

**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 2019**  
**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)**

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We have audited the financial statements of The Hong Kong Down Syndrome Association (“the Association”) for the year ended 31 March 2019 and have issued an unqualified auditors’ report thereon dated 20 August 2019.

We conducted our review of the attached Annual Financial Report on pages 2 to 9 of the Association for the year ended 31 March 2019 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 2019:

- 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 2019.

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,  
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Kowloon, Hong Kong

20 August 2019

ANNUAL FINANCIAL REPORT

NGO : 315 THE HONG KONG DOWN SYNDROME ASSOCIATION

香港唐氏綜合症協會

1 APRIL 2018 TO 31 MARCH 2019

	Note	Total 2018-19 HK\$	Total 2017-18 HK\$
<b>A. INCOME</b>			
1. Lump Sum Grant		15,574,433	14,130,508
a. Lump Sum Grant (excluding Provident Fund)	1b	14,783,356	13,406,784
b. Provident Fund	1c	791,077	723,724
2. Fee Income	2	5,390	4,884
3. Central Items	3	-	-
4. Rent and Rates	4	700,906	705,608
5. Other Income	5	492,375	510,724
6. Interest Received		17,057	13,574
<b>TOTAL INCOME</b>		<u>16,790,161</u>	<u>15,365,298</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		11,809,080	11,471,064
b. Provident Fund	1c	693,793	692,145
c. Allowances		-	-
Sub-total	6	12,502,873	12,163,209
2. Other Charges	7	3,058,648	2,349,311
3. Central Items	3	-	-
4. Rent and Rates	4	702,468	709,287
<b>TOTAL EXPENDITURE</b>		<u>16,263,989</u>	<u>15,221,807</u>
<b>C. SURPLUS FOR THE YEAR</b>	8	<u>526,172</u>	<u>143,491</u>

The Annual Financial Report from pages 2 to 9 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE



CHAIRMAN

DATE: 20 August 2019



CHIEF EXECUTIVE

DATE: 20 August 2019

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 2019

NOTES ON THE ANNUAL FINANCIAL REPORT

1 Lump Sum Grant

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

<u>Provident Fund Contribution</u>	Snapshot Staff	6.8% and Other Posts	Total
	HK\$	HK\$	HK\$
Subvention Received	39,171	751,906	791,077
Provident Fund Contribution Paid during the Year	(39,551)	(654,242)	(693,793)
Surplus / (Deficit) for the Year	(380)	97,664	97,284
<u>Add:</u> Surplus b/f	(287)	1,744,451	1,744,164
Additional subvention received for previous year	9	--	9
<b>Surplus c/f</b>	<b>(658)</b>	<b>1,842,115</b>	<b>1,841,457</b>

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NOTES ON THE ANNUAL FINANCIAL REPORT

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 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 3.14 of LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	<u>2018-19</u>	<u>2017-18</u>
	HK\$	HK\$
<b><u>a. Income</u></b>		
Regularised Programme Assistants (PA)	-	-
Mentors of Employees with Disabilities	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
<b><u>b. Expenditure</u></b>		
Regularised Programme Assistants (PA)	-	-
Mentors of Employees with Disabilities	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

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. In this respect, donations have been included if it is used to finance expenditure reflected in the AFR.

The breakdown on Other Income (paragraph 2.29 of LSG Manual (October 2016)) is as follows:

	<u>2018-19</u>	<u>2017-18</u>
	HK\$	HK\$
<b>Other Income</b>		
(a) Fees and charges for services incidental to the operation of subvented services	421,469	476,679
(b) Others	70,906	34,045
<b>Total</b>	<u>492,375</u>	<u>510,724</u>

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NOTES ON THE ANNUAL FINANCIAL REPORT

- 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 is appended below:

<u>Analysis of Personal Emoluments</u>	<u>No of Posts</u>	<u>HK\$</u>
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\$1,000,001 - HK\$1,100,000 p.a.	-	-
HK\$1,100,001 - HK\$1,200,000 p.a.	-	-
>HK\$1,200,000 p.a.	-	-

- 7 **Other Charges**

The breakdown on Other Charges is as follows:

<u>Other Charges</u>	<u>2018-19</u>	<u>2017-18</u>
	<u>HK\$</u>	<u>HK\$</u>
(a) Utilities	208,331	187,973
(b) Food	2,495	2,209
(c) Administrative Expenses	200,979	188,352
(d) Stores and Equipment	181,257	156,793
(e) Repair and Maintenance	113,001	182,544
(f) Special Allowances	581,093	519,889
(g) Programme Expenses	1,247,895	804,115
(h) Transportation and Travelling	47,530	36,129
(i) Insurance	159,997	137,029
(j) Miscellaneous	316,070	134,278
Total:	<u>3,058,648</u>	<u>2,349,311</u>

NOTES ON THE ANNUAL FINANCIAL REPORT

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

	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$
<b>Income</b>				
Lump Sum Grant	15,574,433	-	-	15,574,433
Fee Income	5,390	-	-	5,390
Other Income	492,375	-	-	492,375
Interest Received (Note (1))	17,057	-	-	17,057
Rent and Rates	-	700,906	-	700,906
Central Items	-	-	-	-
<b>Total Income (a)</b>	<b>16,089,255</b>	<b>700,906</b>	<b>-</b>	<b>16,790,161</b>
<b>Expenditure</b>				
Personal Emoluments	12,502,873	-	-	12,502,873
Other Charges	3,058,648	-	-	3,058,648
Rent and Rates	-	702,468	-	702,468
Central Items	-	-	-	-
<b>Total Expenditure (b)</b>	<b>15,561,521</b>	<b>702,468</b>	<b>-</b>	<b>16,263,989</b>
<b>Surplus/ (Deficit) for the year (a) - (b)</b>	<b>527,734</b>	<b>(1,562)</b>	<b>-</b>	<b>526,172</b>
Less: Surplus/ (Deficit) of Provident Fund	97,284	-	-	97,284
	430,450	(1,562)	-	428,888
<b>Surplus/ (Deficit) b/f (Note (2))</b>	<b>3,924,974</b>	<b>(4,413)</b>	<b>220,500</b>	<b>4,141,061</b>
	4,355,424	(5,975)	220,500	4,569,949
Add: Refund from Government	-	3,679	-	3,679
Adjustment for procurement an ultrasound bone densitometer 2015/16	53,000	-	-	53,000
Less: Refund to Government	(342)	-	-	(342)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplement (Note(3))	-	-	-	-
<b>Surplus/ (Deficit) c/f (Note (4))</b>	<b>4,408,082</b>	<b>(2,296)</b>	<b>220,500</b>	<b>4,626,286</b>

**Notes:**

- (1) 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 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 Infirmity Care Supplement, if any, as per Schedule for Central Items.
- (4) The level of LSG cumulative reserve, less LSG Reserve kept in the holding account, 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 01-04-2018 to 31-03-2019

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)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d)=(b)-(c)		
315S	Regularised Programme Assistants (PA)/ Care Assistants (CA)	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ N.A.	HK\$ -	HK\$ N.A.	HK\$ N.A.
6455	Mentors of Employees with Disabilities	-	-	-	-	N.A.	-	220,500	220,500
<b>Total:</b>		-	-	-	-	N.A.	-	220,500	220,500

Notes:

1. The figures for the whole financial year are extracted from the payroll for March (Final) of the financial year.
2. Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
3. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
4. 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. (9) in SWD/S/104/2 Pt.16 dated 20 July 2016
  - (i) Dementia Supplement for Elderly with Disabilities
  - (ii) Infirmary Care Supplement for the Aged Blind Persons
  - (iii) Dementia Supplement for Residential Elderly Services
  - (iv) Infirmary Care Supplement for Residential Elderly Services
5. "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
6. "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
7. Unit code and name are extracted from the payroll from SWD.
8. The central items as listed above may not be exhaustive and any relevant details of central items released and/or expended during the year, where appropriate, should also be included.



**Schedule for Rent and Rates**  
**Analysis of Subvention and Expenditure for the period from 01-04-2018 to 31-03-2019**

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)	Deficit (Note 2)
		HK\$	HK\$	HK\$	HK\$
Unit 2271 Bradbury Parents Resource Centre	Rent (Note 3)	123,048	123,048	-	-
	Rates	12,394	12,394	-	-
	Total	135,442	135,442	-	-
Unit 2272 Supported Employment Programme	Rent (Note 3)	61,952	61,952	-	-
	Rates	1,213	1,214	-	(1)
	Total	63,165	63,166	-	(1)
Unit 2771 Tiptop Training Centre	Rent (Note 3)	435,600	435,600	-	-
	- Carpark Rent	30,630	36,260	-	(5,630)
	Rates	36,069	32,000	4,069	-
	Total	502,299	503,860	4,069	(5,630)
<b>Grand Total:</b>		700,906	702,468	4,069	(5,631)

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.

**Schedule for Investment**  
**Analysis of Investment as at 31 March 2019**

**Agency: The Hong Kong Down Syndrome Association**

	<u>4/2018 to 3/2019</u>	<u>4/2017 to 3/2018</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
	\$	\$
<b>LSG Reserve as at 31 March</b>	4,408	3,925
<b>Represented by:</b>		
<b>Investments</b>		
a. HKD Bank Account Balances	2,951	2,485
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	1,457	1,440
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	4,408	3,925

Note: The investments should be reported at historical cost.

**Confirmed by:-**

  
 CHAIRMAN

DATE: 20 August 2019

  
 CHIEF EXECUTIVE

DATE: 20 August 2019