

HONG KONG FEDERATION OF THE BLIND

香港失明人互聯會

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

CHAN LUEN LUEN

CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)

HONG KONG

HONG KONG FEDERATION OF THE BLIND
香港失明人互聯會

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

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REVIEW REPORT TO THE EXECUTIVE COMMITTEE OF
HONG KONG FEDERATION OF THE BLIND
香港失明人互聯會

We have audited the financial statements of Hong Kong Federation of the Blind ("the Federation") for the year ended 31 March 2018 and have issued an unqualified auditors' report thereon dated 13 November 2018.

We conducted our review of the attached Annual Financial Report on pages 2 to 14 of the Federation for the year ended 31 March 2018 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organisations" issued by the Hong Kong Institute of Certified Public Accountants. The review includes considering the procedures and records relevant to the preparation of the Annual Financial Report and performing procedures to satisfy ourselves that the Annual Financial Report has been properly prepared from the books and records of the Federation, on which the above audited financial statements of the Federation are based.

Review conclusions

On the basis of the results of our review and having regard to the audit procedures performed by us in relation to the audit of the financial statements of the Federation for the year ended 31 March 2018:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Federation; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Federation has not:
 - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund, Tide-over Grant and other social welfare subventions and expenditure in respect of Funding and Services Agreement activities and support services;
 - ii. kept separate Operating Income and Expenditure Account for each subvented service unit as required by the Lump Sum Grant Manual published by the Social Welfare Department of the Government of the HKSAR;
 - iii. prepared the Annual Financial Report in accordance with the format and requirements set out in the Lump Sum Grant Manual; and
 - iv. employed the staff quoted in the Tide-over Grant and Provident Fund arrangements during the year ended 31 March 2018.

Chan Luen Luen,
Certified Public Accountant (Practising)
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REVIEW REPORT TO THE EXECUTIVE COMMITTEE OF
HONG KONG FEDERATION OF THE BLIND - CONTINUED

This report is intended for filing with the Social Welfare Department of the Government of the HKSAR and should not be used for any other purpose.



Chan Luen Luen
Certified Public Accountant (Practising)
Hong Kong,
Date: 13 November 2018

HONG KONG FEDERATION OF THE BLIND
香港失明人互聯會

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

	Note	FY 2017/2018 <u>FSA</u> HK\$	FY 2016/2017 <u>FSA</u> HK\$
A. INCOME			
1. Lump sum grant			
a. Lump sum grant (excluding provident fund)	1b	2,252,246.00	2,188,183.00
b. Provident fund	1c	136,706.00	132,796.00
2. Fee income	2	12,402.00	14,471.00
3. Rent and rates	3	7,464.00	7,508.00
4. Other income	4	325,750.00	316,940.00
5. Interest received		18.32	15.16
TOTAL INCOME		<u>2,734,586.32</u>	<u>2,659,913.16</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		1,937,368.08	1,677,299.44
b. Provident fund	1c	127,459.38	137,048.23
Sub-total	5	<u>2,064,827.46</u>	<u>1,814,347.67</u>
2. Other charges	6	552,529.81	627,950.01
3. Rent and rates	3	<u>16,400.00</u>	<u>12,392.00</u>
TOTAL EXPENDITURE		<u>2,633,757.27</u>	<u>2,454,689.68</u>
SURPLUS FOR THE YEAR		<u>100,829.05</u>	<u>205,223.48</u>



Chairman

Treasurer

HONG KONG FEDERATION OF THE BLIND
香港失明人互聯會

NOTES TO THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

1. Lump sum grant

a. Basis of preparation

The Annual Financial Report 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 like depreciation, provisions and accruals should not be included in the Annual Financial Report.

b. Lump sum grant

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.

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.

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	-	136,706.00	136,706.00
Less: Provident Fund Contribution Paid during the year	-	(127,459.38)	(127,459.38)
Surplus for the year	-	9,246.62	9,246.62
Add: Surplus b/f	13,612.07	225,016.64	238,628.71
Surplus c/f	13,612.07	234,263.26	247,875.33

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. Rent and rates

This represents the amount paid by Social Welfare Department in respect of premises recognised by Social Welfare Department. Expenditure on rent and rates in respect of premises not recognised by Social Welfare Department should not be included in Annual Financial Report.

HONG KONG FEDERATION OF THE BLIND
香港失明人互聯會

NOTES TO THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

4. Other income

This includes programme income and all income other than recognised social welfare fee income received during the year. Non-Social Welfare Department subventions and donations received need not been included as other income in Annual Financial Report.

5. Personal emoluments

Personal emoluments include salary, provident fund, salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over HK\$500,000 each is appended below:

<u>Analysis of personal emoluments</u>	No of Posts	<u>2018</u> HK\$
HK\$500,001 - HK\$600,000 p.a.	-	-
HK\$600,001 - HK\$700,000 p.a.	-	-
HK\$700,001 - HK\$800,000 p.a.	-	-
HK\$800,001 - HK\$900,000 p.a.	-	-
HK\$900,001 - HK\$1,000,000 p.a.	-	-
> HK\$1,000,000 p.a.	-	-

6. Other charges

The breakdown on other charges is as follows:

	<u>2018</u> HK\$	<u>2017</u> HK\$
a. Utilities	24,191.20	24,803.40
b. Administrative expenses	41,974.50	38,463.00
c. Stores and equipment	7,448.60	50,160.50
d. Repair and maintenance	62,895.37	38,342.53
e. Programme expenses	575,615.50	614,088.60
Programme income	(184,780.00)	(174,660.00)
	390,835.50	439,428.60
f. Transportation and travelling	6,817.60	10,217.20
g. Insurance	10,892.84	14,278.18
h. Miscellaneous	7,474.20	12,256.60
	<u>552,529.81</u>	<u>627,950.01</u>

HONG KONG FEDERATION OF THE BLIND
香港失明人互聯會

NOTES TO THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

7. Analysis of reserve fund

	Analysis of reserve fund			
	Lump sum grant ("LSG") HK\$	Rent and rates HK\$	Central items HK\$	Total HK\$
<u>Income</u>				
Lump sum grant	2,388,952.00	-	-	2,388,952.00
Fee income	12,402.00	-	-	12,402.00
Other income	325,750.00	-	-	325,750.00
Interest received (note 1)	18.32	-	-	18.32
Rent and rates	-	7,464.00	-	7,464.00
Total income (a)	2,727,122.32	7,464.00	-	2,734,586.32
<u>Expenditure</u>				
Personal emoluments	2,064,827.46	-	-	2,064,827.46
Other charges	552,529.81	-	-	552,529.81
Rent and rates	-	16,400.00	-	16,400.00
Total expenditure (b)	2,617,357.27	16,400.00	-	2,633,757.27
Surplus / (Deficit) for the year (a) - (b)	109,765.05	(8,936.00)	-	100,829.05
Less: Surplus of provident fund	(9,246.62)	-	-	(9,246.62)
Surplus / (Deficit) for the year	100,518.43	(8,936.00)	-	91,582.43
Surplus / (Deficit) b/f (note 2)	435,718.76	(37,497.00)	144,097.10	542,318.86
Less: Rent and rates surplus repaid to S.W.D	-	(1,483.00)	-	(1,483.00)
Programme assistants repaid to S.W.D	-	-	(146,905.50)	(146,905.50)
Surplus / (Deficit) c/f (note 3)	536,237.19	(47,916.00)	(2,808.40)	485,512.79

Notes:

1. All the interest received on LSG and PF reserves, rent and rates, and 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 and all interest received in previous years are included in the surplus b/f under LSG.
3. The level of LSG cumulative reserve (i.e. S) will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.

Schedule for Central Items
Analysis of Subvention and Expenditure for the period from 1 April 2017 to 31 March 2018

Name of Agency: Hong Kong Federation of the Blind

Unit code and name (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 (d)	Surplus c/f (note 6) (f) = (e) + (a) - (d)
					Deficit (note 3) (b)	Deficit transferred to (note 4) (c)	Adjusted deficit (d) = (b) - (c)			
N/A	N/A	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -

Notes:

- The figures for the whole financial year are extracted from the payroll for March (Final) of the financial year.
- Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
- Surplus / Deficit for each element represents the difference between subvention released and actual expenditure.
- Deficit i.e. The following central items arising from salary adjustment are transferred to the lump sum grant reserve as stated in SED's letter ref. (16) SWD/S/104/2 Pt. 12 dated 17 July 2013.
 - Dementia Supplement for Elderly with Disabilities
 - Infirmary Care Supplement for the Aged Blind Persons
 - Dementia Supplement for Residential Elderly Services
 - Infirmary Care Supplement for Residential Elderly Services
 - Regularised Programme Assistant (PA) / Care Assistants
- "Surplus brought forward (b/f)" means surplus, if any arising from operations in previous years.
- "Surplus brought forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
- Unit code and names are extracted from the payroll from SWD.

Schedule for Blister Programme for Pupil Nurse
Analysis of Subvention and Expenditure for the period from 1 April 2017 to 31 March 2018

Name of Agency: Hong Kong Federation of the Blind

Unit code and name	Personal Emoluments (including provident fund)				Other charges			
	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
N/A	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -

Notes:

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year.
2. Surplus / Deficit for March element represent the difference between subvention released and actual expenditure.
3. Surplus in lump sum OC subvention need not be refunded to the SWD.

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period from 1 April 2017 to 31 March 2018

Name of Agency: Hong Kong Federation of the Blind

Unit code and name	Subvention Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
	HK\$	HK\$	HK\$	HK\$	HK\$
2870 Shun Lee Centre	Rent	2,953.00	9,320.00	-	(6,367.00)
	Rates	4,511.00	7,080.00	-	(2,569.00)
	Grand total	7,464.00	16,400.00	-	(8,936.00)

** Expenses in Lump Sum Grant Subvention

Notes:

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year.
2. Surplus / Deficit for each element represent the difference between subvention released and actual expenditure.
3. 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 Investment as at 31 March 2018

Name of Agency: Hong Kong Federation of the Blind

FY2017/2018
HK\$

LSG Reserve as at 31 March 2018

536,237.19

Represented by:

Investments

a.	HKD Bank Account Balances	536,237.19
b.	HKD 24-hour Call Deposits	-
c.	HKD Fixed Deposits	-
d.	HKD Certificate of Deposits	-
e.	HKD Bonds (see appendix for breakdown)	-
		<u>536,237.19</u>

Note: The investments should be reported at historical cost.

Confirmed by:



Chairman

Treasurer

Name of Agency: Hong Kong Federation of the Blind

Movement of F&E Replenishment and Minor Works Block Grant Reserve

	HK\$	HK\$
Debit balance brought forward from previous financial year		72.00
Add: Block grant received during the year	36,000.00	
Interest income received	-	
Other income	-	
	<hr/>	36,000.00
Less: Expenditure during the year -		
Minor works projects	-	
Furniture & equipment	23,676.10	
Vehicle overhauling	-	
	<hr/>	(23,676.10)
		<hr/>
		12,395.90
Less: Contribution from NGO to cover the deficit		-
		<hr/>
Debit balance carried forward to the next financial year		12,395.90
		<hr/> <hr/>

Capital Commitments

As at 31 March 2018, the outstanding commitments in respect of F&E Replenishment and Minor Works Block Grant were as follows:

	HK\$
Contracted but not provided in the financial statements	-
Authorised but not contracted for	-
	<hr/>
	-
	<hr/> <hr/>

Name of Agency: Hong Kong Federation of the Blind

Details of the Use of the F&E Replenishment and Monitor Works Block Grant -

(a) Expenditure in the year 2017/2018 and (b) Outstanding commitment as at 31 March 2018

Name of Agency:

Hong Kong Federation of the Blind

Item No.	Name of SWD-Subvented Unit (Note 1)	(a) Expenditure in the year 2017/2018				(b) Outstanding commitment as at 31 March 2018 - Contracted out for not provided under the Expenditure			
		Minor Works HK\$	Furniture and Equipment HK\$	Vehicle Overhauling HK\$	Total Expenditure HK\$	Minor Works HK\$	Furniture and Equipment HK\$	Vehicle Overhauling HK\$	Total Expenditure HK\$
1.	2870 Shun Lee Centre	-	23,676.10	-	23,676.10	-	-	-	-
	Total (Note 3)	-	23,676.10	-	23,676.10	-	-	-	-

In pursuance of paragraph 4.4.4 of the Lotteries Fund Manual we forward herewith the schedule showing the use of F&E Replenishment and Minor Works Grant. We also confirm that the expenditure from the Block Grant has been incurred in accordance with the provisions of the Lotteries Fund Manual.



Chairman

Treasurer

Notes:

1. One premises0tied SWD-subvented unit should not appear more than once in the schedule.
2. The Chief Executive of the NGO should initial at the left bottom of each and every page except for the final page which should be signed by both the Chief Executive and the Chairman of the NGO.
3. The total figures should tally with those disclosed in the NGO's audited financial statements under paragraph 4.4.3 of the LF Manual.

Hong Kong Federation of the Blind

Reconciliation of surplus between audited financial statements and Annual Financial Report (FSA services)

Period from 1 April 2017 to 31 March 2018

	Under Lump Sum Grant HK\$	Under Organisation HK\$	Total HK\$
Surplus per audited financial statements	176,343.40	41,245.17	217,588.57
Add: Depreciation	47,261.38	-	47,261.38
Non-social welfare reserve fund	-	-	-
Rent and rates surplus repaid to S.W.D	1,483.00	-	1,483.00
Programme assistants repaid to S.W.D	146,905.50	-	146,905.50
	<u>371,993.28</u>	<u>41,245.17</u>	<u>413,238.45</u>
Less: Received from Government	271,164.23	-	271,164.23
Minor purchase recognised in B/S (Page 14)	-	-	-
	<u>(271,164.23)</u>	<u>-</u>	<u>(271,164.23)</u>
Surplus per Annual Financial Report	<u>100,829.05</u>	<u>41,245.17</u>	<u>142,074.22</u>

Hong Kong Federation of the Blind
Reconciliation of Block Grant received and fixed asset payments
Period from 1 April 2017 to 31 March 2018

	Block Grant HK\$	Minor purchase HK\$	Specific Activities Expenses HK\$	Total HK\$
Block Grant income	36,000.00			
Recorded under				
Year Ended 31 March 2018				
Expenditure approved (recognised in P&L)				
Purchase of F&E (in Block Grant) (recognised in B/S) (Page 13)	-	-	-	-
Purchase of F&E (in Minor Purchase) (recognised in B/S) (Page 13)	-	-	-	-
Purchase of F&E (in Specific Activities Expenses) (recognised in B/S) (Page 13)	-	-	-	-
	-	-	-	-
Fixed asset				
Year Ended 31 March 2018				
Purchase of F&E	-	-	-	-