

**HONG KONG PHAB ASSOCIATION**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2021**



**AUDITOR'S REVIEW REPORT  
TO THE BOARD OF DIRECTORS OF HONG KONG PHAB ASSOCIATION**

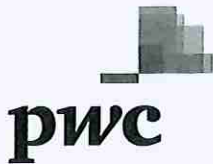
We have audited the consolidated financial statements of Hong Kong PHAB Association (the "Association") for the year ended 31 March 2021 and have issued an unqualified auditor's report thereon dated 29 October 2021.

We conducted our review of the attached Annual Financial Report ("AFR") on pages 1 to 9 of the Association for the year ended 31 March 2021 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. We report our conclusions solely to the Board of Directors of the Association, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. The review includes considering the procedures and records relevant to the preparation of the AFR and performing procedures to satisfy ourselves that the AFR 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 consolidated financial statements of the Association for the year ended 31 March 2021:

- a. in our opinion the AFR 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 a 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 Hong Kong Special Administrative Region;
  - iii. prepared the AFR 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 2021.



羅兵咸永道

**AUDITOR'S REVIEW REPORT  
TO THE BOARD OF DIRECTORS OF HONG KONG PHAB ASSOCIATION  
(CONTINUED)**

**Review conclusions (Continued)**

The report is intended for filing with the Social Welfare Department of the Government of the Hong Kong Special Administrative Region and should not be used for any other purpose.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

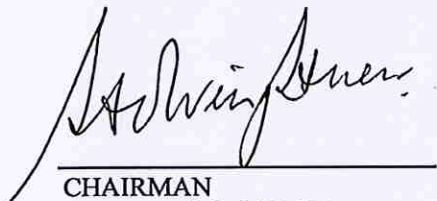
**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 29 October 2021

**ANNUAL FINANCIAL REPORT**  
**NGO: HONG KONG PHAB ASSOCIATION**  
**1 APRIL 2020 TO 31 MARCH 2021**

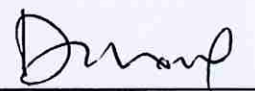
	Notes	Total 2020-2021	Total 2019-2020
<b>A. INCOME</b>			
1 Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	55,259,026.00	45,834,686.00
b. Provident Fund	1c	3,860,189.00	3,287,732.00
2 Fee Income	2	1,009,451.50	885,661.00
3 Central Items	3	303,020.00	240,212.00
4 Rent and Rates	4	2,087,060.00	2,068,741.00
5 Other Income	5	2,355,042.79	5,115,689.47
6 Interest Received		172,846.99	250,942.99
<b>TOTAL INCOME</b>		<u>65,046,636.28</u>	<u>57,683,664.46</u>
<b>B. EXPENDITURE</b>			
1 Personal Emoluments			
a. Salaries		44,799,060.51	40,671,139.43
b. Provident Fund	1c	3,038,234.35	2,840,198.53
c. Allowances		497,686.65	345,107.91
Sub-total	6	48,334,981.51	43,856,445.87
2 Other Charges	7	9,278,856.49	9,733,022.65
3 Central Items	3	135,745.19	139,689.60
4 Rent and Rates	4	2,792,987.77	2,790,836.22
<b>TOTAL EXPENDITURE</b>		<u>60,542,570.96</u>	<u>56,519,994.34</u>
<b>C. (DEFICIT) / SURPLUS FOR THE YEAR</b>	8	<u>4,504,065.32</u>	<u>1,163,670.12</u>

The Annual Financial Report from page 1 to 9 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



CHAIRMAN

DATE: 29 OCT 2021



EXECUTIVE DIRECTOR.

DATE: 29 OCT 2021





## 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 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 (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 3. Details are analysed below:

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u>	<u>6.8% &amp; other Post</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	726,775.00	3,133,414.00	3,860,189.00
Provident Fund Contribution			
Paid during the year	(710,628.48)	(2,327,605.87)	(3,038,234.35)
Surplus/(Deficit) for the Year	16,146.52	805,808.13	821,954.65
<b>Add:</b> Additional subvention received for previous years		32,364.00	32,364.00
<b>Less:</b> Refund to Government	(55,726.00)		(55,726.00)
<b>Add: Surplus/(Deficit) b/f</b>	(19,820.73)	5,983,023.51	5,963,202.78
<b>(Deficit) / Surplus c/f</b>	(59,400.21)	6,821,195.64	6,761,795.44

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



	2020-2021	2019-2020
a. <u>Income</u>	\$	\$
After School Care Programme - Fee Waiving Subsidy Scheme	52,524.00	8,100.00
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Severe Respiratory Disease Associated With a Novel Infectious Agent	-	89,274.00
Special Allowance for Staff of Subvented Residential Service Units in Respect of COVID-19 ("Special Allowance")	188,048.00	142,838.00
Time-Limited programme on Enhancing Infection Control and Ventilation of Residential Care Homes for Persons with Disabilities - On-site Ventilation Assessment	62,448.00	-
<b>Total</b>	<b>303,020.00</b>	<b>240,212.00</b>
b. <u>Expenditure</u>		
After School Care Programme - Fee Waiving Subsidy Scheme	5,836.00	5,850.00
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	0.00	0.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	2,000.00	3,000.00
Severe Respiratory Disease Associated With a Novel Infectious Agent	0.00	0.00
Special Allowance for Staff of Subvented Residential Service Units in Respect of COVID-19 ("Special Allowance")	127,909.19	130,839.60
Infection Control and Ventilation of Residential Care Homes for Persons with Disabilities - On-site Ventilation Assessment	-	-
<b>Total</b>	<b>135,745.19</b>	<b>139,689.60</b>

**4. Rent & Rates** This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditures 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.





	2019-2020	2019-2020
<b>Other Income</b>		
(a) Fees and charges for services incidental to the operation of subvented services	1,843,943.42	4,403,278.65
(b) Subsidy from Central Items (CI) - After School Care Programme (ASCP) / Enhanced ASCP - Fee Waiving Subsidy Scheme (FWSS)*	5,836.00	
(c) Others		
-Management Fee	511,099.37	712,410.82
<b>Sub-Total</b>	<b>2,360,878.79</b>	<b>5,115,689.47</b>
Less : Utilised allocation Under CI-ASCP / Enhanced ASCP - FWSS which forms as part of Other Income *	- 5,836.00	
<b>Total:</b>	<b>2,355,042.79</b>	<b>5,115,689.47</b>

## 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 paid under LSG is appended below:

### Analysist of Personal Emoluments

	No. of Posts	\$
HK\$700,001 - HK\$800,000 p.a.	1	751,766.16
HK\$800,001 - HK\$900,000 p.a.	2	1,664,320.37
HK\$900,001 - HK\$1,000,000 p.a.	3	2,820,592.17
HK\$1,000,001 - HK\$1,100,000 p.a.	2	2,132,310.37
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:

	2020-2021	2019-2020
<b>Other Charges</b>	<b>\$</b>	<b>\$</b>
(a) Utilities	524,808.01	649,966.18
(b) Food	546,805.95	458,529.42
(c) Administrative Expenses	1,587,718.47	1,114,087.18
(d) Stores and Equipment	2,708,028.84	1,642,558.62
(e) Repair and Maintenance	771,166.40	314,814.30
(f) Special Allowances	-	-
(g) Programme Expenses	1,807,112.78	4,013,987.79
(h) Transportation and Travelling	179,138.01	197,021.60
(i) Insurance	363,007.98	175,590.44
(j) Miscellaneous	796,207.02	735,578.32
(k) HRMIS/FM System Revamp	699.03	430,888.80
<b>Sub-Total :</b>	<b>9,284,692.49</b>	<b>9,733,022.65</b>
Less : Utilised allocation Under CI-ASCP / -	5,836.00	-
Enhanced ASCP - FWSS which forms as part of Other Income to fund the operating expensed of FSA-related activities		
	<b>9,278,856.49</b>	<b>9,733,022.65</b>

\* For those programmes which are regarded as FSA-related activities only



	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Adjustment for Utilised allocation under ASCP /Enhanced ASCP-FWSS	Rent & Rates	Central Items	Total
<b>Income</b>					
Lump Sum Grant	59,119,215.00		0.00	0.00	59,119,215.00
Special One-off Grant	0.00		0.00	0.00	0.00
Fee Income	1,009,451.50		0.00	0.00	1,009,451.50
Other Income	2,360,878.79	(5,836.00)	0.00	0.00	2,355,042.79
Interest Received (Note (1))	172,846.99		0.00	0.00	172,846.99
Rent and Rates	0.00		2,087,060.00	0.00	2,087,060.00
Central Items	0.00		0.00	303,020.00	303,020.00
<b>Total Income (a)</b>	<b>62,662,392.28</b>	<b>(5,836.00)</b>	<b>2,087,060.00</b>	<b>303,020.00</b>	<b>65,046,636.28</b>
<b>Expenditure</b>				0.00	
Personal Emoluments	48,334,981.51		0.00	0.00	48,334,981.51
Other Charges	9,284,692.49	(5,836.00)	0.00	0.00	9,278,856.49
Rent & Rates	0.00		2,792,987.77	0.00	2,792,987.77
Central Items	0.00		0.00	135,745.19	135,745.19
Special One-off Grant Payments	0.00		0.00	0.00	0.00
<b>Total Expenditure (b)</b>	<b>57,619,674.00</b>	<b>(5,836.00)</b>	<b>2,792,987.77</b>	<b>135,745.19</b>	<b>60,542,570.96</b>
<b>Surplus / (Deficit) for the Year (a)-(b)</b>	<b>5,042,718.28</b>	<b>0.00</b>	<b>(705,927.77)</b>	<b>167,274.81</b>	<b>4,504,065.32</b>
<u>Less:</u> Surplus of Provident Fund	(821,954.65)	0.00	0.00	0.00	(821,954.65)
	4,220,763.63	0.00	(705,927.77)	167,274.81	3,682,110.67
<b>Surplus/(Deficit) b/f (Note (2))</b>	<b>13,505,406.37</b>		<b>(403,680.89)</b>	<b>404,108.70</b>	<b>13,505,834.18</b>
	17,726,170.00	0.00	(1,109,608.66)	571,383.51	17,187,944.85
Add: Backpayment of rent and rates (HK)			13,280.00		13,280.00
Add: Backpayment of rent and rates (NT)			10,680.00		10,680.00
Add: Backpayment of rent and rates (KE)			15,236.00		15,236.00
Add: Backpayment of rent and rates (KW)			14,770.00		14,770.00
Add: Backpayment of rent and rates (ST)			12,840.00		12,840.00
Add: Backpayment of rent and rates (UP)			206,386.00		206,386.00
Add: Backpayment of rent and rates (PP)			110,107.00		110,107.00
Add: Backpayment of rent and rates (PC)			14,297.00		14,297.00
Add: Backpayment of rent and rates (STL)			18,000.00		18,000.00
Add: Opening balance adjustment					
<u>Add:</u> Refund from / (to) Government					
SWD SF/SAS/4-55/1(348)			(55,372.87)	(101,272.40)	(156,645.27)
(8) in SWD SF/SAS/4-55/1(348)			(2,663.96)		(2,663.96)
					0.00
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))	0.00		0.00	0.00	
<b>Surplus/(Deficit) c/f (Note (4))</b>	<b>17,726,170.00</b>	<b>0.00</b>	<b>(752,049.49)</b>	<b>470,111.11</b>	<b>17,444,231.62</b>

## Notes :

# Including an amount \$Z being the utilised allocation under CI -ASCP / Enhanced ASCP - FWSS\*

\* For those programmes which are regarded as FSA-related activities only

- (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant are 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 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 (i.e. S), 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 1st April 2020 to 31st March 2021

Name of Agency: Hong Kong PHAB Association		Subvented Element (Note 7)	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the Year			Surplus b/f (Note 5) (e)	Refund to Government (f)	Adjustment (Note 9) (g)	Surplus c/f (Note 6) (h)=(e)+(a)-(d)-(f)+/(g)
						Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d)=(b)-(c)				
Unit Code and Name (Note 7)			\$	\$	\$		\$		\$			\$
3167 After School Care Programme		After School Care Programme	52,524.00	5,836.00	46,688.00	0.00	0.00	0.00	168,794.30	0.00		215,482.30
6569 Training Sponsorship Scheme for Master in Occupational Therapy (MOT) & Master in Physiotherapy (MPT) Programme		Training Sponsorship Scheme	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
6458 Financial Incentive Scheme for Mentors of Employees with Disabilities (30/11/2016)		"Financial Incentive Scheme for Mentors of Employees with Disabilities"	0.00	2,000.00	0.00	(2,000.00)	0.00	0.00	134,042.00	0.00		132,042.00
Severe Respiratory Disease Associated With a Novel Infectious Agent		Severe Respiratory Disease Associated With a Novel Infectious Agent	0.00	0.00	0.00	0.00	0.00	0.00	89,274.00	(89,274.00)		0.00
Special Allowance for Staff of Subvented Residential Service Units in Respect of COVID-19 ("Special Allowance")		Special Allowance for Staff of Subvented Residential Service Units in Respect of COVID-19 ("Special Allowance")	188,048.00	127,909.19	60,138.81	0.00	0.00	0.00	11,998.40	(11,998.40)		60,138.81
Time-limited programme on Enhancing Infection Control and Ventilation of Residential Care Homes for the Elderly and Residential Care Homes for Persons with Disabilities on-site ventilation Assessment		Time-limited programme on Enhancing Infection Control and Ventilation of Residential Care Homes for the Elderly and Residential Care Homes for Persons with Disabilities on-site ventilation Assessment	62,448.00	0.00	62,448.00	0.00	0.00	0.00	0.00	0.00		62,448.00
TOTAL			303,020.00	135,745.19	169,274.81	(2,000.00)	0.00	0.00	404,108.70	(101,272.40)		470,111.11



Schedule for Central Items

Analysis of Subvention and Expenditure for the Period from 1st April 2020 to 31st March, 2021

Notes:

1. The figures for the whole financial year are extracted from the payroll for March (Final) or remittance advise(s) issued by the Treasury or allocation letter(s) issued by Social Welfare Department 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.e. 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.
  - (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 less refund to Government plus surplus, if any, arising from operations in current year.
7. Unit code and name are extracted from the payroll from SWD and remittance advice from the Treasury respectively.
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.
9. For ASCP/Enhanced ASCP, the adjustment includes the amount of expenditure overstated / (understated) in previous year(s) after taking into account the actual claw-back amounts(s) per SWD's allocation letter(s)

