

**Richmond Fellowship of Hong Kong
Annual Financial Report 2020/2021
(Lump Sum Grant Subvention Only)**

The Annual Financial Report (“AFR”) does not constitute Richmond Fellowship of Hong Kong’s statutory annual financial statements.

The AFR is prepared on cash basis and in accordance with the requirements set out in the Lump Sum Grant Manual issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region.

This basis of preparation is different from the financial reporting standards issued by the Hong Kong Institute of Certified Public Accountants normally adopted in statutory annual financial statements.

RICHMOND FELLOWSHIP OF HONG KONG
利 民 會

(Limited by Guarantee)

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021
(For the purpose of Social Welfare Department)

**ANNUAL FINANCIAL REPORT
RICHMOND FELLOWSHIP OF HONG KONG
(1 APRIL 2020 to 31 MARCH 2021)**

	Notes	2020-2021 \$	2019-2020 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	70,933,021.00	68,025,273.00
b. Provident Fund (Subvention)	1c	4,298,280.00	4,267,923.00
3. Fee Income	2	1,781,636.70	1,811,900.60
4. Central Items	3	281,748.00	727,842.00
5. Rent and Rates	4	2,184,838.00	2,178,882.00
6. Other Income	5	1,534,353.23	1,588,518.03
7. Interest Received		34,591.53	52,340.44
TOTAL INCOME		81,048,468.46	78,652,679.07
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		62,259,130.47	55,473,540.94
b. Provident Fund (Expenditure)	1c	2,898,096.58	2,660,377.70
c. Allowances		0.00	0.00
Sub-Total	6	65,157,227.05	58,133,918.64
2. Other Charges	7	9,004,032.04	14,956,134.84
3. Central Items	3	434,775.00	444,227.00
4. Rent and Rates	4	2,208,468.00	2,281,143.00
TOTAL EXPENDITURE		76,804,502.09	75,815,423.48
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	4,243,966.37	2,837,255.59

The Annual Financial Report from pages 3 to 9 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE



CHAIRMAN

DATE: **28 OCT 2021**

SIGNATURE



NGO HEAD/ HEAD OF SOCIAL WELFARE SERVICES

DATE: **28 OCT 2021**

RICHMOND FELLOWSHIP OF HONG KONG
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 Services 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 recognized upon receipt of cash expenditure is recognized 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 subvent 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:

	Snapshot	6.8% and	2020-2021
<u>Provident Fund Contribution</u>	Staff	Other Posts	Total
	HK\$	HK\$	HK\$
Subvention Received	139,215.00	4,159,065.00	4,298,280.00
Provident Fund Contribution Paid during the Year	61,880.00	2,836,216.58	2,898,096.58
Surplus/ (Deficit) for the Year	77,335.00	1,322,848.42	1,400,183.42
Add: Surplus/ (Deficit) b/f	273,845.18	10,581,780.05	10,855,625.23
Additional subvention received for previous year(s)			
Add: PF adjustment for previous year			
Add: Adjustment per SWD letters		73,133.00	73,133.00
Less: Adjustment per SWD letters			
Less: Refund to the government	(100,599.00)		(100,599.00)
Surplus/ (Deficit) c/f	250,581.18	11,977,761.47	12,228,342.65

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 Central Items should be 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:

	2020-2021	2019-2020
	HK\$	HK\$
a. Income		
Financial Incentive Scheme for Mentors of Employees with Disabilities (income)	-	-
Training Sponsorship Scheme for MOT (income)	-	270,000.00
Visiting Medical Practitioner for Halfy Way House (income)	-	-
Special Allowance halfway house (income)	281,748.00	457,842.00
Total	281,748.00	727,842.00
b. Expenses		
Financial Incentive Scheme for Mentors of Employees with Disabilities (expense)	1,000.00	0.00
Training Sponsorship Scheme for MOT (expense)	270,000.00	270,000.00
Visiting Medical Practitioner for Halfy Way House (expense)	-	0.00
Special Allowance halfway house (expense)	163,775.00	174,227.00
Total	434,775.00	444,227.00
	(153,027.00)	283,615.00

RICHMOND FELLOWSHIP OF HONG KONG
NOTES ON THE ANNUAL FINANCIAL REPORT

4. Rent and Rates

This represents the amount paid by Social Welfare Department 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, donation have been included if it is used to finance expenditure reflected in the AFR.

The breakdown on Other Income is as follows:

	2020-2021	2019-2020
Other Income	\$	\$
(a) Fees and charges for services incidental to the operation of subvention services	1,070,390.25	1,071,535.50
(b) Subsidy from Central Items (CI) – After School Care Programme (ASCP) / Enhanced ASCP – Fee Waiving Subsidy Scheme (FWSS)*	-	-
(c) Other	463,962.98	516,982.53
Sub-Total	1,534,353.23	1,588,518.03
Less: Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS which forms as part of Other Income*	-	-
Total	1,534,353.23	1,588,518.03

**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 is appended below:

Analysis of Personal Emoluments	No. of Posts	\$
HK\$700,001-HK\$800,000 p.a.	3	2,301,008.61
HK\$800,001-HK\$900,000 p.a.	0	-
HK\$900,001-HK\$1,000,000 p.a.	3	2,810,743.69
HK\$1,000,001-HK\$1,100,000 p.a.	2	2,060,313.79
HK\$1,100,001-HK\$1,200,000 p.a.	0	-
>HK\$1,200,000 p.a.	1	1,482,558.00
		8,654,624.09

7. Other Charges

The breakdown on Other Charges is as follows:

	2020-2021	2019-2020
Other Charges	\$	\$
(a) Utilities	685,447.20	901,970.00
(b) Food	1,498,280.50	2,352,882.90
(c) Administrative Expenses	1,517,828.15	2,275,808.44
(d) Stores and Equipment	946,730.12	3,387,821.83
(e) Repair and Maintenance	575,308.30	788,613.14
(f) Special Allowances	862,633.88	821,657.95
(g) Programme Expenses	834,148.14	1,070,933.70
(h) Transportation and Travelling	108,706.17	233,405.83
(i) Insurance	978,425.08	730,614.95
(j) Miscellaneous	935,384.50	2,331,286.10
(k) Visiting Medical Practitioner Scheme	61,140.00	61,140.00
Sub-Total	9,004,032.04	14,956,134.84
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	-	-
Total	9,004,032.04	14,956,134.84

**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	Total
	\$		\$	\$	\$
Income					
Lump Sum Grant	75,231,301.00				75,231,301.00
Fee Income	1,781,636.70				1,781,636.70
Other Income	1,534,353.23				1,534,353.23
Interest Received (Note (1))	34,591.53				34,591.53
Rent and Rates			2,184,838.00		2,184,838.00
Central Items				281,748.00	281,748.00
Total Income (a)	78,581,882.46	-	2,184,838.00	281,748.00	81,048,468.46
Expenditure					
Personal Emoluments	65,157,227.05				65,157,227.05
Other Charges	9,004,032.04				9,004,032.04
Rent and Rates			2,208,468.00		2,208,468.00
Central Items				434,775.00	434,775.00
Total Expenditure (b)	74,161,259.09	-	2,208,468.00	434,775.00	76,804,502.09
Surplus/(Deficit) for the Year (a)-(b)	4,420,623.37	-	(23,630.00)	(153,027.00)	4,243,966.37
Less: Surplus/ (Deficit) of Provident Fund	(1,400,183.42)				(1,400,183.42)
Surplus/ (Deficit) b/f (Note(2))	3,020,439.95	-	(23,630.00)	(153,027.00)	2,843,782.95
	24,953,498.10	-	(1,080,191.12)	716,638.10	24,589,945.08
Less: Refund to the Government	27,973,938.05		(1,103,821.12)	563,611.10	27,433,728.03
-Provisional claw-back of subvention surplus 2019/2020	2,660.00				2,660.00
- Clawback of provisional subvention surpluses 2019/2020	(1,976.00)				(1,976.00)
-Being adjustment of opening balance as per SWD letter dated 29.11.2019 Claw-back of subvention surpluses of Rent & Rate			(2,660.00)		(2,660.00)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement					
Adjustment for utilised allocation under Enhanced ASCP – FWSS* (over-estimated) / under-estimated in previous					
Surplus/(Deficit) c/f (Note (4))	27,974,622.05	-	(1,106,481.12)	563,611.10	27,431,752.03

Notes:

Including an amount \$Z 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, Special One-off Grant are included as one item under LSG; and the item is considered as part of LSG reserve.

(2) Accumulated balance Lump Sum Grant Surplus b/f from previous year (including holding account) and all interest received in previous year 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.