

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 2018
FOR SUBMISSION TO THE SOCIAL WELFARE DEPARTMENT



knowledge · talent

**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 2018 and have issued an unqualified auditors’ report thereon dated 29 October 2018.

We conducted our review of the attached Annual Financial Report on pages 2 to 9 of the Association for the year ended 31 March 2018 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 2018:

- 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 2018.

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

29 October 2018

ANNUAL FINANCIAL REPORT

NGO : 315 THE HONG KONG DOWN SYNDROME ASSOCIATION

香港唐氏綜合症協會

1 APRIL 2017 TO 31 MARCH 2018

	Note	Total 2017-18 HK\$	Total 2016-17 HK\$
A. INCOME 收入			
1. Lump Sum Grant		14,130,508	13,757,075
a. Lump Sum Grant (excluding Provident Fund)	1b	13,406,784	13,053,590
b. Provident Fund	1c	723,724	703,485
2. Special One-Off Grant		-	-
3. Fee Income	2	4,884	4,246
4. Central Items	3	-	-
5. Rent and Rate	4	705,608	702,135
6. Other Income	5	510,724	474,891
7. Interest Income		13,574	11,548
TOTAL INCOME		15,365,298	14,949,895
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		11,471,064	10,891,052
b. Provident Fund	1c	692,145	625,674
c. Allowances		-	-
Sub-total	6	12,163,209	11,516,726
2. Other Charges	7	2,349,311	2,354,345
3. Central Items	3	-	-
4. Rent and Rates	4	709,287	707,757
5. Special One-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		15,221,807	14,578,828
C. SURPLUS FOR THE YEAR	8	143,491	371,067

SIGNATURE



CHAIRMAN

DATE: 29 October 2018



ASSISTANT DIRECTOR

DATE: 29 October 2018

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 2018

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 HK\$	6.8% and Other Posts HK\$	Total HK\$
Subvention Received	37,481	686,243	723,724
Provident Fund Contribution Paid during the Year	(37,760)	(654,385)	(692,145)
Surplus / (Deficit) for the Year	(279)	31,858	31,579
Provident Fund adjustment for previous year returned from Government	7		7
Clawback pf Provident Fund for Snapshot Staff surplus 2015/16	(33,418)		(33,418)
<u>Add: Surplus b/f</u>	<u>33,403</u>	<u>1,712,593</u>	<u>1,745,996</u>
Surplus c/f	<u>(287)</u>	<u>1,744,451</u>	<u>1,744,164</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.

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

	<u>2017-18</u>	<u>2016-17</u>
	HK\$	HK\$
<u>a. Income</u>		
Regularised Programme Assistants (PA)	-	-
Mentors of Employees with Disabilities	-	-
Total	<u>-</u>	<u>-</u>
<u>b. Expenditure</u>		
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>2017-18</u>	<u>2016-17</u>
	HK\$	HK\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	476,679	466,824
(b) Others	34,045	8,067
Total	<u>510,724</u>	<u>474,891</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.	1	945,240
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>2017-18</u> HK\$	<u>2016-17</u> HK\$
(a) Utilities	187,973	178,734
(b) Food	2,209	1,578
(c) Administrative Expenses	188,352	174,930
(d) Stores and Equipment	156,793	252,728
(e) Repair and Maintenance	182,544	186,817
(f) Special Allowances	519,889	516,125
(g) Programme Expenses	804,115	707,906
(h) Transportation and Travelling	36,129	19,512
(i) Insurance	137,029	139,901
(j) Miscellaneous	134,278	176,114
Total:	2,349,311	2,354,345

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

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

<u>Special one-off Grant Payments</u>	<u>2017-18</u> HK\$	<u>2016-17</u> HK\$
(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	14,130,508	-	-	-	14,130,508
Special One-off Grant	-	-	-	-	-
Fee Income	4,884	-	-	-	4,884
Other Income	510,724	-	-	-	510,724
Interest Received (Note (1))	13,574	-	-	-	13,574
Rent and Rates	-	-	705,608	-	705,608
Central Items	-	-	-	-	-
Total Income (a)	14,659,690	-	705,608	-	15,365,298
Expenditure					
Personal Emoluments	12,163,209	-	-	-	12,163,209
Other Charges	2,349,311	-	-	-	2,349,311
Rent and Rates	-	-	709,287	-	709,287
Central Items	-	-	-	-	-
Total Expenditure (b)	14,512,520	-	709,287	-	15,221,807
Surplus / (Deficit) for the year (a) - (b)	147,170	-	(3,679)	-	143,491
Less: Surplus / (Deficit) of Provident Fund	31,579	-	-	-	31,579
	115,591	-	(3,679)	-	111,912
Surplus b/f (Note (2))	3,809,383	-	(6,353)	220,500	4,023,530
	3,924,974	-	(10,032)	220,500	4,135,442
Add: Backpayment of rent and rates by Government (Note (3))	-	-	5,622	-	5,622
Less: Rent and Rates (Note (4))	-	-	(3)	-	(3)
(Deficit) / Surplus c/f (Note (5))	3,924,974	-	(4,413)	220,500	4,141,061

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) Supplementary subventions and backpayment of rent and rates for supported employment for 2015/16.
- (4) Pursuant to SWD's letter dated 30 June 2018 under reference (71) in SWD SF/SAS/4-55/1, \$3 surplus on Rent and Rates and Central Items for 2015/16.
- (5) 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 01-04-2017 to 31-03-2018

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) 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 income and expenditure for the Special one-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmary 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 Rent and Rates
Analysis of Subvention and Expenditure for the period from 01-04-2017 to 31-03-2018

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)	122,434	122,434	-	-
	Rates	14,782	14,782	-	-
	Total	137,216	137,216	-	-
Unit 2272 Supported Employment Programme	Rent (Note 3)	61,735	62,077	-	(342)
	Rates	4,856	4,514	342	-
	Total	66,591	66,591	342	(342)
Unit 2771 Tiptop Training Centre	Rent (Note 3)	435,600	435,600	-	-
	- Carpark Rent	30,630	33,680	-	(3,050)
	Rates	35,571	36,200	-	(629)
	Total	501,801	505,480	-	(3,679)
Grand Total:		705,608	709,287	342	(4,021)

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 2018

Agency: The Hong Kong Down Syndrome Association

	<u>4/2017 to 3/2018</u>	<u>4/2016 to 3/2017</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
	<u>\$</u>	<u>\$</u>
LSG Reserve as at 31 March 2018	3,925	3,809
Represented by:		
Investments		
a. HKD Bank Account Balances	2,485	2,383
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	1,440	1,426
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	3,925	3,809

Note: The investments should be reported at historical cost.

Confirmed by:-



 CHAIRMAN



 ASSISTANT DIRECTOR

DATE: 29 October 2018

DATE: 29 October 2018