

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會

(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2015
FOR SUBMISSION TO THE SOCIAL WELFARE DEPARTMENT



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**REVIEW REPORT ON THE ANNUAL FINANCIAL REPORT
TO THE COMMITTEE OF
THE HONG KONG DOWN SYNDROME ASSOCIATION**
香港唐氏綜合症協會
(incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of The Hong Kong Down Syndrome Association (“the Association”) for the year ended 31 March 2015 and have issued an unqualified auditors’ report thereon dated 26 October 2015.

We conducted our review of the attached Annual Financial Report on pages 2 to 9 of the Association for the year ended 31 March 2015 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 Association, on which the above audited financial statements of the Association are based.

Review Conclusions

On the basis of the results of our review and having regard to the audit procedures performed by us in relation to the audit of the financial statements of the Association for the year ended 31 March 2015:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Association; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Association has not:
 - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund 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 (LSG 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 LSG Manual; and
 - iv. employed the staff quoted in the Provident Fund arrangements during the year ended 31 March 2015.

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.

K.W. Tam & Co.
Certified Public Accountants (Practising)
Unit 2002, 20th Floor,
Millennium City 3,
370 Kwun Tong Road,
Kowloon, Hong Kong

26 OCT 2015

ANNUAL FINANCIAL REPORT

NGO : 315 THE HONG KONG DOWN SYNDROME ASSOCIATION

香港唐氏綜合症協會

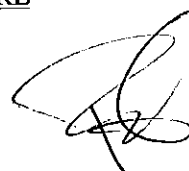
1 APRIL 2014 TO 31 MARCH 2015

	Note	Total 2014-15 HK\$	Total 2013-14 HK\$
A. INCOME			
1. Lump Sum Grant		10,996,362	9,171,792
a. Lump Sum Grant (excluding Provident Fund)	1b	10,512,740	8,710,173
b. Provident Fund	1c	483,622	461,619
2. Special One-Off Grant		-	-
3. Fee Income	2	4,312	3,705
4. Central Items	3	385,137	507,924
5. Rent and Rates	4	566,022	569,441
6. Other Income	5	980,099	417,228
7. Interest Received		15,862	14,018
TOTAL INCOME		12,947,794	10,684,108
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		7,997,792	7,209,237
b. Provident Fund	1c	412,428	354,550
c. Allowances		-	-
Sub-total	6	8,410,220	7,563,787
2. Other Charges	7	2,266,305	1,613,748
3. Central Items	3	275,563	411,077
4. Rent and Rates	4	633,830	621,248
5. Special One-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		11,585,918	10,209,860
C. SURPLUS FOR THE YEAR	8	1,361,876	474,248

SIGNATURE



CHAIRMAN
DATE: 20 OCT 2015



CHIEF EXECUTIVE
DATE: 20 OCT 2015

NGO: 315 THE HONG KONG DOWN SYNDROME ASSOCIATION 香港唐氏綜合症協會
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2015

NOTES ON THE ANNUAL FINANCIAL REPORT

1 Lump Sum Grant

a. Basis of preparation The Annual Financial Report (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 like 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.

Provident Fund

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. Please note that the PF received and contributed for staff under the Central Items have been shown under 3. Details are analysed below:

	Snapshot		Total
	Staff	6.8% and Other Posts	
	HK\$	HK\$	HK\$
Provident Fund Contribution			
Subvention Received	57,100	426,522	483,622
Provident Fund Contribution Paid during the Year	(55,586)	(356,842)	(412,428)
Surplus for the Year	1,514	69,680	71,194
Long Service Payment (Excess portion) absorbed by lump sum grant P.F. surplus reserve	-	(173,827)	(173,827)
Add: Surplus b/f	181,772	1,247,856	1,429,628
Surplus c/f	183,286	1,143,709	1,326,995

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

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 PF received and contributed for staff under Central Items have been separately included as part of the income and expenditure of the relevant items (paragraph 3.13 of LSG Manual). The income and expenditure of each of the Central Items are as follows:

	<u>2014-15</u>	<u>2013-14</u>
	HK\$	HK\$
a. Income		
Regularised Programme Assistants (PA)	277,137	413,424
Financial Incentive Scheme for Mentors of Employees with Disabilities	108,000	94,500
Total	385,137	507,924
b. Expenditure		
Regularised Programme Assistants (PA)	275,563	411,077
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Total	275,563	411,077

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.

6 Personal Emoluments

Personal Emoluments include salary, provident fund and salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over \$500,000 each is appended below:

	<u>No of Posts</u>	<u>HK\$</u>
Analysis of Personal Emoluments		
HK\$500,001 - HK\$600,000 p.a.	-	-
HK\$600,001 - HK\$700,000 p.a.	1	606,385
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\$1,000,000 p.a.	-	-

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NOTES ON THE ANNUAL FINANCIAL REPORT

7 Other Charges

The breakdown on Other Charges is as follows:

	2014-15	2013-14
	HK\$	HK\$
<u>Other Charges</u>		
(a) Utilities	200,199	182,852
(b) Food	-	-
(c) Administrative Expenses	134,625	120,254
(d) Stores and Equipment	430,720	77,204
(e) Repair and Maintenance	98,335	66,253
(f) Special Allowances	373,802	341,410
(g) Programme Expenses	414,102	389,211
(h) Transportation and Travelling	18,127	14,663
(i) Insurance	158,046	155,056
(j) Miscellaneous	438,349	266,845
Total:	<u>2,266,305</u>	<u>1,613,748</u>

7a Special One-off Grant Payments

Details of Special One-off Grant Payments are as follows:

	2014-15	2013-14
	HK\$	HK\$
Special one-off Grant Payments		
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total:	<u>-</u>	<u>-</u>

NGO: 315 THE HONG KONG DOWN SYNDROME ASSOCIATION 香港唐氏綜合症協會
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NOTES ON THE ANNUAL FINANCIAL REPORT

8. Analysis of Reserve Fund

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
Income					
Lump Sum Grant	10,996,362	-	-	-	10,996,362
Special One-off Grant	-	-	-	-	-
Fee Income	4,312	-	-	-	4,312
Other Income	980,099	-	-	-	980,099
Interest Received (Note (1))	15,862	-	-	-	15,862
Rent and Rates	-	-	566,022	-	566,022
Central Items	-	-	-	385,137	385,137
Total Income (a)	11,996,635	-	566,022	385,137	12,947,794
Expenditure					
Personal Emoluments	8,410,220	-	-	-	8,410,220
Other Charges	2,266,305	-	-	-	2,266,305
Rent and Rates	-	-	633,830	-	633,830
Central Items	-	-	-	275,563	275,563
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	10,676,525	-	633,830	275,563	11,585,918
Surplus / (Deficit) for the year (a) - (b)	1,320,110	-	(67,808)	109,574	1,361,876
Less: Surplus of Provident Fund	(71,194)	-	-	-	(71,194)
	1,248,916	-	(67,808)	109,574	1,290,682
Surplus b/f (Note (2))	1,869,341	-	(47,203)	116,937	1,939,075
	3,118,257	-	(115,011)	226,511	3,229,757
Add: Opening balance adjustment of non-PA salary (Note (3))	-	-	-	62,373	62,373
Less: Refund to Government	-	-	(13,429)	-	(13,429)
Surplus/(deficit) c/f (Note (4))	3,118,257	-	(128,440)	288,884	3,278,701

Notes:

- (1) All the Interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant is 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 and all interest received in previous years are included in the surplus b/f under LSG.
- (3) Pursuant to SWD's letter dated 9 December 2014 under reference SWD SF/SI/4-65-67(315) I, SWD advised one officer did not hold the post of Programme Assistant (PA) but his personal enolument \$62,373.23 was incorrectly charged to PA of central items in previous years.
- (4) The level of LSG cumulative reserve (i.e. S) will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.

Schedule for Central Items
Analysis of Subvention and Expenditure for the period from 01-04-2014 to 31-03-2015

Name of Agency : 315 THE HONG KONG DOWN SYNDROME ASSOCIATION 香港唐氏綜合症協會

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)	Surplus c/f (Note 6) (f)=(e)+(a)-(d)
					Deficit (Note 3) (b)	Adjusted Deficit (d)=(b)-(c)		
3155	Regularised Programme Assistants (PA)/ Care Assistants (CA)	HKS 277,137	HKS 275,563	HKS 1,574	HKS -	HKS -	HKS N.A.	HKS N.A.
6455	Financial Incentive Scheme for Mentors of Employees with Disabilities	108,000	-	108,000	-	N.A.	112,500	220,500
Total:		385,137	275,563	109,574	-	N.A.	112,500	220,500

Notes:

- The figures for the whole financial year are extracted from the payroll for March (Final) of the financial year.
- Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
- Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
- 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. (16) in SWD/S/104/2 Pt. 12 dated 17 July 2013.
 - 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
 - Regularised Programme Assistants (PA) / Care Assistants (CA)
- "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
- "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
- Unit code and name are extracted from the payroll from SWD.

Schedule for Investment
Analysis of Investment as at 31 March 2015

Name of Agency : 315 THE HONG KONG DOWN SYNDROME ASSOCIATION 香港唐氏綜合症協會

	<u>4/2014 to 3/2015</u>	<u>4/2013 to 3/2014</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
	\$	\$
LSG Reserve as at 31 March 2015	<u>3,118</u>	<u>1,869</u>
Represented by:		
Investments		
a. HKD Bank Account Balances	1,663	1,345
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	1,455	524
d. HKD Certificate of Deposits	-	-
e. HKD Bonds	-	-
	<u>3,118</u>	<u>1,869</u>

Note: The investments should be reported at historical cost.

Confirmed by:-



CHAIRMAN

DATE: 20 OCT 2015



CHIEF EXECUTIVE

DATE: 20 OCT 2015

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period from 01-04-2014 to 31-03-2015

Name of Agency : 315 THE HONG KONG DOWN SYNDROME ASSOCIATION 香港唐氏綜合症協會

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2) (a)	Deficit (Note 2) (b)
		HK\$	HK\$	HK\$	HK\$
Unit 2271 Bradbury Parents Resource Centre	Rent (Note 3)	98,247	109,171	-	10,924
	Rates	10,746	13,646	-	2,900
	Total	108,993	122,817	-	13,824
Unit 2272 Supported Employment Programme	Rent (Note 3)	49,627	55,061	-	5,434
	Rates	4,682	4,802	-	120
	Total	54,309	59,863	-	5,554
Unit 2771 Tiptop Training Centre	Rent (Note 3)	376,920	417,550	-	40,630
	Rates	25,800	33,600	-	7,800
	Total	402,720	451,150	-	48,430
Grand Total:		566,022	633,830	-	67,808

Notes:

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year.
2. Surplus/Deficit for each element represents 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.