST APRIL, 2019
TO 31ST MARCH, 2020**

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, 2019 TO 31ST MARCH, 2020

	<u>NOTE</u>	<u>2019/20</u> <u>HK\$</u>	<u>2018/19</u> <u>HK\$</u>
A. INCOME			
1 Lump Sum Grant			
(a) Lump Sum Grant (excluding PF)	(1b)	52,915,041.00	47,629,186.00
(b) Provident Fund	(1c)	4,216,005.00	3,924,269.00
2 Fee Income	(2)	5,664,735.50	5,605,234.60
3 Central Items	(3)	7,012,920.00	6,737,449.00
4 Rent and Rates	(4)	1,197,185.00	1,161,428.00
5 Other Income	(5)	2,548,139.80	2,131,226.85
6 Interest Received		<u>3,874.15</u>	<u>331.95</u>
TOTAL INCOME		<u>73,557,900.45</u>	<u>67,189,125.40</u>
B. EXPENDITURE			
1 Personal Emoluments			
(a) Salaries		46,855,060.93	42,052,934.24
(b) Provident Fund	(1c)	<u>3,735,559.08</u>	<u>3,155,726.69</u>
Sub-total	(6)	50,590,620.01	45,208,660.93
2 Other Charges	(7)	8,792,416.84	7,967,504.44
3 Central Items	(3)	6,692,689.00	6,732,149.00
4 Rent and Rates	(4)	<u>1,204,127.00</u>	<u>1,162,872.00</u>
TOTAL EXPENDITURE		<u>67,279,852.85</u>	<u>61,071,186.37</u>
C. SURPLUS FOR THE YEAR	(8)	<u>6,278,047.60</u>	<u>6,117,939.03</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.



 Executive Vice-President and
 Hon. Treasurer
 (for Board Chairperson)



 Chief Executive Officer

Date: 30th October, 2020

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(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:

<u>Provident Fund Contribution</u>	<u>Existing staff</u> <u>HK\$</u>	<u>6.8% and other posts</u> <u>HK\$</u>	<u>Total</u> <u>HK\$</u>
Subvention Received	1,158,129.00	3,057,876.00	4,216,005.00
Provident Fund Contribution Paid during the year	<u>1,120,984.80</u>	<u>2,614,574.28</u>	<u>3,735,559.08</u>
Surplus for the year	37,144.20	443,301.72	480,445.92
Surplus brought forward	229,202.09	7,366,934.65	7,596,136.74
Additional subvention (refund)/received for previous years	(200,082.00)	78,371.00	(121,711.00)
Adjustment per Social Welfare Department letter dated 13th May, 2020 (Ref: SWD SF/SI/4-65/19(066)/0)	<u>44,037.00</u>	<u>-</u>	<u>44,037.00</u>
Surplus carried forward	<u>110,301.29</u> =====	<u>7,888,607.37</u> =====	<u>7,998,908.66</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>2019/20</u> HK\$	<u>2018/19</u> HK\$
(a) Income		
Dementia Supplement for Residential Elderly Services	4,666,102.00	4,828,467.00
Infirmary Care Supplement for Residential Elderly Services	1,537,293.00	1,903,682.00
Time-defined Subsidy Scheme for Occasional Child Care Service	5,300.00	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>-</u>
Total	<u>7,012,920.00</u> =====	<u>6,737,449.00</u> =====
(b) Expenditure		
Dementia Supplement for Residential Elderly Services	4,666,102.00	4,828,467.00
Infirmary Care Supplement for Residential Elderly Services	1,537,293.00	1,903,682.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	<u>489,294.00</u>	<u>-</u>
Total	<u>6,692,689.00</u> =====	<u>6,732,149.00</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 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>2019/20</u> HK\$	<u>2018/19</u> HK\$
(a) Fees and charges for services incidental to the operation of subvented services	1,463,358.70	1,471,087.90
(b) Others	<u>1,084,781.10</u>	<u>660,138.95</u>
	<u>2,548,139.80</u>	<u>2,131,226.85</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:

<u>Analysis of Personal Emoluments paid under LSG</u>	<u>No. of Posts</u>	<u>HK\$</u>
HK\$700,001 – HK\$800,000 p.a.	2	1,503,798.00
HK\$800,001 – HK\$900,000 p.a.	1	803,181.00
HK\$900,001 – HK\$1,000,000 p.a.	2	1,843,032.50
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:

	<u>2019/20</u>	<u>2018/19</u>
	<u>HK\$</u>	<u>HK\$</u>
(a) Utilities Expenses	1,487,340.40	1,535,280.30
(b) Food	2,575,076.30	2,307,543.51
(c) Administrative Expenses	568,465.31	516,351.04
(d) Stores and Equipment	136,504.41	146,096.99
(e) Repair and Maintenance	616,720.81	510,999.98
(f) Special Allowances	-	-
(g) Programme Expenses	1,238,748.50	1,147,095.38
(h) Transportation and Travelling	51,841.50	48,997.52
(i) Insurance	1,449,760.54	1,276,404.19
(j) Miscellaneous	<u>667,959.07</u>	<u>478,735.53</u>
	8,792,416.84	7,967,504.44
	=====	=====

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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>2020 Total</u> HK\$	<u>2019 Total</u> HK\$
Income					
Lump Sum Grant	57,131,046.00	-	-	57,131,046.00	51,553,455.00
Fee Income	5,664,735.50	-	-	5,664,735.50	5,605,234.60
Other Income	2,548,139.80	-	-	2,548,139.80	2,131,226.85
Bank Interest Received (Note 1)	3,874.15	-	-	3,874.15	331.95
Rent and Rates	-	1,197,185.00	-	1,197,185.00	1,161,428.00
Central Items	-	-	7,012,920.00	7,012,920.00	6,737,449.00
Total income	<u>65,347,795.45</u>	<u>1,197,185.00</u>	<u>7,012,920.00</u>	<u>73,557,900.45</u>	<u>67,189,125.40</u>
Expenditure					
Personal Emoluments	50,590,620.01	-	-	50,590,620.01	45,208,660.93
Other Charges	8,792,416.84	-	-	8,792,416.84	7,967,504.44
Rent and Rates	-	1,204,127.00	-	1,204,127.00	1,162,872.00
Central Items	-	-	6,692,689.00	6,692,689.00	6,732,149.00
Total expenditure	<u>59,383,036.85</u>	<u>1,204,127.00</u>	<u>6,692,689.00</u>	<u>67,279,852.85</u>	<u>61,071,186.37</u>
Surplus/(Deficit) for the year	5,964,758.60	(6,942.00)	320,231.00	6,278,047.60	6,117,939.03
Less: Surplus of provident fund	<u>480,445.92</u>	-	-	<u>480,445.92</u>	<u>768,542.31</u>
	5,484,312.68	(6,942.00)	320,231.00	5,797,601.68	5,349,396.72
Surplus/(Deficit) brought forward (Note 2)	8,919,299.66	(65,351.24)	60,344.41	8,914,292.83	3,644,067.11
Add: Refund from Government	-	1,444.00	-	1,444.00	14,129.00
Less: Refund to Government	-	-	(5,300.00)	(5,300.00)	(93,300.00)
Adjustment per Social Welfare Department letter 6th November, 2019 (Ref: SWD SF/SAS/19 (066)II)	<u>(29,078.59)</u>	-	<u>29,078.59</u>	-	-
Surplus/(Deficit) carried forward (Note 4)	<u>14,374,533.75</u>	<u>(70,849.24)</u>	<u>404,354.00</u>	<u>14,708,038.51</u>	<u>8,914,292.83</u>

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\$14,374,533.75), 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.