

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 2020
FOR SUBMISSION TO THE SOCIAL WELFARE DEPARTMENT

**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 2020 and have issued an unqualified auditors’ report thereon dated 23 October 2020.

We conducted our review of the attached Annual Financial Report on pages 2 to 9 of the Association for the year ended 31 March 2020 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 2020:

- 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 2020.

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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370 Kwun Tong Road,
Kowloon, Hong Kong

23 October 2020

ANNUAL FINANCIAL REPORT

NGO : 315 THE HONG KONG DOWN SYNDROME ASSOCIATION

香港唐氏綜合症協會

1 APRIL 2019 TO 31 MARCH 2020

	Note	Total 2019-20 HK\$	Total 2018-19 HK\$
A. INCOME			
1. Lump Sum Grant		18,012,630	15,574,433
a. Lump Sum Grant (excluding Provident Fund)	1b	17,114,208	14,783,356
b. Provident Fund	1c	898,422	791,077
2. Fee Income	2	4,859	5,390
3. Central Items	3	-	-
4. Rent and Rates	4	746,345	700,906
5. Other Income	5	503,860	492,375
6. Interest Received		53,452	17,057
TOTAL INCOME		19,321,146	16,790,161
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		13,164,513	11,914,802
b. Provident Fund	1c	732,072	693,793
c. Allowances		-	-
Sub-total	6	13,896,585	12,608,595
2. Other Charges	7	2,526,904	2,952,926
3. Central Items	3	-	-
4. Rent and Rates	4	752,412	702,468
TOTAL EXPENDITURE		17,175,901	16,263,989
C. SURPLUS FOR THE YEAR	8	2,145,245	526,172

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: 23 October 2020

SIGNATURE



CHIEF EXECUTIVE

DATE: 23 October 2020

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 2020

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.
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		Total
	Staff	Other Posts	Other Posts		
<u>Provident Fund Contribution</u>	HK\$	HK\$	HK\$	HK\$	
Subvention Received	41,231	857,191	857,191	898,422	
Provident Fund Contribution Paid during the Year	(41,633)	(690,439)	(690,439)	(732,072)	
Surplus / (Deficit) for the Year	(402)	166,752	166,752	166,350	
<u>Add: (Deficit)/surplus b/f</u>	(658)	1,842,115	1,842,115	1,841,457	
Additional subvention received for previous year	279	--	--	279	
Surplus/(deficit) c/f	(781)	2,008,867	2,008,867	2,008,086	

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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 Provident Fund received and contributed for staff under the 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>2019-20</u>	<u>2018-19</u>
	HK\$	HK\$
a. Income		
Regularised Programme Assistants (PA)	-	-
Mentors of Employees with Disabilities	-	-
Total	-	-
	-	-
b. Expenditure		
Regularised Programme Assistants (PA)	-	-
Mentors of Employees with Disabilities	-	-
Total	-	-
	-	-

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 is as follows:

	<u>2019-20</u>	<u>2018-19</u>
	HK\$	HK\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	347,060	421,469
(b) Others	156,800	70,906
Total	503,860	492,375

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NOTES ON THE ANNUAL FINANCIAL REPORT

6 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:

<u>Analysis of Personal Emoluments paid under LSG</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>2019-20</u>	<u>2018-19</u>
	<u>HK\$</u>	<u>HK\$</u>
(a) Utilities	206,727	208,331
(b) Food	795	2,495
(c) Administrative Expenses	254,918	200,979
(d) Stores and Equipment	602,701	181,257
(e) Repair and Maintenance	125,971	113,001
(f) Special Allowances	495,697	581,093
(g) Programme Expenses	540,209	1,247,895
(h) Transportation and Travelling	42,711	47,530
(i) Insurance	154,976	159,997
(j) Miscellaneous	102,199	210,348
Total:	2,526,904	2,952,926

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\$
Income				
Lump Sum Grant	18,012,630	-	-	18,012,630
Fee Income	4,859	-	-	4,859
Other Income	503,860	-	-	503,860
Interest Received (Note (1))	53,452	-	-	53,452
Rent and Rates	-	746,345	-	746,345
Central Items	-	-	-	-
Total Income (a)	18,574,801	746,345	-	19,321,146
Expenditure				
Personal Emoluments	13,896,585	-	-	13,896,585
Other Charges	2,526,904	-	-	2,526,904
Rent and Rates	-	752,412	-	752,412
Central Items	-	-	-	-
Total Expenditure (b)	16,423,489	752,412	-	17,175,901
Surplus/ (Deficit) for the year (a) - (b)	2,151,312	(6,067)	-	2,145,245
Less: Surplus/ (Deficit) of Provident Fund	166,350	-	-	166,350
	1,984,962	(6,067)	-	1,978,895
Surplus/ (Deficit) b/f (Note (2))	4,408,082	(2,296)	220,500	4,626,286
	6,393,044	(8,363)	220,500	6,605,181
Add: Refund from Government	-	-	-	-
Adjustment for rental of Kwai Chung Warehouse from 2016/17	145,664	-	-	145,664
Adjusted per SWD's letter of 17 Aug 2020 Ref. No.: (47) in SWD SF/SAS/4-65/67(315)II				
Adjustment for AGM expenses 2015/16	3,034	-	-	3,034
Adjustment for 網「樂」十載：唐氏家庭耆青同遊菊花展兩天團 expenses 2015/16	219	-	-	219
Less: Refund to Government	-	(4,069)	-	(4,069)
Surplus/ (Deficit) c/f (Note (4))	6,541,961	(12,432)	220,500	6,750,029

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 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 Infirmary 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 Provident Fund expenditure) for the year.

Schedule for Central Items
Analysis of Subvention and Expenditure for the period from 01-04-2019 to 31-03-2020

Name of Agency : 315 THE HONG KONG DOWN SYNDROME ASSOCIATION 香港唐氏綜合症協會
 2019/20

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\$ -	HK\$ -	HK\$ -	HK\$ N.A.
6455	Mentors of Employees with Disabilities	-	-	-	-	N.A.	-	220,500	220,500
Total:		-	-	-	-	N.A.	-	220,500	220,500

Notes:

- The figures for the whole financial year are extracted from the payroll for March (Final) or remittance advice(s) issued by the Treasury 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.e.o. the following central items arising from salary adjustment are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref. (33) in SWD/S/104/2 Pt.18 dated 4 March 2020.
 - 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
- "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/remittance advice number are extracted from the payroll from SWD and remittance advice from the Treasury respectively.
- 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 01-04-2019 to 31-03-2020

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)	131,447	131,208	239	-
	Rates	12,667	12,679	-	(12)
	Total	144,114	143,887	239	(12)
Unit 2272 Supported Employment Programme	Rent (Note 3)	66,218	66,113	105	-
	Rates	1,240	2,912	-	(1,672)
	Total	67,458	69,025	105	(1,672)
Unit 2771 Tiptop Training Centre	Rent (Note 3)	467,280	467,280	-	-
	- Carpark Rent	36,863	39,720	-	(2,857)
	Rates	30,630	32,500	-	(1,870)
	Total	534,773	539,500	-	(4,727)
Grand Total:		746,345	752,412	344	(6,411)

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 2020

Agency: The Hong Kong Down Syndrome Association

	<u>4/2019 to 3/2020</u>	<u>4/2018 to 3/2019</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
	\$	\$
LSG Reserve as at 31 March	6,542	4,408
Represented by:		
Investments		
a. HKD Bank Account Balances	1,484	2,951
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	5,058	1,457
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	6,542	4,408

Note: The investments should be reported at historical cost.

Confirmed by:-



 CHAIRMAN

DATE: 23 October 2020



 CHIEF EXECUTIVE

DATE: 23 October 2020