

ANNUAL FINANCIAL REPORT

NGO : HONG KONG SOCIETY FOR THE PROTECTION OF CHILDREN

(1 APRIL 2021 TO 31 MARCH 2022)

	Notes	2021-22 \$	2020-21 \$
A. INCOME			
1 Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	92,984,194	88,141,256
b. Provident Fund	1c	5,923,412	5,861,454
2 Fee Income	2	431,838	244,284
3 Central Items	3	3,204,894	2,958,535
4 Rent and Rates	4	1,386,557	232,937
5 Others Income	5	4,667,179	4,255,078
6 Interest Received		35,878	336,785
TOTAL INCOME		<u>108,633,952</u>	<u>102,030,329</u>
B EXPENDITURE			
1 Personal Emoluments			
a. Salaries		86,102,941	72,635,954
b. Provident Fund	1c	4,093,978	4,110,177
c. Allowances		-	-
d. Long Service Payments		-	51,890
e. Severance Payments		14,728	-
f. Relief Workers		2,039,092	1,064,845
<i>Sub-total</i>	6	<u>92,250,739</u>	<u>77,862,866</u>
2 Other Charges	7	8,200,373	6,812,205
3 Central Items	3	2,344,499	2,432,572
4 Rent and Rates	4	<u>2,313,242</u>	<u>1,913,208</u>
TOTAL EXPENDITURE		<u>105,108,853</u>	<u>89,020,851</u>
C SURPLUS FOR THE YEAR	8	<u>3,525,099</u>	<u>13,009,478</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.



Mr Robin Hammond
CHAIRMAN

DATE : 20 OCT 2022



Ms Subrina Chow
DIRECTOR

DATE : 20 OCT 2022

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	2021-22 Total
	\$	\$	\$
Subvention Received	404,399	5,519,013	5,923,412
Provident Fund Contribution Paid during the Year	386,281	3,707,697	4,093,978
Surplus/(Deficit) for the Year	18,118	1,811,316	1,829,434
Add : Surplus/(Deficit) b/f	32,178	9,342,623	9,374,801
Additional subvention received for previous year (s)	113,402	57,914	171,316
Less : Refund to Government	(179,854)	-	(179,854)
Surplus/(Deficit) c/f	(16,156)	11,211,853	11,195,697

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 LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	2021-22 \$	2020-21 \$
a. Income		
After School Care Programme - Fee Waiving Subsidy Scheme	1,010,880	712,764
Time-defined Subsidy Scheme for Extended Hours Service Users	253,703	256,069
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service Enhanced After School Care Programme - Fee Waiving Subsidy Scheme	153,700	153,700
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	1,146,611	967,042
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	640,000	320,000
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	548,960
Total	<u>3,204,894</u>	<u>2,958,535</u>
b. Expenditure		
After School Care Programme - Fee Waiving Subsidy Scheme	898,976	714,444
Time-defined Subsidy Scheme for Extended Hours Child Service Users	1,466	3,224
Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential CCC	-	-
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	11,500
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	1,124,057	1,026,679
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	320,000	270,000
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	-	406,725
Total	<u>2,344,499</u>	<u>2,432,572</u>

- 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 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 (paragraph 2.29 of LSG Manual (October 2016)) is as follows :

	2021-22	2020-21
	\$	\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	-	-
(b) Utilised allocation under Central Items (CI) - After School Care Programme (ASCP) / Enhanced ASCP - Fee Waiving Subsidy Scheme (FWSS) which forms as part of Other Income *	-	-
(c) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	-	-
(d) Others	4,667,179	4,255,078
Sub-Total	4,667,179	4,255,078
<u>Less</u> : Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS which forms as part of Other Income *	-	-
Total	<u>4,667,179</u>	<u>4,255,078</u>

* For those programmes which are regarded as FSA-related activities only

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\$700,001 - HK\$800,000 p.a.	2	1,527,670
HK\$800,001 - HK\$900,000 p.a.	1	834,468
HK\$900,001 - HK\$1,000,000 p.a.	1	924,102
HK\$1,000,001 - HK\$1,100,000 p.a.	1	1,026,316
HK\$1,100,001 - HK\$1,200,000 p.a.	0	-
> HK\$1,200,000 p.a.	1	1,559,162

7. **Other Charges**

The breakdown on Other Charges is as follows:

Other Charges	2021-22	2020-21
	\$	\$
(a) Utilities	799,247	583,875
(b) Food	847,848	748,042
(c) Administrative Expenses	1,010,764	789,015
(d) Stores and Equipment	2,545,072	2,240,904
(e) Repair and Maintenance	931,332	1,084,401
(f) Special Allowances	-	-
(g) Programme Expenses	973,267	244,668
(h) Transportation and Travelling	36,674	19,224
(i) Insurance	500,455	531,446
(j) Staff Training Expenses	128,995	63,054
(k) Medicine and Medical	33,604	33,605
(l) Miscellaneous	393,115	473,971
Sub-Total	8,200,373	6,812,205
<u>Less:</u> Utilised allocation under CI-ASCP / Enhanced ASCP - FWSS * which forms as part of Other Income to fund the operating expenses of FSA-related activities	-	-
Total	8,200,373	6,812,205

* For those programmes which are regarded as FSA-related activities only

8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	Lum Sum Grant (LSG)	Adjustment for Utilised allocation under ASAP / Enhanced ASCP - FWSS	Rent and Rates	Central Items (CI)	2021-22 Total
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	98,907,606	-	-	-	98,907,606
Fee Income	431,838	-	-	-	431,838
Others Income	4,667,179	-	-	-	4,667,179
Interest Received (Note (1))	35,878	-	-	-	35,878
Rent and Rates	-	-	1,386,557	-	1,386,557
Central Items	-	-	-	3,204,894	3,204,894
Total Income (a)	104,042,501	-	1,386,557	3,204,894	108,633,952
Expenditure					
Personal Emoluments	92,250,739	-	-	-	92,250,739
Other Charges	8,200,373	-	-	-	8,200,373
Rent and Rates	-	-	2,313,242	-	2,313,242
Central Items	-	-	-	2,344,499	2,344,499
Total Expenditure (b)	100,451,112	-	2,313,242	2,344,499	105,108,853
Surplus/(Deficit) for the Year (a) - (b)	3,591,389	-	(926,685)	860,395	3,525,099
<u>Less</u> : Surplus/(Deficit) of Provident Fund	1,829,434	-	-	-	1,829,434
	1,761,955	-	(926,685)	860,395	1,695,665
Surplus/(Deficit) b/f (Note (2))	40,271,871	-	(1,680,271)	2,706,973	41,298,573
	42,033,826	-	(2,606,956)	3,567,368	42,994,238
<u>Add</u> : Refund from Government	-	-	1,723,644	-	1,723,644
<u>Less</u> : Refund to Government	(10,945,589)	-	(43,373)	(548,780)	(11,537,742)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplementary (Note (3))	-	-	-	-	-
Adjustment for utilised allocation under <u>Enhanced</u> ASCP - FWSS * (over-estimated) / under-estimated in pervious year (s)	-	-	-	-	-
Surplus/(Deficit) c/f (Note (4))	31,088,237	-	(926,685)	3,018,588	33,180,140

Notes :

Including an amount \$0 being the utilised allocation under CI - ASCP / Enhanced ASCP - FWSS *

* For those programmes which are regarded as FSA-related activities only

- (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 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 Infirmity 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.