

**Richmond Fellowship of Hong Kong
Annual Financial Report 2021/2022
(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 2022
(For the purpose of Social Welfare Department)

**ANNUAL FINANCIAL REPORT
RICHMOND FELLOWSHIP OF HONG KONG
(1 APRIL 2021 to 31 MARCH 2022)**

	Notes	2021-2022 \$	2020-2021 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	71,023,226.00	70,933,021.00
b. Provident Fund (Subvention)	1c	4,283,256.00	4,298,280.00
2. Fee Income	2	1,865,060.00	1,781,636.70
3. Central Items (Sub)	3	1,100,000.00	281,748.00
4. Rent and Rates (Sub)	4	2,178,966.00	2,184,838.00
5. Other Income	5	1,876,881.09	1,534,353.23
6. Interest Received		7,363.47	34,591.53
TOTAL INCOME		82,334,752.56	81,048,468.46
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		62,647,881.71	62,259,130.47
b. Provident Fund (Expenditure)	1c	2,937,604.34	2,898,096.58
c. Allowances		-	-
Sub-Total	6	65,585,486.05	65,157,227.05
2. Other Charges	7	11,570,475.72	9,004,032.04
3. Central Items (Exp)	3	1,000.00	434,775.00
4. Rent and Rates (Exp)	4	2,202,818.00	2,208,468.00
TOTAL EXPENDITURE		79,359,779.77	76,804,502.09
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	2,974,972.79	4,243,966.37

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 2022

SIGNATURE



NGO HEAD/ HEAD OF SOCIAL WELFARE SERVICES
DATE: 28 OCT 2022

**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 and 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:

<u>Provident Fund Contribution</u>	Snapshot	6.8% and	2021-2022
	Staff HK\$	Other Posts HK\$	Total HK\$
Subvention Received	105,591.00	4,177,665.00	4,283,256.00
Provident Fund Contribution Paid during the Year	48,852.00	2,888,752.34	2,937,604.34
Paid during the Year			
Surplus/ (Deficit) for the Year	56,739.00	1,288,912.66	1,345,651.66
Add: Surplus/ (Deficit) b/f	250,581.18	11,977,761.47	12,228,342.65
Add: PF adjustment for previous year			0.00
Add: Additional subvention received for previous year(s)		19,415.00	19,415.00
Less: Adjustment per SWD letters	(63,034.09)	33,580.00	(29,454.09)
Less: Refund to the government	(110,213.00)		(110,213.00)
Surplus/ (Deficit) c/f	134,073.09	13,319,669.13	13,453,742.22

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 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:

	2021-2022 HK\$	2020-2021 HK\$
a. Income		
Financial Incentive Scheme for Mentors of Employees with Disabilities (income)	-	-
Training Sponsorship Scheme for MOT (income)	320,000.00	-
One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities (income)	780,000.00	-
Special Allowance halfway house (income)	-	281,748.00
Total	1,100,000.00	281,748.00
b. Expenses		
Financial Incentive Scheme for Mentors of Employees with Disabilities (expense)	1,000.00	1,000.00
Training Sponsorship Scheme for MOT (expense)	-	270,000.00
One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities (expense)	-	-
Special Allowance halfway house (expense)	-	163,775.00
Total	1,000.00	434,775.00
	1,099,000.00	(153,027.00)

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:

	2021-2022	2020-2021
	\$	\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvention services	940,562.40	1,070,390.25
(b) Utilised allocation under Central Items (CI) - After School Care Programme (ASCP) / Enhanced ASCP - Fee Waiving Subsidy Scheme (FWSS) which forms as part of Other Income	-	-
(c) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	-	-
(d) Other	936,318.69	463,962.98
Sub-Total	<u>1,876,881.09</u>	<u>1,534,353.23</u>
Less: Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS which forms as part of Other Income	-	-
Total	<u>1,876,881.09</u>	<u>1,534,353.23</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\$800,000p.a.	3	2,163,481.43
HK\$800,001-HK\$900,000p.a.	2	1,667,880.20
HK\$900,001-HK\$1,000,000p.a.	2	1,890,977.30
HK\$1,000,001-HK\$1,100,000p.a.	1	1,026,460.00
HK\$1,100,001-HK\$1,200,000p.a.	0	-
>HK\$1,200,000p.a.	1	1,591,146.98
		<u>8,339,945.91</u>

7. Other Charges

The breakdown on Other Charges is as follows:

	2021-2022	2020-2021
	\$	\$
Other Charges		
(a) Utilities	1,015,645.10	685,447.20
(b) Food	1,617,106.23	1,498,280.50
(c) Administrative Expenses	1,560,151.64	1,517,828.15
(d) Stores and Equipment	2,297,007.08	946,730.12
(e) Repair and Maintenance	677,124.00	575,308.30
(f) Special Allowances	857,558.78	862,633.88
(g) Programme Expenses	1,111,169.37	834,148.14
(h) Transportation and Travelling	143,521.83	108,706.17
(i) Insurance	1,004,307.77	978,425.08
(j) Miscellaneous	1,207,113.92	935,384.50
(k) Visiting Medical Practitioner Scheme	79,770.00	61,140.00
Sub-Total	<u>11,570,475.72</u>	<u>9,004,032.04</u>
Less: Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS which forms as part of Other Income	-	-
Total	<u>11,570,475.72</u>	<u>9,004,032.04</u>

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	75,306,482.00				75,306,482.00
Fee Income	1,865,060.00				1,865,060.00
Other Income	1,876,881.09				1,876,881.09
Interest Received (Note (1))	7,363.47				7,363.47
Rent and Rates			2,178,966.00		2,178,966.00
Central Items				1,100,000.00	1,100,000.00
Total Income (a)	79,055,786.56	0.00	2,178,966.00	1,100,000.00	82,334,752.56
Expenditure					
Personal Emoluments	65,585,486.05				65,585,486.05
Other Charges	11,570,475.72				11,570,475.72
Rent and Rates			2,202,818.00		2,202,818.00
Central Items				1,000.00	1,000.00
Total Expenditure (b)	77,155,961.77	0.00	2,202,818.00	1,000.00	79,359,779.77
Surplus/(Deficit) for the Year (a)-(b)	1,899,824.79	0.00	(23,852.00)	1,099,000.00	2,974,972.79
Less: Surplus/ (Deficit) of Provident Fund	(1,345,651.66)				(1,345,651.66)
	554,173.13	0.00	(23,852.00)	1,099,000.00	1,629,321.13
Surplus/ (Deficit) b/f (Note(2))	27,974,622.05	0.00	(1,106,481.12)	563,611.10	27,431,752.03
Less: Refund to the Government	28,528,795.18	0.00	(1,130,333.12)	1,662,611.10	29,061,073.16
- Understated the other charges when preparing the AFR and AFR Note 4-7 for 2020/2021	(280,405.16)				(280,405.16)
- Backpayment of Rent and Rate from 2012/13 to 2019/20			701,919.00		701,919.00
- Clawback of provisional subvention surpluses 2019/2020 & 2020/2021			(29,974.00)	(401,588.00)	(431,562.00)
- Being adjustment of opening balance as per SWD letter dated 27.11.2020					
Claw-back of subvention surpluses of Rent & Rate	1,976.00		(1,976.00)		-
					-
Surplus/(Deficit) c/f (Note (4))	28,250,366.02	0.00	(460,364.12)	1,261,023.10	29,051,025.00

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 Lump Sum Grant 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 Infirmity 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.