

**Richmond Fellowship of Hong Kong
Annual Financial Report 2023/2024
(Lump Sum Grant Subvention Only)**

The Annual Financial Report (“AFR”) does not constitute Richmond Fellowship of Hong Kong’s statutory annual financial statements.

The AFR is prepared on cash basis and in accordance with the requirements set out in the Lump Sum Grant Manual issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region.

This basis of preparation is different from the financial reporting standards issued by the Hong Kong Institute of Certified Public Accountants normally adopted in statutory annual financial statements.

RICHMOND FELLOWSHIP OF HONG KONG
利民會

(Limited by Guarantee)

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024
(For the purpose of Social Welfare Department)

ANNUAL FINANCIAL REPORT
RICHMOND FELLOWSHIP OF HONG KONG
(1 APRIL 2023 to 31 MARCH 2024)

	Notes	2023-2024 \$	2022-2023 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	76,353,317.00	71,947,362.00
b. Provident Fund	1c	4,559,779.00	4,322,982.00
2. Fee Income	2	1,845,587.30	1,810,736.30
3. Central Items	3	1,290,000.00	0.00
4. Rent and Rates	4	2,297,190.00	2,274,870.00
5. Other Income	5	2,615,557.97	1,931,668.23
6. Interest Received		663,091.71	143,489.58
TOTAL INCOME		<u>89,624,522.98</u>	<u>82,431,108.11</u>
 B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		71,360,494.46	67,771,685.07
b. Provident Fund	1c	3,149,679.04	3,117,580.99
c. Allowances		0.00	0.00
Sub-Total	6	<u>74,510,173.50</u>	<u>70,889,266.06</u>
2. Other Charges	7	13,094,710.36	11,148,522.90
3. Central Items	3	480,000.00	321,500.00
4. Rent and Rates	4	2,543,849.00	2,299,846.00
TOTAL EXPENDITURE		<u>90,628,732.86</u>	<u>84,659,134.96</u>
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	<u>(1,004,209.88)</u>	<u>(2,228,026.85)</u>

The Annual Financial Report from pages (4) to (7) has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE



CHAIRMAN

DATE: 31 OCT 2024

SIGNATURE



NGO HEAD/ HEAD OF SOCIAL WELFARE SERVICES

DATE: 31 OCT 2024

NOTES ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant (LSG)

a. Basis of Preparation

The Annual Financial Report (AFR) is prepared in respect of all Funding and Services Agreement (FSA) services (including support services to FSA services) 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.

The Provident Fund received and contributed for staff under the Central Items which are separately included as part of the income and expenditure of the relevant disclosures have been shown under Note 3.

Details are analysed below:

<u>Provident Fund Contribution</u>	Snapshot	6.8% and	2023-2024
	Staff HK\$	OtherPosts HK\$	Total HK\$
Subvention Received	65,316.00	4,494,463.00	4,559,779.00
Provident Fund Contribution Paid during the Year	78,924.25	3,070,754.79	3,149,679.04
Surplus/ (Deficit) for the Year	(13,608.25)	1,423,708.21	1,410,099.96
<u>Add:</u> Surplus/ (Deficit) b/f	69,071.09	14,526,337.14	14,595,408.23
Additional subvention received for previous year(s)		12,293.00	12,293.00
<u>Less:</u> Refund to the government	(56,739.00)		(56,739.00)
Surplus/ (Deficit) c/f	(1,276.16)	15,962,338.35	15,961,062.19

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:

	2023-2024 HK\$	2022-2023 HK\$
a. Income		
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Training Sponsorship Scheme for MOT	1,290,000.00	-
One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Hom for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	-	-
Special Allowance halfway house	-	-
Total	<u>1,290,000.00</u>	<u>0.00</u>
b. Expenses		
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	1,500.00
Training Sponsorship Scheme for MOT	480,000.00	320,000.00
One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Hom for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	-	-
Special Allowance halfway house	-	-
Total	<u>480,000.00</u>	<u>321,500.00</u>

RICHMOND FELLOWSHIP OF HONG KONG
NOTES ON THE ANNUAL FINANCIAL REPORT

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 need not be included as Other Income in AFR. In this respect, donation have been included if it is used to finance expenditure of the FSA services/ FSA-related activities reflected in the AFR.

The breakdown on Other Income is as follows:

	2023-2024	2022-2023
	\$	\$
Other Income		
(a) Programme income	1,428,543.10	956,374.10
(b) Production income	612,828.84	277,840.20
(c) Donation	1,293.80	1,263.00
(d) Income from Other Activities	212,194.00	314,560.00
(e) Utilised allocation under Central Items (CI) - After School Care Programme (ASCP) / Enhanced ASCP / ASCP(PC) - Fee Waiving Subsidy Scheme (FWSS) which forms as part of Other Income	-	-
(f) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	-	-
(g) Miscellaneous income	360,698.23	381,630.93
Sub-Total	<u>2,615,557.97</u>	<u>1,931,668.23</u>
Less: Utilised allocation under CI: ASCP / Enhanced ASCP / ASCP(PC) - FWSS which forms as part of Other Income	-	-
Total	<u><u>2,615,557.97</u></u>	<u><u>1,931,668.23</u></u>

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\$800,000p.a.	7	5,181,588.62
HK\$800,001-HK\$900,000p.a.	2	1,749,544.24
HK\$900,001-HK\$1,000,000p.a.	2	1,933,710.60
HK\$1,000,001-HK\$1,100,000p.a.	2	2,079,343.48
HK\$1,100,001-HK\$1,200,000p.a.	0	-
>HK\$1,200,000p.a.	1	1,615,275.00
		<u><u>12,559,461.94</u></u>

7. Other Charges

The breakdown on Other Charges is as follows:

	2023-2024	2022-2023
	\$	\$
Other Charges		
(a) Utilities	1,204,513.00	1,168,113.30
(b) Food	1,556,177.18	1,781,124.55
(c) Administrative Expenses	1,968,300.33	1,581,079.08
(d) Stores and Equipment	190,696.39	329,085.98
(e) Repair and Maintenance	808,646.32	669,359.40
(f) Special Allowances	1,222,272.81	929,712.21
(g) Programme Expenses	3,009,958.07	1,988,606.74
(h) Transportation and Travelling	188,831.49	158,797.21
(i) Insurance	1,141,152.79	983,709.00
(j) Miscellaneous	1,435,041.98	1,469,535.43
(k) Visiting Medical Practitioner Scheme	369,120.00	89,400.00
Sub-Total	<u>13,094,710.36</u>	<u>11,148,522.90</u>
Less: Utilised allocation under CI: ASCP / Enhanced ASCP / ASCP(PC) - FWSS which forms as part of Other Income to fund the operating expenses of FSA services / FSA-related activities	-	-
Total	<u><u>13,094,710.36</u></u>	<u><u>11,148,522.90</u></u>

Analysis of Lump Sum Grant Reserve and balances of other SWD Subventions

	Lump Sum Grant (LSG)	Holding Account (HA)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP - FWSS	Rent and Rates	Central Items (CI)	Total
	\$	\$	\$	\$	\$	\$
Income						
Lump Sum Grant	80,913,096.00					80,913,096.00
Fee Income	1,845,587.30					1,845,587.30
Other Income	2,615,557.97					2,615,557.97
Interest Received (Note (1))	663,091.71					663,091.71
Rent and Rates				2,297,190.00		2,297,190.00
Central Items					1,290,000.00	1,290,000.00
Total Income (a)	86,037,332.98	0.00	0.00	2,297,190.00	1,290,000.00	89,624,522.98
Expenditure						
Personal Emoluments	72,766,119.79	1,744,053.71				74,510,173.50
Other Charges	13,094,710.36					13,094,710.36
Rent and Rates				2,543,849.00		2,543,849.00
Central Items					480,000.00	480,000.00
Total Expenditure (b)	85,860,830.15	1,744,053.71	0.00	2,543,849.00	480,000.00	90,628,732.86
Surplus/(Deficit) for the Year (a)-(b)	176,502.83	(1,744,053.71)	0.00	(246,659.00)	810,000.00	(1,004,209.88)
Less: Surplus/ (Deficit) of Provident Fund	(1,410,099.96)					(1,410,099.96)
	(1,233,597.13)	(1,744,053.71)	0.00	(246,659.00)	810,000.00	(2,414,309.84)
Surplus/ (Deficit) b/f (Note(2))	14,811,206.63	10,352,207.53	0.00	(450,364.12)	160,523.10	24,873,573.14
Add: Refund from Government	13,577,609.50	8,608,153.82	0.00	(697,023.12)	970,523.10	22,459,263.30
- Backpayment of Rent and Rate from 2022/2023				20,406.00		20,406.00
Less: Refund to the Government						
- Clawback of provisional subvention surpluses 2022/2023				(17,750.00)		(17,750.00)
- Being adjustment of opening balance under SWD letter SF/SI/4-65/123(576)IV dd 29.5.2024					(0.10)	(0.10)
Surplus/(Deficit) c/f (Note (4))	13,577,609.50	8,608,153.82	0.00	(694,367.12)	970,523.00	22,461,919.20

Notes:

(1) Interest received on LSG (including HA) and Provident Fund reserves, rent and rates, Central Items are included as one item under LSG; and the item is considered as part of LSG reserve.

(2) Accumulated balance of LSG Surplus b/f from previous years (including all interest received in previous years (see (1) above)) and the balance of HA should be separately reported

as in the surplus b/f under LSG and HA respectively.

(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) For NGOs without HA, separate disclosure of the movement of HA in their respective AFRs is not necessary. The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.

For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows:

(i) With Snapshot Staff (SS) [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year was greater than zero]

The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution (K)) for the year.

(ii) Without SS [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year (which is regarded as Year 0) was zero]

For the next three years (Year 1 to Year 3), the level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.

For the fourth financial year (Year 4) onwards, the level of LSG cumulative reserve and HA reserve will be counted altogether and the combined reserve amount (i.e. S1+S2) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution (K)) for the year. In this regards, separate disclosure of the movement of HA in their respective AFRs is not necessary.

[For (4)(i) and (4)(ii) above, please also refer to SWD's letter under reference (11) in SWD/S/109/1/10 of 4 April 2022.]

For any amount above the cap, SWD would arrange the claw-back (including provisional in the following financial year except for those 58 NGOs which are subject to Productivity Enhancement Programme as stipulated in SWD's letter under reference (9) in SWD/S/133/1 of 6 March 2024. For details of the claw-back arrangement of the said 58 NGOs, please refer to the above letter.) accordingly.