

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

**FOR THE PERIOD FROM 1ST APRIL, 2022  
TO 31ST MARCH, 2023**

**ANNUAL FINANCIAL REPORT**

**LUI & MAK CPA LIMITED**

呂榮光 麥錦棠 陳杰宏  
會計師事務所有限公司

Rooms 604-7, Dominion Centre, 43-59 Queen's Road East, Hong Kong  
Tel No.: 2821 0505 Fax No.: 2529 0774  
香港皇后大道東四十三至五十九號東美中心, 六樓六零四至六零七室  
電話: 2821 0505 圖文傳真: 2529 0774

**NGO: THE HONG KONG BUDDHIST ASSOCIATION - SUB-ORGANISATIONS  
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**FOR THE PERIOD FROM 1ST APRIL, 2022 TO 31ST MARCH, 2023**

	<b><u>NOTE</u></b>	<b><u>2022/23</u></b> <b>HK\$</b>	<b><u>2021/22</u></b> <b>HK\$</b>
<b>A. INCOME</b>			
1 Lump Sum Grant			
(a) Lump Sum Grant (excluding PF)	(1b)	54,876,535.00	54,105,931.00
(b) Provident Fund	(1c)	4,052,575.00	4,064,990.00
2 Fee Income	(2)	5,074,050.00	5,434,900.00
3 Central Items	(3)	5,534,023.00	6,603,443.00
4 Rent and Rates	(4)	2,319,010.00	1,213,686.00
5 Other Income	(5)	2,685,710.35	1,664,917.50
6 Interest Received		<u>14,949.42</u>	<u>17,289.16</u>
<b>TOTAL INCOME</b>		<u>74,556,852.77</u>	<u>73,105,156.66</u>
<b>B. EXPENDITURE</b>			
1 Personal Emoluments			
(a) Salaries		49,828,954.33	48,409,574.84
(b) Provident Fund	(1c)	<u>3,346,302.95</u>	<u>3,632,811.57</u>
Sub-total	(6)	53,175,257.28	52,042,386.41
2 Other Charges	(7)	11,284,046.00	11,686,273.85
3 Central Items	(3)	5,551,029.00	6,397,843.00
4 Rent and Rates	(4)	<u>2,212,110.00</u>	<u>2,194,998.00</u>
<b>TOTAL EXPENDITURE</b>		<u>72,222,442.28</u>	<u>72,321,501.26</u>
<b>C. SURPLUS FOR THE YEAR</b>	(8)	<u>2,334,410.49</u>	<u>783,655.40</u>

The Annual Financial Report from pages 3 to 11 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 Chief Executive Officer

Date: 13th October, 2023

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**NOTES ON THE ANNUAL FINANCIAL REPORT**

**FOR THE PERIOD FROM 1ST APRIL, 2022 TO 31ST MARCH, 2023**

**(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) services (including support services to FSA services) 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 1st April 2000.

6.8% and other posts represent those staff that at employed after 1st April 2000.

The Provident Fund received and contributed for staff under the Central Items which are separately included as part of the income and expenditure of the relevant items have been shown under **Note 3**.

Details are analysed below:

<b><u>Provident Fund Contribution</u></b>	<b><u>Snapshot Staff HK\$</u></b>	<b><u>6.8% and Other Posts HK\$</u></b>	<b><u>Total HK\$</u></b>
Subvention Received	794,372.00	3,258,203.00	4,052,575.00
Provident Fund Contribution Paid during the Year	(754,688.00)	(2,591,614.95)	(3,346,302.95)
Surplus for the Year	39,684.00	666,588.05	706,272.05
Add: (Deficit)/Surplus b/f	(12,895.31)	9,004,133.37	8,991,238.06
Adjustment per SWD letter dated 2nd February, 2023 (Ref. SWD SF/SI/4-65/19(066)/IV)	4,094.96	-	4,094.96
Additional subvention received for previous year	<u>7,037.00</u>	<u>-</u>	<u>7,037.00</u>
Surplus c/f	<u>37,920.65</u> =====	<u>9,670,721.42</u> =====	<u>9,708,642.07</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 LSG Manual.

**(3) CENTRAL ITEMS**

These are subsidies allocated to NGO for specified purposes on a recurrent, time-limited or one-off basis 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 NGO. Any surplus, which is not allowed to be offset by any deficit of another item, is subject to claw-back by SWD according to the terms and conditions of individual central items. 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).

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

	<u>2022/23</u> HK\$	<u>2021/22</u> HK\$
<b>(a) Income</b>		
Dementia Supplement for Residential Elderly Services	4,581,229.00	4,779,749.00
Infirmiry Care Supplement for Residential Elderly Services	942,300.00	1,618,094.00
Time-defined Subsidy Scheme for Occasional Child Care Service	10,494.00	10,600.00
One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	-	195,000.00
<b>Total</b>	<u>5,534,023.00</u>	<u>6,603,443.00</u>
<b>(b) Expenditure</b>		
Dementia Supplement for Residential Elderly Services	4,581,229.00	4,779,749.00
Infirmiry Care Supplement for Residential Elderly Services	942,300.00	1,618,094.00
One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	<u>27,500.00</u>	-
<b>Total</b>	<u>5,551,029.00</u>	<u>6,397,843.00</u>

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**NOTES ON THE ANNUAL FINANCIAL REPORT**

**FOR THE PERIOD FROM 1ST APRIL, 2022 TO 31ST MARCH, 2023**

**(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 need not be included as Other Income in AFR. In this respect, donations have been included if it is used to finance expenditure of the FSA services/ FSA-related activities reflected in the AFR.

The breakdown on Other Income is as follows:

	<u>2022/23</u> HK\$	<u>2021/22</u> HK\$
(a) Programme income	1,023,486.80	820,635.30
(b) Miscellaneous income	<u>1,662,223.55</u>	<u>844,282.20</u>
<b>Total</b>	<u>2,685,710.35</u> =====	<u>1,664,917.50</u> =====

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**NOTES ON THE ANNUAL FINANCIAL REPORT**

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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	774,354.00
HK\$800,001 – HK\$900,000 p.a.	2	1,773,035.06
HK\$900,001 – HK\$1,000,000 p.a.	2	1,962,576.00
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>2022/23</u></b>	<b><u>2021/22</u></b>
	<b><u>HK\$</u></b>	<b><u>HK\$</u></b>
(a) Utilities Expenses	1,808,447.59	1,601,581.16
(b) Food	3,386,922.07	3,193,859.82
(c) Administrative Expenses	340,186.53	812,990.73
(d) Stores and Equipment	798,530.56	133,587.16
(e) Repair and Maintenance	984,827.00	1,046,193.90
(f) Special Allowances	-	-
(g) Programme Expenses	1,072,304.14	1,067,854.70
(h) Transportation and Travelling	109,955.91	65,207.20
(i) Insurance	1,459,531.02	1,804,762.52
(j) Miscellaneous	<u>1,323,341.18</u>	<u>1,960,236.66</u>
<b>Total</b>	<b>11,284,046.00</b>	<b>11,686,273.85</b>
	=====	=====

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

	<u>Lump Sum Grant (LSG) HK\$</u>	<u>Rent and Rates HK\$</u>	<u>Central Items (CI) HK\$</u>	<u>Total HK\$</u>
<b>Income</b>				
Lump Sum Grant	58,919,110.00	-	-	58,929,110.00
Fee Income	5,074,050.00	-	-	5,074,050.00
Other Income	2,685,710.35	-	-	2,685,710.35
Interest Received (Note 1)	14,949.42	-	-	14,949.42
Rent and Rates	-	2,319,010.00	-	2,319,010.00
Central Items	-	-	5,534,023.00	5,534,023.00
<b>Total Income</b>	<u>66,703,819.77</u>	<u>2,319,010.00</u>	<u>5,534,023.00</u>	<u>74,556,852.77</u>
<b>Expenditure</b>				
Personal Emoluments	53,175,257.28	-	-	53,175,257.28
Other Charges	11,284,046.00	-	-	11,284,046.00
Rent and Rates	-	2,212,110.00	-	2,212,100.00
Central Items	-	-	5,551,029.00	5,551,029.00
<b>Total Expenditure</b>	<u>(64,459,303.28)</u>	<u>(2,212,100.00)</u>	<u>(5,551,029.00)</u>	<u>(72,222,442.28)</u>
 Surplus/(Deficit) for the Year	2,244,516.49	106,900.00	(17,006.00)	2,334,410.49
Less: Surplus for Provident Fund	<u>(706,272.05)</u>	-	-	<u>(706,272.05)</u>
	1,538,244.44	106,900.00	(17,006.00)	1,628,138.44
<b>Surplus/(Deficit) b/f (Note 2)</b>	15,358,626.21	(1,045,219.24)	289,723.00	14,603,129.97
Add: Refund from Government	-	981,312.00	-	981,312.00
Less: Refund to Government	<u>(334,664.04)</u>	-	<u>(262,223.00)</u>	<u>(596,887.04)</u>
<b>Surplus c/f (Note 4)</b>	<u>16,562,206.61</u>	<u>42,992.76</u>	<u>10,494.00</u>	<u>16,615,693.37</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 LSG Surplus b/f from previous years (including all interest received in previous years (see (1) above) should be separately reported as 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 for Central Items.
- (4) The level of LSG cumulative reserve (i.e. HK\$16,562,206.61) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year.