

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

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
31 MARCH 2017
FOR SUBMISSION TO THE SOCIAL WELFARE DEPARTMENT

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CHENG & CHENG LIMITED

CERTIFIED PUBLIC ACCOUNTANTS 鄭鄭會計師事務所有限公司



CHENG & CHENG LIMITED

CERTIFIED PUBLIC ACCOUNTANTS 鄭鄭會計師事務所有限公司

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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 with liability limited by guarantee)

We have audited the financial statements of THE HONG KONG DOWN SYNDROME ASSOCIATION ("the Association") for the year ended 31 March 2017 and have issued an unqualified auditors' report thereon dated

21 OCT 2017

We conducted our review of the attached Annual Financial Report on pages 3 to 10 of the Association for the year ended 31 March 2017 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 2017:

- 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 2017.



REVIEW REPORT ON THE ANNUAL FINANCIAL REPORT (Continued)

**TO THE COMMITTEE OF
THE HONG KONG DOWN SYNDROME ASSOCIATION**

香港唐氏綜合症協會

(Incorporated in Hong Kong with liability limited by guarantee)

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.



CHENG & CHENG LIMITED
Certified Public Accountants

Hong Kong, 21 OCT 2017

Cheng Hong Kei
Practising Certificate number P01806

ANNUAL FINANCIAL REPORT

NGO : 315 THE HONG KONG DOWN SYNDROME ASSOCIATION

香港唐氏綜合症協會

1 APRIL 2016 TO 31 MARCH 2017

	Note	Total 2016-17 HK\$	Total 2015-16 HK\$
A. INCOME 收入			
1. Lump Sum Grant 整筆撥款		13,757,075	12,980,187
a. Lump Sum Grant (excluding Provident Fund) 整筆撥款 (公積金除外)	1b	13,053,590	12,329,385
b. Provident Fund 公積金	1c	703,485	650,802
2. Special One-Off Grant 特別一次過撥款		-	-
3. Fee Income 費用收入	2	4,246	4,378
4. Central Items 中央項目	3	-	-
5. Rent and Rates 租金及差餉	4	702,135	634,262
6. Other Income 其他收入	5	474,891	355,258
7. Interest Received 利息收入		11,548	9,922
TOTAL INCOME 總收入		14,949,895	13,984,007
B. EXPENDITURE 支出			
1. Personal Emoluments 個人薪酬			
a. Salaries 薪金		10,891,052	9,538,068
b. Provident Fund 公積金	1c	625,674	516,110
c. Allowances 津貼		-	-
Sub-total 小計	6	11,516,726	10,054,178
2. Other Charges 其他支出	7	2,354,345	2,520,246
3. Central Items 中央項目	3	-	-
4. Rent and Rates 租金及差餉	4	707,757	634,259
5. Special One-off Grant Payments 特別一次過撥款支出	7a	-	-
TOTAL EXPENDITURE 總支出		14,578,828	13,208,683
C. SURPLUS FOR THE YEAR 本年度盈餘	8	371,067	775,324

SIGNATURE



CHAIRMAN

DATE: 21 OCT 2017



CHIEF EXECUTIVE

DATE: 21 OCT 2017

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 2017

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 Items have been shown under 3. Details are analysed below:

Provident Fund Contribution

	Snapshot Staff HK\$	6.8% and Other Posts HK\$	Total HK\$
Subvention Received	36,410	667,075	703,485
Provident Fund Contribution Paid during the Year	(36,419)	(589,255)	(625,674)
Surplus / (Deficit) for the Year	(9)	77,820	77,811
Adjustment for 2014/15 AFR			
- Subvention received for PF	-	74,554	74,554
- Long Service Payment (Excess portion) absorbed by Lump Sum Grant	-	173,827	173,827
Adjustment to the opening balance of PF Reserves			
- To reflect surplus returned to Government in 2015-16	(63,801)	-	(63,801)
- To reverse the wrong deduction under 6.8% and Other Posts in 2015-16 AFR	-	63,801	63,801
Amount of deficit in PF for Snapshot returned from Government	11,729	-	11,729
Amount transferred from PF Reserve for Snapshot Staff to that of 6.8% and Other Posts	(96,282)	96,282	-
Surplus in PF for Snapshot returned to Government	(1,514)	-	(1,514)
Deficit in PF for 6.8% and Other Posts returned from Government	-	11,703	11,703
Add: Surplus b/f	183,280	1,214,606	1,397,886
Surplus c/f	33,403	1,712,593	1,745,996

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 2017

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>2016-17</u> HK\$	<u>2015-16</u> HK\$
a. Income		
Regularised Programme Assistants (PA)	-	-
Mentors of Employees with Disabilities	-	-
Total	<u>-</u>	<u>-</u>
b. Expenditure		
Regularised Programme Assistants (PA)	-	-
Mentors of Employees with Disabilities	-	-
Total	<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>2016-17</u> HK\$	<u>2015-16</u> HK\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	466,824	342,906
(b) Others	8,067	12,352
Total	<u>474,891</u>	<u>355,258</u>

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 2017

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.	1	901,620
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>2016-17</u>	<u>2015-16</u>
	<u>HK\$</u>	<u>HK\$</u>
(a) Utilities	178,734	186,965
(b) Food	1,578	1,781
(c) Administrative Expenses	174,930	164,909
(d) Stores and Equipment	252,728	429,535
(e) Repair and Maintenance	186,817	236,119
(f) Special Allowances	516,125	472,125
(g) Programme Expenses	707,906	779,334
(h) Transportation and Travelling	19,512	20,330
(i) Insurance	139,901	147,473
(j) Miscellaneous	176,114	81,675
Total:	2,354,345	2,520,246

- 7a **Special One-off Grant Payments**

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

<u>Special one-off Grant Payments</u>	<u>2016-17</u>	<u>2015-16</u>
	<u>HK\$</u>	<u>HK\$</u>
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total:	-	-

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	13,757,075	-	-	-	13,757,075
Special One-off Grant	-	-	-	-	-
Fee Income	4,246	-	-	-	4,246
Other Income	474,891	-	-	-	474,891
Interest Received (Note (1))	11,548	-	-	-	11,548
Rent and Rates	-	-	702,135	-	702,135
Central Items	-	-	-	-	-
Total Income (a)	14,247,760	-	702,135	-	14,949,895
Expenditure					
Personal Emoluments	11,516,726	-	-	-	11,516,726
Other Charges	2,354,345	-	-	-	2,354,345
Rent and Rates	-	-	707,757	-	707,757
Central Items	-	-	-	-	-
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	13,871,071	-	707,757	-	14,578,828
Surplus / (Deficit) for the year (a) - (b)	376,689	-	(5,622)	-	371,067
Less: Surplus / (Deficit) of Provident Fund	77,811	-	-	-	77,811
	298,878	-	(5,622)	-	293,256
Surplus b/f (Note (2))	3,758,886	-	(2,821)	224,164	3,980,229
Less: Subvention received for PF (Note (3))	4,057,764	-	(8,443)	224,164	4,273,485
Long Service Payment (Excess portion absorbed by Lump Sum Grant (Note (4)))	(74,554)	-	-	-	(74,554)
Refund to Government (Note (5))	(173,827)	-	-	-	(173,827)
Refund to Government (Note (5))	-	-	2,090	(2,090)	-
Central Items clawed back (Note (6))	-	-	-	(1,574)	(1,574)
(Deficit) / Surplus c/f (Note (7))	3,809,383	-	(6,353)	220,500	4,023,530

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 (including holding account) and all interest received in previous years are included in the surplus b/f under LSG.
- (3) Pursuant to SWD's letter dated 8 February 2017 under reference SWD SF/SAS/4-65/67(315), \$74,554 subvention received for PF instead of LSG (excluding PF) of 2014-15 AFR.
- (4) Pursuant to SWD's letter dated 8 February 2017 under reference SWD SF/SAS/4-65/67(315), LSP (Excess portion) \$173,827 is not PF related expenditure but salary related. It is LSG or LSG Reserve which should be tapped to cover the employees' entitled LSP.
- (5) Pursuant to SWD's letter dated 8 February 2017 under reference SWD SF/SAS/4-65/67(315), and 9 December 2014 under reference SWD SF/SA/4-65/(315), the refund for R&R was only \$11,339 and the remaining balance of \$2,090 was the refund for Central Items.
- (6) Pursuant to SWD's letter dated 1 August 2016 under reference SWD SF/SA/4-65/(315), \$1,574 surplus of Programme Assistants / Care Assistants (Time-limited Posts) needs to be clawed back.
- (7) 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 PF expenditure) for the year.

Schedule for Central Items
Analysis of Subvention and Expenditure for the period from 01-04-2016 to 31-03-2017

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
Total:		-	-	-	-	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) Infirmity Care Supplement for the Aged Blind Persons
 - (iii) Dementia Supplement for Residential Elderly Services
 - (iv) Infirmity 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 income and expenditure for the Special one-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmity Care as allocated via SWD's letter ref SWD/S/E/RC/3 Pt. 6 dated 4 February 2016 should also be included in the income/expenditure of the respective items.
9. 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 Investment
Analysis of Investment as at 31 March 2017

Agency: The Hong Kong Down Syndrome Association

	<u>4/2016 to 3/2017</u>	<u>4/2015 to 3/2016</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
	<u>₹</u>	<u>₹</u>
LSG Reserve as at 31 March 2017	<u>3,809</u>	<u>3,759</u>
Represented by:		
Investments		
a. HKD Bank Account Balances	2,383	2,320
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	1,426	1,439
d. HKD Certificate of Deposits	-	-
e. HKD Bonds	-	-
	<u>3,809</u>	<u>3,759</u>

Note: The investments should be reported at historical cost.

Confirmed by:-



CHAIRMAN

DATE: 21 OCT 2017



CHIEF EXECUTIVE

DATE : 21 OCT 2017

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period from 01-04-2016 to 31-03-2017

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)	121,922	122,434	-	(512)
	Rates	13,856	14,782	-	(926)
	Total	135,778	137,216	-	(1,438)
Unit 2272 Supported Employment Programme	Rent (Note 3)	61,520	61,735	-	(215)
	Rates	3,971	4,856	-	(885)
	Total	65,491	66,591	-	(1,100)
Unit 2771 Tiptop Training Centre	Rent (Note 3)	435,600	435,600	-	-
	- Carpark Rent	30,630	32,150	-	(1,520)
	Rates	34,636	36,200	-	(1,564)
	Total	500,866	503,950	-	(3,084)
Grand Total:		702,135	707,757	-	(5,622)

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.

(2) Staff of 2nd Tier ¹

(a) Number of staff	4	
(b) Comparable rank in civil service	ASWO and EOII	
(c) Post	Assistant Director and Manager	
(d) Total annual staff costs ² (including those not under SWD subventions, if applicable) <i>[2(d) should be equal to or greater than 2(e)]</i>		\$1,561,464.- <i>(round up to dollar)</i>
(e) Total annual staff costs under SWD subventions <i>[2(e)=2(f)(i)+(ii)+(iii)+(iv)]</i>		\$1,495,107.- <i>(round up to dollar)</i>
(f) Breakdown of (2)(e)		
(i) Salary ³		\$1,430,418.-
(ii) Provident Fund		\$64,689.-
(iii) Cash Allowance ⁴ (please specify if any:)	\$
(iv) Non-cash based Benefits ⁵ (please specify if any:)	\$

(3) Staff of 3rd Tier ¹

(a) Number of staff	6	
(b) Comparable rank in civil service	ASWO and EOII	
(c) Post	Centre-In-Charge	
(d) Total annual staff costs ² (including those not under SWD subventions, if applicable) <i>[3(d) should be equal to or greater than 3(e)]</i>		\$2,221,241.- <i>(round up to dollar)</i>
(e) Total annual staff costs under SWD subventions <i>[3e=3(f)(i)+(ii)+(iii)+(iv)]</i>		\$1,593,489.- <i>(round up to dollar)</i>
(f) Breakdown of (3)(e)		
(i) Salary ³		\$1,506,694.-
(ii) Provident Fund		\$86,795.-
(iii) Cash Allowance ⁴ (please specify if any:)	\$
(iv) Non-cash based Benefits ⁵ (please specify if any:)	\$

Part B: Public Disclosure of the Review Report


Our organisation ~~*has disclosed~~ / will disclose (please specify the commencement date: Nov 2017) 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 the information prominently on the notice board(s) at the Central Administration Unit / Head Office
<input checked="" type="checkbox"/>	Uploading the information to our website
<input type="checkbox"/>	Reporting the information in our Annual Report
<input type="checkbox"/>	Publishing the information through special circular(s), newsletter(s) or whatever means (please enclose the copy/copies for reference)

Part C: Declaration by Chairperson

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

Contact Person : <u>Maggie Yeung</u>	Signature of Chairperson : 
Title : <u>Director</u>	Name : <u>Mr. Michael Leung</u>
Tel. : <u>3427 2701</u>	Tel. : <u>3427 2701</u>
Email : <u>director@hk-dsa.org.hk</u>	Date : <u>26 OCT 2017</u>

**Notes for Completing the Review Report on
Remuneration Packages for Staff in the Top Three Tiers
of Subvented Non-governmental Organisations**

- (1) The 1st tier staff is generally defined as the executive head of the NGO who is directly responsible to the NGO Board / Management Committee, the 2nd tier staff as senior staff directly responsible to the executive head of the NGO, and the 3rd tier staff as senior staff directly responsible to the 2nd tier staff.
- (2) Total annual staff costs for a tier of staff are the total remuneration costs covering salary, provident fund, cash allowances and non-cash based allowances of all staff members of the tier incurred in the whole reporting year (i.e. from 1 April to 31 March under the reporting year).
- (3) Salary refers to the annual salary of respective staff for the whole reporting year, or the total salary of the employment period if the staff member is not employed for the whole reporting year.
- (4) Cash allowances such as responsibility allowance, housing allowance, hardship allowance, bonus, gratuity, overtime allowance, entertainment expenses, travelling expenses, etc.
- (5) Non-cash based Benefits include fringe benefits such as medical / dental insurance, staff quarters, transportation and / or chauffer, professional indemnity insurance, etc.

- End -