


ANNUAL FINANCIAL REPORT

EVANGELICAL LUTHERAN CHURCH SOCIAL SERVICE - HONG KONG**1 APRIL 2017 to 31 MARCH 2018**

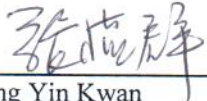
	<u>Notes</u>	<u>Total</u> <u>2017-18</u> \$	<u>Total</u> <u>2016-17</u> \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	184,551,947.00	178,324,397.00
b. Provident Fund	1c	17,233,340.00	16,805,161.00
2. Special One-off Grant		-	-
3. Fee Income	2	10,695,474.70	10,230,228.30
4. Central Items	3	6,013,792.00	20,849,082.00
5. Rent and Rates	4	8,220,227.00	9,184,987.00
6. Other Income	5	39,394,209.39	27,214,864.02
7. Interest Received		600,353.92	501,033.02
TOTAL INCOME		<u>266,709,344.01</u>	<u>263,109,752.34</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		198,152,756.71	189,763,278.86
b. Provident Fund	1c	16,303,740.83	16,138,355.83
c. Allowances		134,089.83	131,620.00
Sub-total	6	<u>214,590,587.37</u>	<u>206,033,254.69</u>
2. Other Charges	7	40,469,091.70	35,050,275.98
3. Central Items	3	15,730,674.44	12,845,714.55
4. Rent and Rates	4	7,860,139.10	7,729,268.11
5. Special One-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		<u>278,650,492.61</u>	<u>261,658,513.33</u>
C. (DEFICIT)/ SURPLUS FOR THE YEAR	8	(11,941,148.60)	1,451,239.01

The Annual Financial Report from pages [2] to [8] has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



Mr. Kwok Kang Ming
Chairman
Evangelical Lutheran Church Social Service -
Hong Kong

Date: 26 September, 2018



Ms. Cheung Yin Kwan
Honorary Chief Executive
Evangelical Lutheran Church Social Service -
Hong Kong

Date: 26 September, 2018

EVANGELICAL LUTHERAN CHURCH SOCIAL SERVICE - HONG KONG
NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2018
(Expressed in Hong Kong dollars)

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** 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 Items 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>
	\$	\$	\$
Subvention Received	8,035,593.00	9,197,747.00	17,233,340.00
Provident Fund Contribution			
Paid during the Year	(7,249,094.10)	(9,054,646.73)	(16,303,740.83)
Surplus for the Year	786,498.90	143,100.27	929,599.17
Add : Surplus b/f	1,804,952.75	14,493,791.18	16,298,743.93
Adjustments as per SWD's letter of 14-06-2018 under ref.(18) in SWD SF/SAS/4-65/46(206) II :			
- Transfer from "Snapshot Staff" to "6.8% and other posts" :	(51,457.50)	51,457.50	-
- Additional Subvention received for previous year	-	159,176.00	159,176.00
- Refund to Government	(159,176.00)	-	(159,176.00)
Add : Refund from SWD for over-deducted surplus in Provident Fund for Snapshot Staff for 2014/2015	25,728.75	-	25,728.75
Add : Additional subvention received for the previous year	-	224,556.00	224,556.00
Less : Refund to Government	(993,400.00)	-	(993,400.00)
Surplus c/f	1,413,146.90	15,072,080.95	16,485,227.85

- 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.

EVANGELICAL LUTHERAN CHURCH SOCIAL SERVICE - HONG KONG**NOTES ON THE ANNUAL FINANCIAL REPORT****FOR THE YEAR ENDED 31 MARCH 2018**

(Expressed in Hong Kong dollars)

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 the 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:

	<u>2017-18</u>	<u>2016-17</u>
	\$	\$
a. Income		
Dementia Supplement for Residential Elderly Services	857,412.00	674,506.00
Dementia Supplement for Residential Elderly Services (next financial year)	-	138,754.00
Infirmiry Care Supplement for Residential Elderly Services	2,605,860.00	2,087,748.00
Infirmiry Care Supplement for Residential Elderly Services (next financial year)	-	335,550.00
Dementia Supplement for Day Care Centres/units for the Elderly	363,144.00	284,748.00
After School Care Programme - Fee Waiving Subsidy Scheme	586,800.00	441,000.00
Time-defined Subsidy Scheme for Extended Hours Service Users	17,576.00	17,576.00
Training Subsidy under Training Scheme for child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	60,000.00
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	270,000.00	540,000.00
Time-defined Subsidy Scheme for Occasional Child Care Service Users	53,000.00	53,000.00
Navigation Scheme for Young Persons in Care Services - Operating Expenses	-	1,231,200.00
Navigation Scheme for Young Persons in Care Services - Training Cost	945,000.00	14,985,000.00
One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly	315,000.00	-
Total	<u>6,013,792.00</u>	<u>20,849,082.00</u>

EVANGELICAL LUTHERAN CHURCH SOCIAL SERVICE - HONG KONG**NOTES ON THE ANNUAL FINANCIAL REPORT****FOR THE YEAR ENDED 31 MARCH 2018**

(Expressed in Hong Kong dollars)

- 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 the 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:

	<u>2017-18</u>	<u>2016-17</u>
	\$	\$
b. Expenditure		
Dementia Supplement for Residential Elderly Services	999,218.40	846,263.96
Infirmity Care Supplement for Residential Elderly Services	2,988,770.13	2,667,288.73
Dementia Supplement for Day Care Centres/units for the Elderly	363,463.72	284,878.48
After School Care Programme - Fee Waiving Subsidy Scheme	522,312.00	515,375.54
Time-defined Subsidy Scheme for Extended Hours Service Users	4,320.00	5,600.00
Training Subsidy under Training Scheme for child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	14,700.00
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	270,000.00	-
Time-defined Subsidy Scheme for Occasional Child Care Service Users	-	-
Navigation Scheme for Young Persons in Care Services - Operating Expenses	825,882.09	815,049.74
Navigation Scheme for Young Persons in Care Services - Training Cost	9,619,708.10	7,696,558.10
One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly	137,000.00	-
Total	<u>15,730,674.44</u>	<u>12,845,714.55</u>

EVANGELICAL LUTHERAN CHURCH SOCIAL SERVICE - HONG KONG
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- 4. Rent and 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 include 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:

	2017-18	2016-17
	\$	\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	39,394,209.39	27,214,864.02
(b) Others	-	-
Total	39,394,209.39	27,214,864.02

- 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:

Analysis of Personal Emoluments paid under LSG	No of Posts	\$
HK\$700,001 - HK\$800,000 p.a.	17	12,572,654.98
HK\$800,001 - HK\$900,000 p.a.	17	14,601,609.98
HK\$900,001 - HK\$1,000,000 p.a.	13	12,113,329.50
HK\$1,000,001 - HK\$1,100,000 p.a.	4	4,233,725.00
HK\$1,100,001 - HK\$1,200,000 p.a.	-	-
>HK\$1,200,000 p.a.	4	5,218,115.25

EVANGELICAL LUTHERAN CHURCH SOCIAL SERVICE - HONG KONG**NOTES ON THE ANNUAL FINANCIAL REPORT****FOR THE YEAR ENDED 31 MARCH 2018**(Expressed in Hong Kong dollars)**7. Other Charges**

The breakdown on Other Charges is as follows:

	<u>2017-18</u>	<u>2016-17</u>
	\$	\$
Other Charges		
(a) Utilities	3,126,176.84	3,164,910.09
(b) Food	4,583,189.68	4,191,127.30
(c) Administrative Expenses	1,357,175.84	1,283,729.86
(d) Stores and Equipment	2,240,708.58	1,810,082.17
(e) Repair and Maintenance	814,210.44	879,540.20
(f) Special Allowances	20,130.00	20,505.00
(g) Programme Expenses	19,201,533.27	15,467,598.02
(h) Transportation and Travelling	1,321,859.17	1,315,605.15
(i) Insurance	1,403,995.16	1,311,553.87
(j) Miscellaneous		
-Cost of Sales	12,487.42	45,972.66
-Hire of Services	104,567.50	99,990.00
-Hire of Medical Service	1,143,962.00	1,052,440.00
-Information Technology Expenses	1,853,589.23	1,451,372.03
-Others	3,285,506.57	2,955,849.63
Total	<u>40,469,091.70</u>	<u>35,050,275.98</u>

7a. Special One-off Grant Payments

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

	<u>2017-18</u>	<u>2016-17</u>
	\$	\$
Special one-off Grant Payments		
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total	<u>-</u>	<u>-</u>

EVANGELICAL LUTHERAN CHURCH SOCIAL SERVICE - HONG KONG
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(Expressed in Hong Kong dollars)

8. Analysis of Reserve Fund

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	201,785,287.00	-	-	-	201,785,287.00
Special One-off Grant	-	-	-	-	-
Fee Income	10,695,474.70	-	-	-	10,695,474.70
Other Income	39,394,209.39	-	-	-	39,394,209.39
Interest Received (Note (1))	600,353.92	-	-	-	600,353.92
Rent and Rates	-	-	8,220,227.00	-	8,220,227.00
Central Items	-	-	-	6,013,792.00	6,013,792.00
Total Income (a)	252,475,325.01	-	8,220,227.00	6,013,792.00	266,709,344.01
Expenditure					
Personal Emoluments	214,590,587.37	-	-	-	214,590,587.37
Other Charges	40,469,091.70	-	-	-	40,469,091.70
Rent and Rates	-	-	7,860,139.10	-	7,860,139.10
Central Items	-	-	-	15,730,674.44	15,730,674.44
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	255,059,679.07	-	7,860,139.10	15,730,674.44	278,650,492.61
Surplus/(Deficit) for the Year (a) - (b)	(2,584,354.06)	-	360,087.90	(9,716,882.44)	(11,941,148.60)
Less: Surplus of Provident Fund	929,599.17	-	-	-	929,599.17
Surplus/(Deficit) b/f (Note (2))	(3,513,953.23)	-	360,087.90	(9,716,882.44)	(12,870,747.77)
64,602,591.17	64,602,591.17	-	(798,709.80)	20,847,432.64	84,651,314.01
Less: Refund to Government	61,088,637.94	-	(438,621.90)	11,130,550.20	71,780,566.24
- per SWD's letter of 11-07-2017 under ref. (17) ² in SWD SF/SAS/4-55/1(206) (R&R / ECCSS / EHSU)	-	-	(40,513.84)	(169,773.00)	(210,286.84)
- per SWD's letter of 01-12-2017 under ref. (106) in SWD SF/SAS/4-55/1/1(206) (R&R / EHSU / OCCSU)	-	-	(6,252.89)	(64,976.00)	(71,228.89)
- per Demand/Note no. 051-073-000969-6 repayment of Training Sponsorship Scheme for MOT and MPT (3rd Round)	-	-	-	(270,000.00)	(270,000.00)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary for Residential Elderly Services (Note (3))	(50,412.53)	-	-	50,412.53	-
Deficit borne by agency as follows:					
- Dementia Supplement for Day Care Centres/Units for the Elderly	-	-	-	319.72	319.72
Surplus/(Deficit) c/f (Note (4))	61,038,225.41	-	(485,388.63)	10,676,533.45	71,229,370.23

- Note:**
- (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) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary, if any, as per Schedule of Central Items.
 - (4) 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.