

**ANNUAL FINANCIAL REPORT**  
**BAPTIST OI KWAN SOCIAL SERVICE 浸信會愛羣社會服務處**  
**1 APRIL 2018 TO 31 MARCH 2019**

<b>A. INCOME</b>	<b>NOTE</b>	<b>Total 2018-19 HK\$</b>	<b>Total 2017-18 HK\$</b>
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	114,331,457.00	79,473,918.00
b. Provident Fund	1c	6,525,524.00	5,816,973.00
2. Fee Income	2	2,432,036.60	2,104,987.30
3. Central Items	3	6,782,651.00	4,057,225.90
4. Rent and Rates	4	1,604,526.00	1,275,949.00
5. Other Income	5	6,971,892.63	5,078,921.43
6. Interest Received		76,727.61	21,549.74
<b>TOTAL INCOME</b>		<b>138,724,814.84</b>	<b>97,829,524.37</b>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		80,769,302.70	71,666,215.75
b. Provident Fund	1c	5,554,371.23	5,128,513.25
c. Allowances		—	—
<b>Sub-total</b>	6	<b>86,323,673.93</b>	<b>76,794,729.00</b>
2. Other Charges	7	33,070,844.62	15,180,466.68
3. Central Items	3	4,821,372.10	3,264,316.20
4. Rent and Rates	4	2,603,377.12	2,520,478.79
<b>TOTAL EXPENDITURE</b>		<b>126,819,267.77</b>	<b>97,759,990.67</b>
<b>C. SURPLUS FOR THE YEAR</b>	8	<b>11,905,547.07</b>	<b>69,533.70</b>

The Annual Financial Report from pages 2 to 10 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



Rev Dave KWOK Siu Nam  
Chairman



Mr Raymond CHIU Han Man  
Chief Executive Officer

Dated this 14 October 2019

**BAPTIST OI KWAN SOCIAL SERVICE 浸信會愛羣社會服務處**  
**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 recognized upon receipt of cash and expenditure is recognized 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 Lump Sum Grant (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 recognized 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 stated under Note 3.

Details are analyzed below:

**Provident Fund Contribution**

	<b>Snapshot Staff HK\$</b>	<b>6.8% and Other Posts HK\$</b>	<b>Total HK\$</b>
Subvention Received	1,073,965.00	5,451,559.00	6,525,524.00
Provident Fund Contribution Paid during the year	(1,046,088.88)	(4,508,282.35)	(5,554,371.23)
Surplus for the year	27,876.12	943,276.65	971,152.77
Add: Surplus b/f	33,708.46	5,912,561.45	5,946,269.91
Additional subvention received for previous years	90,284.00	9,718.00	100,002.00
Less: Refund to Government	—	—	—
Surplus c/f	151,868.58	6,865,556.10	7,017,424.68

**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.

**BAPTIST OI KWAN SOCIAL SERVICE 浸信會愛羣社會服務處**  
**NOTES ON THE ANNUAL FINANCIAL REPORT CONTINUED**

- 3. Central Items** These are subvented service activities which are not included in the 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:

	<b>Total 2018-19 HK\$</b>	<b>Total 2017-18 HK\$</b>
<b>a. Income</b>		
One-off subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	–	210,000.00
Extension of Time-defined Subsidy Scheme for Extended Hours Child Care Service	5,678.00	5,678.00
After School Care Programme – Fee Waiving Subsidy Scheme	216,000.00	246,750.00
Enhanced After School Care Programme – Fee Waiving Subsidy Scheme	310,464.00	301,840.00
Allowance for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	215,205.00	214,166.00
Time-defined Subsidy Scheme for Occasional Child Care Service	15,900.00	15,900.00
Dementia Supplement for Day Care Centre for the Elderly	171,331.00	332,882.00
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy (HKE)	1,423,100.00	1,348,650.00
NSCCP – Subsidy for Fee Reduction/Waiving (HKE)	525,000.00	–
NSCCP – Rent and rates (HKE)	56,569.00	32,709.90
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy (WC)	1,423,100.00	1,348,650.00
NSCCP – Subsidy for Fee Reduction / Waiving (WC)	–	–
Pilot Scheme on Multi-Disciplinary Outreaching Support Teams for the Elderly – NTE Cluster	2,420,304.00	–
<b>Total</b>	<b>6,782,651.00</b>	<b>4,057,225.90</b>

**BAPTIST OI KWAN SOCIAL SERVICE 浸信會愛羣社會服務處**  
**NOTES ON THE ANNUAL FINANCIAL REPORT CONTINUED**

	Total 2018-19 HK\$	Total 2017-18 HK\$
<b>b. Expenditure</b>		
One-off subsidy for Enhanced Provision of Visiting Medical Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	–	70,000.00
Extension of Time-defined Subsidy Scheme for Extended Hours Child Care Service	4,014.40	4,711.20
After School Care Programme – Fee Waiving Subsidy Scheme	246,294.16	356,106.75
Enhanced After School Care Programme – Fee Waiving Subsidy Scheme	321,836.37	239,713.66
Allowance for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	215,205.00	214,166.00
Time-defined Subsidy Scheme for Occasional Child Care Service	–	–
Dementia Supplement for Day Care Centre for the Elderly	171,327.34	278,976.67
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy (HKE)	1,296,160.95	1,007,285.57
NSCCP – Subsidy for Fee Reduction/Waiving (HKE)	104,970.00	204,411.20
NSCCP – Rent and rates (HKE)	56,569.00	32,709.90
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy (WC)	1,291,390.99	848,275.55
NSCCP – Subsidy for Fee Reduction / Waiving (WC)	32,811.30	7,959.70
Pilot Scheme on Multi-Disciplinary Outreaching Support Teams for the Elderly – NTE Cluster	1,080,792.59	–
<b>Total</b>	<b>4,821,372.10</b>	<b>3,264,316.20</b>

- 4. Rent and Rates** This represents the amount paid by the SWD in respect of premises recognized by SWD. Expenditure on rent and rates in respect of premises not recognized by SWD have not been included in AFR.

- 5. Other Income** This includes programme income and all income other than recognized 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 is as follows:

	2018-19 HK\$	2017-18 HK\$
Other income		
(a) Fees and charges for services incidental to the operation of subvented services	5,901,840.66	4,669,522.42
(b) Others	1,070,051.97	409,399.01
	<b>6,971,892.63</b>	<b>5,078,921.43</b>

**BAPTIST OI KWAN SOCIAL SERVICE 浸信會愛羣社會服務處**  
**NOTES ON THE ANNUAL FINANCIAL REPORT CONTINUED**

- 6. Personal Emoluments** Personal Emoluments include salary, provident fund and salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over HK\$700,000 each paid under LSG is appended below:

Analysis of Personal Emoluments paid under LSG

	No. of Posts	HK\$
HK\$700,001 – HK\$800,000 p.a.	2	1,533,771.25
HK\$800,001 – HK\$900,000 p.a.	4	3,381,609.60
HK\$900,001 – HK\$1,000,000 p.a.	1	973,981.81
HK\$1,000,001 – HK\$1,100,000 p.a.	3	3,102,550.50
HK\$1,100,001 – HK\$1,200,000 p.a.	0	–
>HK\$1,200,000 p.a.	1	1,259,722.65

- 7. Other Charges** The breakdown on other charges is as follows:

<u>Other Charges</u>	<b>Total 2018-19 HK\$</b>	<b>Total 2017-18 HK\$</b>
(a) Utilities	1,204,054.31	1,259,638.71
(b) Food	937,190.93	908,982.90
(c) Administrative expenses	3,825,314.61	3,055,948.94
(d) Stores and equipment	1,588,497.96	946,602.30
(e) Repairs and maintenance	1,489,905.07	799,417.09
(f) Programme expenses	22,620,237.38	6,934,511.31
(g) Transportation and travelling	223,891.92	274,897.18
(h) Insurance	927,276.71	742,993.74
(i) Miscellaneous	254,475.73	257,474.51
	<u>33,070,844.62</u>	<u>15,180,466.68</u>

**BAPTIST OI KWAN SOCIAL SERVICE 浸信會愛羣社會服務處**  
**NOTES ON THE ANNUAL FINANCIAL REPORT CONTINUED**

**8. Analysis of Lump Sum Grant Reserve and Balances of Other SWD Subventions**

	Analysis of Reserve Fund			
	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$
<b>Income</b>				
Lump Sum Grant	120,856,981.00	-	-	120,856,981.00
Fee Income	2,432,036.60	-	-	2,432,036.60
Other Income	6,971,892.63	-	-	6,971,892.63
Interest Received (Note (1))	76,727.61	-	-	76,727.61
Rent and Rates	-	1,604,526.00	-	1,604,526.00
Central Items	-	-	6,782,651.00	6,782,651.00
<b>Total Income (a)</b>	<b>130,337,637.84</b>	<b>1,604,526.00</b>	<b>6,782,651.00</b>	<b>138,724,814.84</b>
<b>Expenditure</b>				
Personal Emoluments	86,323,673.93	-	-	86,323,673.93
Other Charges	33,070,844.62	-	-	33,070,844.62
Rent and Rates	-	2,603,377.12	-	2,603,377.12
Central Items	-	-	4,821,372.10	4,821,372.10
<b>Total expenditure (b)</b>	<b>119,394,518.55</b>	<b>2,603,377.12</b>	<b>4,821,372.10</b>	<b>126,819,267.77</b>
<b>Surplus/(Deficit) for the year (a) - (b)</b>	<b>10,943,119.29</b>	<b>(998,851.12)</b>	<b>1,961,278.90</b>	<b>11,905,547.07</b>
Less: Surplus of Provident Fund	971,152.77	-	-	971,152.77
	9,971,966.52	(998,851.12)	1,961,278.90	10,934,394.30
<b>Surplus/(Deficit) b/f as previously reported</b>	<b>28,806,381.95</b>	<b>(1,428,835.70)</b>	<b>7,403,837.72</b>	<b>34,781,383.97</b>
Adjustment to the opening balance of Extension of Time-defined Subsidy Scheme for Extended Hours Service Users	-	-	(18,720.00)	(18,720.00)
Overclaim of rent and rates in previous years	-	157,481.10	-	157,481.10
<b>Surplus/(Deficit) b/f as restated (Note (2))</b>	<b>28,806,381.95</b>	<b>(1,271,354.60)</b>	<b>7,385,117.72</b>	<b>34,920,145.07</b>
Less: Refund from/(to) Government	(97,321.80)	1,271,354.60	(210,772.13)	963,260.67
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))	-	-	-	-
<b>Surplus/(Deficit) c/f (Note (4))</b>	<b>38,681,026.67</b>	<b>(998,851.12)</b>	<b>9,135,624.49</b>	<b>46,817,800.04</b>
	<b>S</b>			

The cumulative LSG reserves as at 31 March 2007 not subject to clawback was HK\$9,087,643.17.

**Notes:**

- (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 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 of Central Items.
- (4) The level of LSG cumulative reserves (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.

**11. COMPARATIVE FIGURES**

Certain comparative figures in the 2018 financial statements have been reclassified to conform with current year's presentation.

**12. APPROVAL OF ANNUAL FINANCIAL REPORT**

The annual financial report of the Agency for the year ended 31 March 2019 was approved and authorized for issue by the board members and the Chief Executive Officer on 14 October 2019.