

ANNUAL FINANCIAL REPORT

NGO : Wai Ji Christian Service

(1 April 2019 to 31 March 2020)

	Notes	2019-20 \$	2018-19 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	200,361,359	164,607,274
b. Provident Fund	1c	14,762,667	12,702,146
2. Fee Income	2	11,721,004	10,473,567
3. Central Items	3	3,312,791	363,433
4. Rent and Rates	4	11,640,814	11,013,746
5. Other Income	5	1,335,892	1,651,562
6. Interest Received		1,020,722	1,250,519
TOTAL INCOME		<u>244,155,249</u>	<u>202,062,247</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		174,709,499	148,739,365
b. Provident Fund	1c	13,584,364	12,011,671
c. Allowances		1,012,486	1,120,939
Sub-total	6	<u>189,306,349</u>	<u>161,871,975</u>
2. Other Charges	7	31,830,469	29,709,583
3. Central Items	3	1,980,268	325,677
4. Rent and Rates	4	13,876,461	11,628,501
TOTAL EXPENDITURE		<u>236,993,547</u>	<u>203,535,736</u>
C. SURPLUS / (DEFICIT) FOR THE YEAR		<u>7,161,702</u>	<u>(1,473,489)</u>

The Annual Financial Report from pages 2 to 7 had been prepared in accordance with the requirement as set out in the Lump Sum Grant Manual.

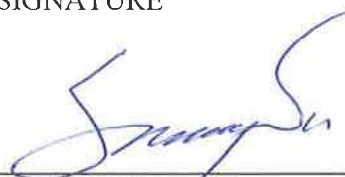
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CHAIRPERSON

DATE : 24 September, 2020

SIGNATURE



CHIEF EXECUTIVE

DATE : 24 September, 2020

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**, this 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	4,036,701.00	10,725,966.00	14,762,667.00
Provident Fund Contribution			
Paid during the year	3,295,495.22	10,288,869.18	13,584,364.40
Surplus / (Deficit) for the Year	741,205.78	437,096.82	1,178,302.60
Add : Surplus / (Deficit) b/f	860,494.28	13,113,204.83	13,973,699.11
Additional subvention received for previous year(s)	-	124,780.00	124,780.00
Less : Refund to Government	(339,380.00)	-	(339,380.00)
Surplus / (Deficit) c/f	<u>1,262,320.06</u>	<u>13,675,081.65</u>	<u>14,937,401.71</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:

	2019-20	2018-19
a. Income		
Dementia Supplement for Elderly with Disabilities	434,056	363,433
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infections Agnet	1,107,207	-
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	1,771,528	-
Total	3,312,791	363,433
b. Expenditure		
Dementia Supplement for Elderly with Disabilities	432,996	325,677
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infections Agnet	-	-
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	1,547,272	-
Total	1,980,268	325,677

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 and 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:

		2019-20	2018-19
		\$	\$
Other Income			
(a) Fees and charges for services incidental to the operation of subvented services		983,542	1,569,555
(b) Others		352,350	82,007
Total		<u>1,335,892</u>	<u>1,651,562</u>

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	2,245,222
HK\$800,001 - HK\$900,000 p.a.	4	3,317,735
HK\$900,001 - HK\$1,000,000 p.a.	3	2,890,220
HK\$1,000,001 - HK\$1,100,000 p.a.	0	-
HK\$1,100,001 - HK\$1,200,000 p.a.	0	-
>HK\$1,200,000 p.a.	1	1,411,460

7. Other Charges

The breakdown on Other Charges is as follows:

	2019-20	2018-19
Other Charges	\$	\$
(a) Utilities	4,930,670	4,734,454
(b) Food	6,376,294	5,581,636
(c) Administrative Expenses	676,793	623,666
(d) Stores and Equipment	2,412,984	2,552,085
(e) Repair and Maintenance	2,084,268	2,415,192
(f) Special Allowances	2,585,595	2,495,631
(g) Programme Expenses	3,000,847	3,674,863
(h) Transportation and Travelling	905,704	954,436
(i) Insurance	3,367,720	2,796,822
(j) Miscellaneous	5,489,594	3,880,798
Total	31,830,469	29,709,583

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

	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$
Income				
Lump Sum Grant	215,124,026	-	-	215,124,026
Fee Income	11,721,004	-	-	11,721,004
Other Income	1,335,892	-	-	1,335,892
Interest Received (Note (1))	1,020,722	-	-	1,020,722
Rent and Rates	-	11,640,814	-	11,640,814
Central Items	-	-	3,312,791	3,312,791
Total Income (a)	229,201,644	11,640,814	3,312,791	244,155,249
Expenditure				
Personal Emoluments	189,306,349	-	-	189,306,349
Other Charges	31,830,469	-	-	31,830,469
Rent and Rates	-	13,876,461	-	13,876,461
Central Items	-	-	1,980,268	1,980,268
Total Expenditure (b)	221,136,818	13,876,461	1,980,268	236,993,547
Surplus / (Deficit) for the Year (a) - (b)	8,064,826	(2,235,647)	1,332,523	7,161,702
<u>Less</u> : (Surplus)/Deficit of Provident Fund	<u>(1,178,303)</u>	<u>-</u>	<u>-</u>	<u>(1,178,303)</u>
	6,886,523	(2,235,647)	1,332,523	5,983,399
Surplus/(Deficit) b/f (Note 2)	69,526,315	(837,912)	206,339	68,894,742
	76,412,838	(3,073,559)	1,538,862	74,878,141
<u>Add</u> : Refund from Government	<u>-</u>	<u>882,735</u>	<u>-</u>	<u>882,735</u>
	-	(45,416)	(37,756)	(83,172)
<u>Less</u> : Refund to Government	<u>-</u>	<u>(45,416)</u>	<u>(37,756)</u>	<u>(83,172)</u>
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))	-	-	-	-
Surplus / (Deficit) c/f (Note (4))	76,412,838	(2,236,240)	1,501,106	75,677,704
	S			

Notes:

- (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 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.