

ANNUAL FINANCIAL REPORT
THE HONG KONG SOCIETY FOR REHABILITATION
1 APRIL 2020 TO 31 MARCH 2021

	Notes	2020-21 \$	2019-20 \$
A. INCOME			
1. Lump Sum Grant		39,260,418.00	39,517,125.00
a. Lump Sum Grant (excluding Provident Fund)	1b	35,872,343.00	35,588,748.00
b. Provident Fund	1c	3,388,075.00	3,928,377.00
2. Fee Income	2	43,140.00	68,370.00
3. Central Items	3	1,280,000.00	270,000.00
4. Rent and Rates	4	1,181,237.00	1,176,303.00
5. Other Income	5	3,935,462.69	4,368,656.96
6. Interest Received		280.39	9,748.29
TOTAL INCOME		45,700,538.08	45,410,203.25
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		33,145,248.09	33,267,002.84
b. Provident Fund	1c	3,084,888.63	3,058,204.88
c. Allowances		0.00	0.00
Sub-total	6	36,230,136.72	36,325,207.72
2. Other Charges	7	4,040,610.35	4,293,196.98
3. Central Items	3	279,000.00	261,000.00
4. Rent and Rates	4	1,147,480.00	1,199,515.00
TOTAL EXPENDITURE		41,697,227.07	42,078,919.70
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	4,003,311.01	3,331,283.55

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. CHEUNG Wai-leung
Chairperson
Date: - 6 OCT 2021



Dr. LEUNG Pui-yu Pamela
Chief Executive Officer
Date: - 6 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	1,703,799.00	1,684,276.00	3,388,075.00
Provident Fund Contribution Paid during the Year	1,654,013.87	1,430,874.76	3,084,888.63
Surplus/ (Deficit) for the Year	49,785.13	253,401.24	303,186.37
<u>Add</u> : Surplus/(Deficit) b/f	654,144.22	2,235,571.53	2,889,715.75
<u>Adj</u> : Adjustment on PF Reserve SWD SF/SI/4-65/84(373) III dd 30/10/2020 & SWD SF/SI/4-65/84(373) III dd 28/04/2021 i(b) PF Reserve for Snapshot Staff & 6.8% and Other Posts 2012-2020	144,658.30	1,123.33	145,781.63
<u>Add</u> : Additional subvention received for previous year(s)	0.00	4,339.00	4,339.00
<u>Less</u> : Refund to Government	(31,729.00)	0.00	(31,729.00)
Surplus/(Deficit) c/f	<u>816,858.65</u>	<u>2,494,435.10</u>	<u>3,311,293.75</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	\$	\$
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	1,280,000.00	270,000.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	0.00	0.00
Total	<u>1,280,000.00</u>	<u>270,000.00</u>
b. Expenditure	\$	\$
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	279,000.00	261,000.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	0.00	0.00
Total	<u>279,000.00</u>	<u>261,000.00</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 is as follows:

Other Income	2020-21 \$	2019-20 \$
(a) Fees and charges for services incidental to the operation of subvented services	3,299,848.94	3,946,253.40
(b) Subsidy from Central Items (CI) - After School Care Programme (ASCP) / Enhanced ASCP - Fee Waiving Subsidy Scheme (FWSS)*	0.00	0.00
(c) Others	635,613.75	422,403.56
Sub-Total	3,935,462.69	4,368,656.96
<u>Less:</u> Utilised allocation under CI-ASCP / Enhanced ASCP - FWSS which forms as part of Other Income*	0.00	0.00
Total	3,935,462.69	4,368,656.96

* 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.	3	2,232,326.76
HK\$800,001 - HK\$900,000 p.a.	2	1,691,852.78
HK\$900,001 - HK\$1,000,000 p.a.	2	1,908,584.13
HK\$1,000,001 - HK\$1,100,000 p.a.	4	4,072,380.00
HK\$1,100,001 - HK\$1,200,000 p.a.	2	2,307,262.63
>HK\$1,200,000 p.a.	3	4,181,793.00

7. Other Charges

The breakdown on Other Charges is as follows:

Other Charges	2020-21	2019-20
	\$	\$
(a) Utilities	142,556.31	317,948.85
(b) Food	0.00	0.00
(c) Administrative Expenses	293,321.16	383,621.12
(d) Stores and Equipment	233,054.60	492,289.50
(e) Repair and Maintenance	417,157.21	590,741.80
(f) Special Allowances	0.00	0.00
(g) Programme Expenses	2,427,642.98	1,941,947.74
(h) Transportation and Travelling	23,900.10	30,764.90
(i) Insurance	445,734.20	419,638.23
(j) Miscellaneous	57,243.79	116,244.84
Sub-Total	4,040,610.35	4,293,196.98
Less: Utilised allocation under CI-ASCP / Enhanced ASCP - FWSS* which forms as part of Other Income to fund the operating expenses of FSA-related activities	0.00	0.00
Total	4,040,610.35	4,293,196.98

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

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

	Lump Sum Grant (LSG)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP-FWSS	Rent and Rates	Central Items (CI)	Total
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	39,260,418.00				39,260,418.00
Fee Income	43,140.00				43,140.00
Other Income	3,935,462.69				3,935,462.69
Interest Received (Note (1))	280.39				280.39
Rent and Rates			1,181,237.00		1,181,237.00
Central Items				1,280,000.00	1,280,000.00
Total Income (a)	43,239,301.08	0.00	1,181,237.00	1,280,000.00	45,700,538.08
Expenditure					
Personal Emoluments	36,230,136.72				36,230,136.72
Other Charges	4,040,610.35				4,040,610.35
Rent and Rates			1,147,480.00		1,147,480.00
Central Items				279,000.00	279,000.00
Total Expenditure (b)	40,270,747.07	0.00	1,147,480.00	279,000.00	41,697,227.07
	(J+M)				
Surplus/(Deficit) for the Year (a) - (b)	2,968,554.01	0.00	33,757.00	1,001,000.00	4,003,311.01
Less : Surplus/(Deficit) of Provident Fund	303,186.37				303,186.37
	2,665,367.64	0.00	33,757.00	1,001,000.00	3,700,124.64
Surplus/(Deficit) b/f (Note (2))	7,374,716.02	0.00	(42,459.50)	406,625.00	7,738,881.52
	10,040,083.66	0.00	(8,702.50)	1,407,625.00	11,439,006.16
Adj. : Adjustment on LSG Reserve SWD SF/S/4-65/84(373) III dd 30/10/2020 & SWD SF/S/4-65/84(373) III dd 28/04/2021 i(a) income related to the non-FSA activities 2012-2020	(1,118,713.83)				(1,118,713.83)
i(b) costs of subvented resources being deployed in conducting the non-FSA activities 2012-2020	985,559.08				985,559.08
i(c) exchange gains incorrectly included in the AFR's 2012-2020	(71,496.65)				(71,496.65)
i(c) exchange losses incorrectly included in the AFR's 2012-2020	131,573.06				131,573.06
ii(a) Building Management Fee incorrectly included in AFR's 2012-2020	171,676.72				171,676.72
Add : Refund from Government for 2019 - 2020 (Paylist July 2020)					
Wang Tau Hom			7,753.00		7,753.00
Kornhill			18,609.00		18,609.00
Lei Cheng Uk			8,392.00		8,392.00
Tai Ping			2,095.00		2,095.00
Wo Che			579.00		579.00
Less : Refund to Government for 2019 - 2020 (Paylist Jan 2021)					
Kornhill			(8,213.00)		(8,213.00)
Tai Hing			(2,179.00)		(2,179.00)
Tai Ping			(3,824.00)		(3,824.00)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement (Note (3))					0.00
Adjustment for utilised allocation under Enhanced ASCP - FWSS* (over-estimated) / under-estimated in previous year(s)					0.00
Surplus/(Deficit) c/f (Note (4))	10,138,682.04	0.00	14,509.50	1,407,625.00	11,560,816.54
	(S)				

Notes:

* 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 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 for Central Items
- (4) The level of LSG cumulative reserves (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.

Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1 April 2020 to 31 March 2021

Name of NGO: The Hong Kong Society For Rehabilitation

Unit Code and Name / Remittance Advice No. (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the Year			Surplus b/f (Note 5) (e)	Refund to Government (f)	Adjustment (Note 9) (g)	Surplus c/f (Note 6) (h)=(e)+(a)-(d)-(-f)+/-(g)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d) = (b) - (c)				
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
6462	Financial Incentive Scheme for Mentors of Employees with Disabilities	0.00	0.00	0.00			0.00	127,625.00			127,625.00
6555	Training Sponsorship Scheme for Two-Year MOT/MPT Programme of PolyU	1,280,000.00	279,000.00	1,001,000.00			0.00	279,000.00			1,280,000.00
TOTAL		1,280,000.00	279,000.00	1,001,000.00	0.00	0.00	0.00	406,625.00	0.00	0.00	1,407,625.00

Notes:

1. The figures for the whole financial year are extracted from the payroll for March (Final) or remittance advice(s) issued by the Treasury or allocation letter(s) issued by Social Welfare Department of the financial year.
2. Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
3. Surplus / Deficit for each element represents the difference between subvention released and actual expenditure.
4. Deficit i.r.o. the following central items arising from salary adjustment are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref. (33) in SWD/S/104/2 Pt.18 dated 4 March 2020.
 - (i) Dementia Supplement for Elderly with Disabilities
 - (ii) Infirmary Care Supplement for the Aged Blind Persons
 - (iii) Dementia Supplement for Residential Elderly Services
 - (iv) Infirmary Care Supplement for Residential Elderly services
5. "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
6. "Surplus carried forward (c/f)" means surplus brought forward less refund to Government plus surplus, if any, arising from operations in current year.
7. Unit code and names / remittance advice no. are extracted from the payroll from SWD and remittance advice from the Treasury respectively.
8. The central items as listed above may not be exhaustive and any relevant details of central items released and/or expended during the year, where appropriate, should also be included.
9. For ASCP / Enhanced ASCP, the adjustment includes the amount of expenditure overstated / (understated) in previous year(s) after taking into account for actual claw-back amount(s) per SWD's allocation letter(s), if any.

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period from 1 April 2020 to 31 March 2021

Name of NGO : The Hong Kong Society For Rehabilitation

Unit Code and Name	Subvented Element	Subvention Released (Note 1) \$	Actual Expenditure \$	Surplus (Note 2) \$	Deficit (Note 2) \$
3452 Kowloon Wang Tau Hom Station	Rent Rates	297,360.00 33,751.00	297,360.00 29,800.00	3,951.00	
	Total	331,111.00	327,160.00	3,951.00	0.00
3453 Hong Kong Kornhill Centre	Rent Rates	32,664.00 28,842.00	54,108.00 9,100.00	19,742.00	(21,444.00)
	Total	61,506.00	63,208.00	19,742.00	(21,444.00)
3454 Lei Cheng Uk Centre	Rent Rates	237,722.00 26,476.00	244,620.00 16,000.00	10,476.00	(6,898.00)
	Total	264,198.00	260,620.00	10,476.00	(6,898.00)
3456 New Territories Tai Hing Centre	Rent Rates	230,100.00 13,563.00	230,100.00 400.00	13,163.00	
	Total	243,663.00	230,500.00	13,163.00	0.00
3457 New Territories Tai Ping Station	Rent Rates	104,747.00 7,279.00	106,692.00 0.00	7,279.00	(1,945.00)
	Total	112,026.00	106,692.00	7,279.00	(1,945.00)
3458 New Territories Wo Che Centre	Rent Rates	159,300.00 9,433.00	159,300.00 0.00	9,433.00	
	Total	168,733.00	159,300.00	9,433.00	0.00
Grand Total		1,181,237.00	1,147,480.00	64,044.00	(30,287.00)

Notes :

- The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year. Reimbursement for rent and rates relating to previous financial year(s) (i.e. back payments) should not be included.
- Surplus / Deficit for each element represents the difference between subvention released and actual expenditure.
- Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.

Schedule for Investment

Analysis of Investments as at 31 March 2021

NGO: The Hong Kong Society For Rehabilitation

	2020-21 HK\$'000	2019-20 HK\$'000
LSG Reserve as at 31 March 2021	<u>10,139</u>	<u>7,375</u>
Represented by :		
Investments		
a. HKD Bank Account Balances	10,139	7,375
b. HKD 24-hour Call Deposits	0	0
c. HKD Fixed Deposits	0	0
d. HKD Certificate of Deposits	0	0
e. HKD Bonds	0	0
	<u>10,139</u>	<u>7,375</u>

Note: The investments should be reported at historical cost.

Confirmed by :-



Mr. CHEUNG Wai-leung
Chairperson

Date: - 6 OCT 2021



Dr. LEUNG Pui-yu Pamela
Chief Executive Officer

Date: - 6 OCT 2021