

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

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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REVIEW REPORT TO THE EXECUTIVE COMMITTEE OF HONG KONG FEDERATION OF THE BLIND

I have audited the financial statements of Hong Kong Federation of the Blind ("the Federation") for the year ended 31 March 2019 and have issued an unqualified auditors' report thereon dated 14 August 2019.

I conducted my review of the attached Annual Financial Report on pages 3 to 12 of the Federation for the year ended 31 March 2019 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 my review and having regard to the audit procedures performed by me in relation to the audit of the financial statements of the Federation for the year ended 31 March 2019:

- a. in my opinion the Annual Financial Report has been properly prepared from the books and records of the Federation; and
- b. no matters have come to my attention during the course of my review, which cause me 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 2019.

HON SO FAN *Certified Public Accountant (Practising)*
韓素芬 執業會計師
CPA (Practising), FCCA, ACIS, ACS

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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.



Hon So Fan
Certified Public Accountant (Practising)
Hong Kong,
Date: 14 August 2019

HONG KONG FEDERATION OF THE BLIND

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ANNUAL FINANCIAL REPORT**FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2018-19 \$	2017-18 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	2,349,201.00	2,252,246.00
b. Provident Fund	1c	142,876.00	136,706.00
2. Fee Income	2	11,679.00	12,402.00
3. Central Items	3	-	-
4. Rent and Rates	4	7,406.00	7,464.00
5. Other Income	5	336,946.92	325,750.00
6. Interest Received		352.07	18.32
TOTAL INCOME		<u>2,848,460.99</u>	<u>2,734,586.32</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		2,188,970.78	1,937,368.08
b. Provident Fund	1c	144,093.79	127,459.38
c. Allowances		-	-
Sub-total	6	2,333,064.57	2,064,827.46
2. Other Charges	7	575,628.39	552,529.81
3. Central Items	3	-	-
4. Rent and Rates	4	6,218.00	16,400.00
TOTAL EXPENDITURE		<u>2,914,910.96</u>	<u>2,633,757.27</u>
C. (DEFICIT)/ SURPLUS FOR THE YEAR			
	8	<u>(66,449.97)</u>	<u>100,829.05</u>

The Annual Financial Report from pages 3 to 12 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



Chairman

Treasurer

HONG KONG FEDERATION OF THE BLIND

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NOTES ON THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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	-	142,876.00	142,876.00
Provident Fund Contribution	-	(144,093.79)	(144,093.79)
Paid during the Year			
Surplus/ (Deficit) for the Year	-	(1,217.79)	(1,217.79)
Add : Surplus/ (Deficit) b/f	-	243,098.33	243,098.33
Additional subvention received for previous year(s)	-	-	-
Less : Refund to Government	-	-	-
Surplus/ (Deficit) c/f	-	241,880.54	241,880.54

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.

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NOTES ON THE ANNUAL FINANCIAL REPORT

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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:

	2018-19	2017-18
	\$	\$
a. Income		
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		
Dementia Supplement for Day Care Centres/units for the Elderly		
Foster Care Allowance/Emergency Foster Care Allowance		
After School Care Programme – Fee Waiving Subsidy Scheme		
Temporary Financial Aid		
Emergency Fund		
Time-defined Subsidy Scheme for Extended Hours Service Users		
Training Subsidy under Training Scheme for Child Care		
Supervisors and Special Child Care Workers in Pre-school		
Rehabilitation Services		
Short-term Rental Assistance		
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)		
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy		
NSCCP – Subsidy for Fee Reduction/Waiving		
NSCCP – Rent and Rates		
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes		
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services		
Financial Incentive Scheme for Mentors of Employees with Disabilities		
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities		

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NOTES ON THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2019

Time-defined Subsidy Scheme for Occasional Child Care Service

Enhanced After School Care Programme – Fee Waiving Subsidy Scheme

Navigation Scheme for Young Persons in Care Services -

Operating Expenses

Navigation Scheme for Young Persons in Care Services - Training Cost

Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services

One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly

One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities

Total

2018-19

2017-18

\$

b. Expenditure

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

Dementia Supplement for Day Care Centres/units for the Elderly

Foster Care Allowance/Emergency Foster Care Allowance

After School Care Programme – Fee Waiving Subsidy Scheme

Temporary Financial Aid

Emergency Fund

Time-defined Subsidy Scheme for Extended Hours Service Users

Training Subsidy under Training Scheme for Child Care

Supervisors and Special Child Care Workers in Pre-school

Rehabilitation Services

Short-term Rental Assistance

Allowances for Specific Services Arising from the

Implementation of the Minimum Wage Ordinance
(Overnight On-site-on-call Allowance)

Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy

NSCCP – Subsidy for Fee Reduction/Waiving

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NOTES ON THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2019

NSCCP – Rent and Rates

Training Sponsorship Scheme for Master in Occupational
Therapy and Physiotherapy programmes

Training Subsidy Programme for Children on the Waiting List
for Subvented Pre-school Rehabilitation Services

Financial Incentive Scheme for Mentors of Employees with
Disabilities

Cash Subsidy for Integrated Support Services for Persons with
Severe Physical Disabilities

Time-defined Subsidy Scheme for Occasional Child Care Service
Enhanced After School Care Programme – Fee Waiving Subsidy
Scheme

Navigation Scheme for Young Persons in Care Services -
Operating Expenses

Navigation Scheme for Young Persons in Care Services -
Training Cost

Grant under the Pilot Scheme on On-site Pre-school
Rehabilitation Services

One-off Subsidy for Enhanced Provision of Visiting Medical
Officer for Residential Care Homes for the Elderly

One-off Subsidy for Enhanced Provision of Visiting Medical
Practitioner Scheme for Residential Care Homes for the
Persons with Disabilities

Total

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:

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FOR THE YEAR ENDED 31 MARCH 2019

	2018-19	2017-18
Other Income	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	1,846.92	450.00
(b) Baseline allocation – The Community Chest	335,100.00	325,300.00
Total	336,946.92	325,750.00

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\$
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\$1,000,001 - 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:

	2018-19	2017-18
Other Charges	\$	\$
(a) Utilities	25,608.80	24,191.20
(b) Food	-	-
(c) Administrative Expenses	45,657.90	41,974.50
(d) Stores and Equipment	17,851.47	7,448.60
(e) Repair and Maintenance	19,117.00	62,895.37
(f) Special Allowances	-	-
(g) Programme Expenses	435,267.71	390,835.50
(h) Transportation and Travelling	6,882.80	6,817.60
(i) Insurance	13,975.51	10,892.84
(j) Miscellaneous	11,267.20	7,474.20
Total	575,628.39	552,529.81

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NOTES ON THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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

	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$
Income				
Lump Sum Grant	2,492,077.00	-	-	2,492,077.00
Fee Income	11,679.00	-	-	11,679.00
Other Income	336,946.92	-	-	336,946.92
Interest Received (Note (1))	352.07	-	-	352.07
Rent and Rates	-	7,406.00	-	7,406.00
Central Items	-	-	-	-
Total Income (a)	2,841,054.99	7,406.00	-	2,848,460.99
Expenditure				
Personal Emoluments	2,333,064.57	-	-	2,333,064.57
Other Charges	575,628.39	-	-	575,628.39
Rent and Rates	-	6,218.00	-	6,218.00
Central Items	-	-	-	-
Total Expenditure (b)	2,908,692.96	6,218.00	-	2,914,910.96
Surplus/(Deficit) for the Year (a) - (b)	(67,637.97)	1,188.00	-	(66,449.97)
<u>Add</u> : Deficit of Provident Fund	1,217.79	-	-	1,217.79
Surplus/ (Deficit) b/f (Note (2))	(66,420.18)	1,188.00	-	(65,232.18)
	552,859.33	(47,916.00)	369.00	505,312.33
<u>Add</u> : Refund from Government	486,439.15	(46,728.00)	369.00	440,080.15
<u>Less</u> : Refund to Government	-	-	-	-
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement (Note (3))	-	-	-	-
Adjustment: letter ref. (4) in SWD SF/SAS/4-55/1(328)	-	-	(369.00)	(369.00)
Surplus/ (Deficit) c/f (Note (4))	486,439.15	(46,728.00)	-	439,711.15

Notes:

- (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant 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 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.

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ANALYSIS OF INVESTMENT**AS AT 31 MARCH 2019**

	31.3.2019	31.3.2018
	\$	\$
LSG Reserves as at 31 March 2019	486,439.15	<u>552,859.33</u>

Represented by:

Investments		
a, HKD Bank Account Balances	486,439.15	552,859.33
b, HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	-
d. HKD Certificates of Deposits	-	-
e. HKD Bonds	-	-
	<u>486,439.15</u>	<u>552,859.33</u>

Noted: The investments should be reported at historical cost.

Confirmed by:



Chairman

Treasurer

HONG KONG FEDERATION OF THE BLIND

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SCHEDULE FOR RENT AND RATES**FOR THE YEAR ENDED 31 MARCH 2019**

Unit code and name	Subvention Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
2870 Shun Lee Centre	\$ Rent Rates	2,953.00 4,453.00	\$ 2,238.00 3,980.00	\$ 715.00 473.00	\$ - -
	Grand total	7,406.00	6,218.00	1,188.00	-

** Expenses in Lump Sum Grant Subvention

Notes:

1. The figures are to be extracted from the paylist 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 Central Items
Analysis of Subvention and Expenditure for the Period from 1 April 2018 to 31 March 2019

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 (f)	Surplus c/f (Note 6) (g)=(e)+(a)-(d)-(f)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d) = (b) - (c)			
N/A	Dementia Supplement for Elderly with Disabilities	\$	\$	\$	\$	\$	\$	-	-	-
N/A	Infirmary Care Supplement for the Aged Blind Persons	-	-	-	-	-	-	-	-	-
N/A	Dementia Supplement for Residential Elderly Services	-	-	-	-	-	-	-	-	-
N/A	Infirmary Care Supplement for Residential Elderly Services	-	-	-	-	-	-	-	-	-
N/A	Dementia Supplement for Day Care Centres/Units for the Elderly	-	-	-	-	-	-	-	-	-
N/A	Foster Care Allowance / Emergency Foster Care Allowance	-	-	-	-	-	-	-	-	-
N/A	After School Care Programme - Fee Waiving Subsidy Scheme	-	-	-	-	-	-	-	-	-
N/A	Temporary Financial Aid	-	-	-	-	-	-	-	-	-
N/A	Emergency Fund	-	-	-	-	-	-	-	-	-
N/A	Time-defined Subsidy Scheme for Extended Hours Service Users	-	-	-	-	-	-	-	-	-
N/A	Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-	-	-	-	-	-	-	-
N/A	Short-term Rental Assistance	-	-	-	-	-	-	-	-	-
N/A	Overnight On-site-on-call Allowance	-	-	-	-	-	-	-	-	-
N/A	Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy	-	-	-	-	-	-	-	-	-
N/A	NSCCP - Subsidy for Fee Reduction/Waiving	-	-	-	-	-	-	-	-	-
N/A	NSCCP - Rent and Rates	-	-	-	-	-	-	-	-	-
N/A	Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	-	-	-	-	-	-	-	-	-
N/A	Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	-	-	-	-	-	-	-	-	-
N/A	Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-	-	-	-	-	-	-	-
N/A	Cash Subsidy for Integrated Support Service for Persons with Severe Physical Disabilities	-	-	-	-	-	-	-	-	-
N/A	Time-defined Subsidy Scheme for Occasional Child Care Service	-	-	-	-	-	-	-	-	-
N/A	Enhanced After School Care Programme - Fee Waiving Subsidy Scheme	-	-	-	-	-	-	-	-	-
N/A	Navigation Scheme for Young Persons in Care Services - Operating	-	-	-	-	-	-	-	-	-
N/A	Navigation Scheme for Young Persons in Care Services - Training Cost	-	-	-	-	-	-	-	-	-
N/A	Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services	-	-	-	-	-	-	-	-	-
N/A	One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly	-	-	-	-	-	-	-	-	-
N/A	One-off Subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	-	-	-	-	-	-	-	-	-
TOTAL										

... Notes

Notes:

1. The figures for the whole financial year are extracted from the paylist for March (Final) 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. (5) in SWD/S/104/2 Pt. 18 dated 20 July 2018.
 - (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 name are extracted from the paylist from SWD.
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.