

**Richmond Fellowship of Hong Kong
Annual Financial Report 2019/2020
(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
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(Limited by Guarantee)

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 March 2020
(For the purpose of Social Welfare Department)

ANNUAL FINANCIAL REPORT
RICHMOND FELLOWSHIP OF HONG KONG
(1 APRIL 2019 to 31 MARCH 2020)

	Notes	2019-2020 \$	2018-2019 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	68,025,273.00	60,248,465.00
b. Provident Fund (Subvention)	1c	4,267,923.00	3,835,681.00
2. Fee Income	2	1,811,900.60	1,819,973.40
3. Central Items	3	727,842.00	270,000.00
4. Rent and Rates	4	2,178,882.00	2,047,664.00
5. Other Income	5	1,588,518.03	1,272,822.45
6. Interest Received		52,340.44	52,254.20
TOTAL INCOME		<u>78,652,679.07</u>	<u>69,546,860.05</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		55,473,540.94	49,097,106.96
b. Provident Fund (Expenditure)	1c	2,660,377.70	2,482,891.30
c. Allowances		0.00	0.00
Sub-Total	6	<u>58,133,918.64</u>	<u>51,579,998.26</u>
2. Other Charges	7	14,956,134.84	7,453,993.33
3. Central Items	3	444,227.00	274,000.00
4. Rent and Rates	4	2,281,143.00	2,148,056.00
TOTAL EXPENDITURE		<u>75,815,423.48</u>	<u>61,456,047.59</u>
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	<u>2,837,255.59</u>	<u>8,090,812.46</u>

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 2020

SIGNATURE



NGO HEAD/ HEAD OF SOCIAL WELFARE SERVICES

DATE: 28 OCT 2020

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 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:

	Snapshot	6.8% and	2019-2020
<u>Provident Fund Contribution</u>	Staff HK\$	Other Posts HK\$	Total HK\$
Subvention Received	312,561.00	3,955,362.00	4,267,923.00
Provident Fund Contribution Paid during the Year	202,348.50	2,458,029.20	2,660,377.70
Surplus/ (Deficit) for the Year	110,212.50	1,497,332.80	1,607,545.30
Add: Surplus/ (Deficit) b/f	170,995.98	9,043,937.54	9,214,933.52
Add: PF adjustment for previous year		35,907.00	35,907.00
Add: Adjustment per SWD letters		4,602.71	4,602.71
Less: Adjustment per SWD letters	(7,363.30)		(7,363.30)
Less: Refund to the government			0.00
Surplus/ (Deficit) c/f	273,845.18	10,581,780.05	10,855,625.23

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:

	2019-2020 HK\$	2018-2019 HK\$
a. Income		
Financial Incentive Scheme for Mentors of Employees with Disabilities (income)	-	0.00
Training Sponsorship Scheme for MOT (income)	270,000.00	270,000.00
Visiting Medical Practitioner for Halfy Way House (income)	0.00	0.00
Special Allowance halfway house (income)	457,842.00	0.00
Total	727,842.00	270,000.00
b. Expenses		
Financial Incentive Scheme for Mentors of Employees with Disabilities (expense)	-	4,000.00
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)	174,227.00	0.00
Total	444,227.00	274,000.00
	283,615.00	(4,000.00)

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:

	2019-2020	2018-2019
Other Income	\$	\$
(a) Fees and charges for services incidental to the operation	1,071,535.50	1,109,907.97
(b) Other	<u>516,982.53</u>	<u>162,914.48</u>
	<u><u>1,588,518.03</u></u>	<u><u>1,272,822.45</u></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 is appended below:

Analysis of Personal Emoluments	No. of Posts	\$
HK\$700,001-HK\$800,000p.a.	3	2,298,686.11
HK\$800,001-HK\$900,000p.a.	0	-
HK\$900,001-HK\$1,000,000p.a.	1	954,759.87
HK\$1,000,001-HK\$1,100,000p.a.	2	2,058,486.79
HK\$1,100,001-HK\$1,200,000p.a.	0	-
>HK\$1,200,000p.a.	1	<u>1,487,583.00</u>
		<u><u>6,799,515.77</u></u>

7. Other Charges

The breakdown on Other Charges is as follows:

	2019-2020	2018-2019
Other Charges	\$	\$
(a) Utilities	901,970.00	951,750.50
(b) Food	2,352,882.90	1,148,285.20
(c) Administrative Expenses	2,275,808.44	1,525,700.22
(d) Stores and Equipment	3,387,821.83	228,932.50
(e) Repair and Maintenance	788,613.14	392,038.96
(f) Special Allowances	821,657.95	842,140.43
(g) Programme Expenses	1,070,933.70	1,189,199.60
(h) Transportation and Travelling	233,405.83	148,998.85
(i) Insurance	730,614.95	646,776.33
(j) Miscellaneous	2,331,286.10	330,610.74
(k) Visiting Medical Practitioner Scheme	61,140.00	49,560.00
Total	<u><u>14,956,134.84</u></u>	<u><u>7,453,993.33</u></u>

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	72,293,196.00			72,293,196.00
Fee Income	1,811,900.60			1,811,900.60
Other Income	1,588,518.03			1,588,518.03
Interest Received (Note (1))	52,340.44			52,340.44
Rent and Rates		2,178,882.00	727,842.00	2,906,724.00
Central Items				0.00
Total Income (a)	75,745,955.07	2,178,882.00	727,842.00	78,652,679.07
Expenditure				
Personal Emoluments	58,133,918.64			58,133,918.64
Other Charges	14,956,134.84			14,956,134.84
Rent and Rates		2,281,143.00		2,281,143.00
Central Items			444,227.00	444,227.00
Total Expenditure (b)	73,090,053.48	2,281,143.00	444,227.00	75,815,423.48
Surplus/(Deficit) for the Year (a)-(b)	2,655,901.59	(102,261.00)	283,615.00	2,837,255.59
Less: Surplus/ (Deficit) of Provident Fund	(1,607,545.30)			(1,607,545.30)
	1,048,356.29	(102,261.00)	283,615.00	1,229,710.29
Surplus/ (Deficit) b/f (Note(2))	23,661,264.64	(977,930.12)	433,023.10	23,116,357.62
	24,709,620.93	(1,080,191.12)	716,638.10	24,346,067.91
Less: Refund to the Government				
- Clawback (provisional subvention surpluses 2018/19)	(2,660.00)			(2,660.00)
- Add: Adjustment per SWD letter				0.00
- SWD/S/MC/IC006/2017 dated 11 September 2020	114,397.13			114,397.13
- SWD SF/SI/4-65/123(576) III dated 11 September	132,140.04			132,140.04
Surplus/(Deficit) c/f (Note (4))	24,953,498.10	(1,080,191.12)	716,638.10	24,589,945.08

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 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 Programme Assistants, Care Assistants, Dementia Supplement and Unfirmay 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.