

**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 2016**  
**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)

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香港九龍觀塘道 370 號  
創紀之城 3 期 20 樓 2002 室

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Certified Public Accountants (Practising)  
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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 2016 and have issued an unqualified auditors’ report thereon dated 27 October 2016.

We conducted our review of the attached Annual Financial Report on pages 2 to 9 of the Association for the year ended 31 March 2016 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 2016:

- 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 2016.

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

27 October 2016

**ANNUAL FINANCIAL REPORT**

**NGO : 315 THE HONG KONG DOWN SYNDROME ASSOCIATION**

香港唐氏綜合症協會

**1 APRIL 2015 TO 31 MARCH 2016**

	Note	Total 2015-16 HK\$	Total 2014-15 HK\$
<b>A. INCOME</b>			
1. Lump Sum Grant		12,980,187	10,996,362
a. Lump Sum Grant (excluding Provident Fund)	1b	12,329,385	10,512,740
b. Provident Fund	1c	650,802	483,622
2. Special One-Off Grant		-	-
3. Fee Income	2	4,378	4,312
4. Central Items	3	-	385,137
5. Rent and Rates	4	634,262	566,022
6. Other Income	5	355,258	980,099
7. Interest Received		9,922	15,862
<b>TOTAL INCOME</b>		<b>13,984,007</b>	<b>12,947,794</b>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		9,538,068	7,997,792
b. Provident Fund	1c	516,110	412,428
c. Allowances		-	-
Sub-total	6	10,054,178	8,410,220
2. Other Charges	7	2,520,246	2,266,305
3. Central Items	3	-	275,563
4. Rent and Rates	4	634,259	633,830
5. Special One-off Grant Payments	7a	-	-
<b>TOTAL EXPENDITURE</b>		<b>13,208,683</b>	<b>11,585,918</b>
<b>C. SURPLUS FOR THE YEAR</b>	8	<b>775,324</b>	<b>1,361,876</b>

SIGNATURE



CHAIRMAN

DATE: 27 OCT 2016



CHIEF EXECUTIVE

DATE: 27 OCT 2016

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.

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>	<u>Snapshot Staff</u>	<u>6.8% and Other Posts</u>	<u>Total</u>
	HK\$	HK\$	HK\$
Subvention Received	27,051	623,751	650,802
Provident Fund Contribution Paid during the Year	<u>(27,058)</u>	<u>(489,053)</u>	<u>(516,111)</u>
Surplus / (Deficit) for the Year	(7)	134,698	134,691
Surplus in PF for Snapshot returned to Government	-	(63,801)	(63,801)
<u>Add: Surplus b/f</u>	<u>183,286</u>	<u>1,143,709</u>	<u>1,326,995</u>
Surplus c/f	<u>183,279</u>	<u>1,214,606</u>	<u>1,397,885</u>

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.

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>2015-16</u>	<u>2014-15</u>
	HK\$	HK\$
<b><u>a. Income</u></b>		
Regularised Programme Assistants (PA)	-	277,137
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	108,000
<b>Total</b>	<u>-</u>	<u>385,137</u>
<b><u>b. Expenditure</u></b>		
Regularised Programme Assistants (PA)	-	275,563
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
<b>Total</b>	<u>-</u>	<u>275,563</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.

- 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>Analysis of Personal Emoluments</u>	<u>No of Posts</u>	<u>HK\$</u>
HK\$500,001 - HK\$600,000 p.a.	1	525,474
HK\$600,001 - HK\$700,000 p.a.	-	-
HK\$700,001 - HK\$800,000 p.a.	-	-
HK\$800,001 - HK\$900,000 p.a.	1	823,661
HK\$900,001 - HK\$1,000,000 p.a.	-	-
>HK\$1,000,000 p.a.	-	-

NOTES ON THE ANNUAL FINANCIAL REPORT

7 Other Charges

The breakdown on Other Charges is as follows:

	<u>2015-16</u>	<u>2014-15</u>
<u>Other Charges</u>	HK\$	HK\$
(a) Utilities	186,965	200,199
(b) Food	1,781	-
(c) Administrative Expenses	164,909	134,625
(d) Stores and Equipment	429,535	430,720
(e) Repair and Maintenance	236,119	98,335
(f) Special Allowances	472,125	373,802
(g) Programme Expenses	779,334	414,102
(h) Transportation and Travelling	20,330	18,127
(i) Insurance	147,473	158,046
(j) Miscellaneous	81,675	438,349
Total:	<u>2,520,246</u>	<u>2,266,305</u>

7a Special One-off Grant Payments

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

	<u>2015-16</u>	<u>2014-15</u>
<u>Special one-off Grant Payments</u>	HK\$	HK\$
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total:	<u>-</u>	<u>-</u>

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\$
<b>Income</b>					
Lump Sum Grant	12,980,187	-	-	-	12,980,187
Special One-off Grant	-	-	-	-	-
Fee Income	4,378	-	-	-	4,378
Other Income	355,258	-	-	-	355,258
Interest Received (Note (1))	9,922	-	-	-	9,922
Rent and Rates	-	-	634,262	-	634,262
Central Items	-	-	-	-	-
<b>Total Income (a)</b>	<b>13,349,745</b>	<b>-</b>	<b>634,262</b>	<b>-</b>	<b>13,984,007</b>
<b>Expenditure</b>					
Personal Emoluments	10,054,178	-	-	-	10,054,178
Other Charges	2,520,246	-	-	-	2,520,246
Rent and Rates	-	-	634,259	-	634,259
Central Items	-	-	-	-	-
Special One-off Grant Payments	-	-	-	-	-
<b>Total Expenditure (b)</b>	<b>12,574,424</b>	<b>-</b>	<b>634,259</b>	<b>-</b>	<b>13,208,683</b>
<b>Surplus / (Deficit) for the year (a) - (b)</b>	<b>775,321</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>775,324</b>
Less: Surplus/(Deficit) of Provident Fund	(134,692)	-	-	-	(134,692)
	640,629	-	3	-	640,632
<b>Surplus b/f (Note (2))</b>	<b>3,118,257</b>	<b>-</b>	<b>(128,440)</b>	<b>288,884</b>	<b>3,278,701</b>
	3,758,886	-	(128,437)	288,884	3,919,333
Add: Backpayment of rent and rates by Government (Note (3))	-	-	127,897	-	127,897
Less: Refund to Government					
Programme Assistant (PA) (Note (4))	-	-	-	(64,720)	(64,720)
Rent and Rates (Note (5))	-	-	(2,281)	-	(2,281)
<b>Surplus / (Deficit) c/f (Note (6))</b>	<b>3,758,886</b>	<b>-</b>	<b>(2,821)</b>	<b>224,164</b>	<b>3,980,229</b>

**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) Supplementary subventions and backpayment of rent and rates for supported employment for 2011/12, 2013/14 and 2014/15.
- (4) Pursuant to SWD's letter dated 9 December 2014 under reference SWD SF/SI/4-65-67(315) I, and 31 August 2015 under reference SWD SF/SA/4-65/(315), SWD advised that one officer did not hold the post of Programme Assistant (PA) but his personal emolument of HK\$64,720.23 was incorrectly charged to PA of central items in 2012-13.
- (5) Pursuant to SWD's letter dated 31 August 2015 under reference SWD SF/SA/4-65/(315), surplus of HK\$2,281 on Rent and Rates for 2013-14 has been clawed back.
- (6) 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 01-04-2015 to 31-03-2016**

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:

- The figures for the whole financial year can be 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
  - Infirmity Care Supplement for the Aged Blind Persons
  - Dementia Supplement for Residential Elderly Services
  - Infirmity 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 2016**

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

	<u>4/2015 to 3/2016</u>	<u>4/2014 to 3/2015</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
	<u>\$</u>	<u>\$</u>
<b>LSG Reserve as at 31 March 2016</b>	<u>3,759</u>	<u>3,118</u>
<b>Represented by:</b>		
<b>Investments</b>		
a. HKD Bank Account Balances	2,320	1,663
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	1,439	1,455
d. HKD Certificate of Deposits	-	-
e. HKD Bonds	-	-
	<u>3,759</u>	<u>3,118</u>

Note: The investments should be reported at historical cost.

**Confirmed by:-**



\_\_\_\_\_  
CHAIRMAN

DATE: 27 OCT 2016



\_\_\_\_\_  
CHIEF EXECUTIVE

DATE : 27 OCT 2016

**Schedule for Rent and Rates**  
**Analysis of Subvention and Expenditure for the period from 01-04-2015 to 31-03-2016**

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)	109,683	109,683	-	-
	Rates	13,362	13,361	1	-
	<b>Total</b>	<b>123,045</b>	<b>123,044</b>	<b>1</b>	<b>-</b>
Unit 2272 Supported Employment Programme	Rent (Note 3)	55,278	55,277	1	-
	Rates	3,829	3,828	1	-
	<b>Total</b>	<b>59,107</b>	<b>59,105</b>	<b>2</b>	<b>-</b>
Unit 2771 Tiptop Training Centre	Rent (Note 3)	388,080	388,080	-	-
	- Carpark Rent	30,630	30,630	-	-
	Rates	33,400	33,400	-	-
	<b>Total</b>	<b>452,110</b>	<b>452,110</b>	<b>-</b>	<b>-</b>
	<b>Grand Total:</b>	<b>634,262</b>	<b>634,259</b>	<b>3</b>	<b>-</b>

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.

**Remuneration Packages for Staff in the Top Three Tiers  
of Subvented Non-governmental Organisations**

**Review Report for the Reporting year of 2015- 16**

( to be completed if not exempt from the Government Guidelines )

To :- Director of Social Service  
( Attn : Subventions Section )  
38/F., 248 Queen's Road West  
Wan Chai, Hong Kong

Fax No. :- 2576 6537

*[Please read the explanatory notes before completing this proforma. The completed proforma should reach SWD by 31 October of each reporting year.]*

**Part A: Remuneration Packages**

Information of my staff in the top three tiers :-

(1)	Staff of 1st Tier <sup>1</sup>		
(a)	Number of staff	1	
(b)	Rank	Director	
(c)	Post	Director	
(d)	Total annual staff costs <sup>2</sup> (including those not under SWD subventions, if applicable) <i>[1(d) should be equal to or greater than 1(e)]</i>		\$823,661 <i>(round up to dollar)</i>
(e)	Total annual staff costs under SWD subventions <i>[1(e)=1(g)(i)+(ii)+(iii)+(iv)]</i>		\$658,302 <i>(round up to dollar)</i>
(f)	Please specify the months covered if (1)(e) was not incurred for the full year:	N/A	months
(g)	Breakdown of (1)(e)		
(i)	Salary <sup>3</sup>	\$644,529	
(ii)	Provident Fund	\$13,773	
(iii)	Cash Allowance <sup>4</sup> (please specify if any: )		
(iv)	Non-cash based Benefits <sup>5</sup> (please specify if any: )		

(2)	<u>Staff of 2nd Tier</u> <sup>1</sup>		
(a)	Number of staff	3	
(b)	Rank	Manager	
(c)	Post	Manager	
(d)	Total annual staff costs <sup>2</sup> (including those not under SWD subventions, if applicable)		\$1,393,638
	<i>[2(d) should be equal to or greater than 2(e)]</i>		<i>(round up to dollar)</i>
(e)	Total annual staff costs under SWD subventions		\$1,288,543
	<i>[2(e)=2(f)(i)+(ii)+(iii)+(iv)]</i>		<i>(round up to dollar)</i>
(f)	Breakdown of (2)(e)		
	(i) Salary <sup>3</sup>		\$1,238,143
	(ii) Provident Fund		\$50,400
	(iii) Cash Allowance <sup>4</sup> (please specify if any:            )		_____
	(iv) Non-cash based Benefits <sup>5</sup> (please specify if any:            )		_____

(3)	<u>Staff of 3rd Tier</u> <sup>1</sup>		
(a)	Number of staff	6	
(b)	Rank	In - Charge	
(c)	Post	In - Charge	
(d)	Total annual staff costs <sup>2</sup> (including those not under SWD subventions, if applicable)		\$2,223,366
	<i>[3(d) should be equal to or greater than 3(e)]</i>		<i>(round up to dollar)</i>
(e)	Total annual staff costs under SWD subventions		\$1,507,173
	<i>[3e=3(f)(i)+(ii)+(iii)+(iv)]</i>		<i>(round up to dollar)</i>
(f)	Breakdown of (3)(e)		
	(i) Salary <sup>3</sup>		\$1,436,388
	(ii) Provident Fund		\$70,785
	(iii) Cash Allowance <sup>4</sup> (please specify if any:            )		_____
	(iv) Non-cash based Benefits <sup>5</sup> (please specify if any:            )		_____

**Review for changes**

2014 - 2015      2015 - 2016  
(the year before) (the reporting year)

(1) Total annual staff costs under SWD  
subventions in respect of the top three tiers

\$3,220,944      \$3,454,018

(2) Please tick and complete the following as appropriate to state the result of your review -

I have reviewed the remuneration packages of my top three-tier-staff and found no changes in their remuneration as compared with the preceding year.

I have reviewed the remuneration packages of my top three-tier-staff and found changes in their remuneration as compared with preceding year. The tier(s) having changes and reasons for such changes are stated below :-

**Staff of 1st Tier**

No material fluctuation noted.

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**Staff of 2nd Tier**

No material fluctuation noted.

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**Staff of 3rd Tier**

No material fluctuation noted.

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**Part B: Public Disclosure of the Review Report**

Our organisation ~~\*has disclosed/~~ will disclose (please specify the commencement date: 1/12/2016 ) the Review Report (only Part A) through one or more of the following channels and will make it available to the public upon request -


(\*Please delete as appropriate.)

Channel of Disclosure	
<i>(Please tick as appropriate.)</i>	
<input checked="" type="checkbox"/>	Posting up the information on our notice board(s) at the Central Administration Unit / Head Office
<input checked="" type="checkbox"/>	Uploading the information on to the website
<input checked="" type="checkbox"/>	Placing the information in the Annual Report
<input checked="" type="checkbox"/>	Issuing special circular, newsletter or other publication to provide the information
<input type="checkbox"/>	Others, please specify:

**Part C: Declaration by Chairperson**

I declare that the information as provided in Part A, Part B and Part C is correct.

Contact Person :- Maggie Yeung  
Title :- Director  
Telephone :- 3427 2701  
Email :- director@hk-dsa.org.hk

Signature of Chairperson: -   
Name :- Mr. Michael Leung  
Telephone :- 3427 2701  
Date :- 26 OCT 2016