

ANNUAL FINANCIAL REPORT

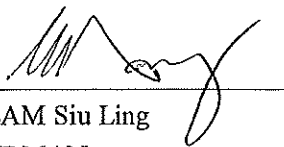
FU HONG SOCIETY

1ST APRIL, 2021 TO 31ST MARCH, 2022

	Notes	2021-22 \$	2020-21 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	394,594,165.00	382,993,602.00
b. Provident Fund	1c	32,792,193.00	32,702,730.00
Sub-total		427,386,358.00	415,696,332.00
2. Fee Income	2	21,468,272.23	20,049,021.00
3. Central Items	3	7,087,998.00	5,939,113.49
4. Rent and Rates	4	12,583,436.00	13,253,657.00
5. Other Income	5	9,230,582.94	5,606,058.34
6. Interest Received		154,194.90	846,661.16
TOTAL INCOME		477,910,842.07	461,390,842.99
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		341,692,320.79	341,798,772.92
b. Provident Fund	1c	32,503,186.61	28,946,519.03
c. Allowances		3,000,193.18	4,585,926.79
Sub-total	6	377,195,700.58	375,331,218.74
2. Other Charges	7	77,391,485.13	62,949,694.84
3. Central Items	3	2,346,286.10	4,489,232.45
4. Rent and Rates	4	13,722,178.00	13,130,273.00
TOTAL EXPENDITURE		470,655,649.81	455,900,419.03
C. SURPLUS FOR THE YEAR	8	7,255,192.26	5,490,423.96

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.

SIGNATURE



Ms. LAM Siu Ling
CHAIRMAN

DATE: 22nd September, 2022

SIGNATURE



Ms. TSUI Kwan-yin, Frankie
CHIEF EXECUTIVE OFFICER

DATE: 22nd September, 2022

FU HONG SOCIETY
NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE YEAR 2021-22

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 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 recognised or holding against subvented posts as at 1st April, 2000.

6.8% and other posts represent those staff that are employed after 1st April, 2000.

The Provident Fund received and contributed for staff under the Central Items are shown under **Note 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	11,838,489.00	20,953,704.00	32,792,193.00
Provident Fund Contribution Paid during the Year	(9,739,186.00)	(22,764,000.61)	(32,503,186.61)
Surplus for the year	2,099,303.00	(1,810,296.61)	289,006.39
Add: Surplus b/f	2,394,312.07	31,949,850.45	34,344,162.52
Add: Additional subvention received for previous years	-	411,237.00	411,237.00
Add: Adjustment of Social Welfare Subventions for Pricilla's Home (ref: SWD/S/R/AR&J/29-Part II, date 29th June, 2021)		298,103.00	298,103.00
Less: Refunded to Government	(1,175,492.00)	-	(1,175,492.00)
Surplus c/f	3,318,123.07	30,848,893.84	34,167,016.91

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 LSG Manual.

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NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE YEAR 2021-22

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

	<u>2021/22</u>	<u>2020/21</u>
	\$	\$
a. Income		
Training Sponsorship Scheme for Master in Occupational Therapy and Master in Physiotherapy programmes	1,260,000.00	640,000.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	1,139,761.00	1,051,193.00
Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infectious Agent	-	3,836.42
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	3,322,859.07
Time-limited Programme on Enhancing Infection Control and Ventilation for the Elderly and Residential Care Homes for Persons with Disabilities - On-site Ventilation Assessment	-	718,152.00
One-off Subsidy for Strengthened Provision of Visiting Medical Practitioner Service for Residential Care Homes for Persons with Disabilities	4,485,000.00	-
Ethnic Minority District Ambassador Posts	203,237.00	203,073.00
Total	<u>7,087,998.00</u>	<u>5,939,113.49</u>
b. Expenditure		
Training Sponsorship Scheme for Master in Occupational Therapy and Master in Physiotherapy programmes	640,000.00	-
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	1,131,622.00	1,041,181.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	3,322,192.00
Time-limited Programme on Enhancing Infection Control and Ventilation for the Elderly and Residential Care Homes for Persons with Disabilities - On-site Ventilation Assessment	385,148.00	66,700.00
Ethnic Minority District Ambassador Posts	189,516.10	59,159.45
Total	<u>2,346,286.10</u>	<u>4,489,232.45</u>

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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 is as follows:

	<u>2021/22</u>	<u>2020/21</u>
	\$	\$
a. Fees and charges for services incidented to the operation of subvented services		
Day care fee	1,211,718.64	815,680.00
Other fees	3,884,368.51	3,005,173.17
Programme income	401,117.50	257,640.90
Service users' work income	2,140,841.88	1,357,729.20
b. Others	1,592,536.41	169,835.07
	<u>9,230,582.94</u>	<u>5,606,058.34</u>

6. Personal Emoluments

Personal Emoluments include salary, provident fund, salary-related allowances.

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

<u>Analysis of Personal Emoluments paid under LSG</u>	<u>No. of Posts</u>	<u>2021/22</u>
		\$
HK\$700,001 - HK\$800,000 p.a.	17	12,477,069
HK\$800,001 - HK\$900,000 p.a.	14	11,831,446
HK\$900,001 - HK\$1,000,000 p.a.	5	4,822,241
HK\$1,000,001 - HK\$1,100,000 p.a.	13	13,438,018
HK\$1,100,001 - HK\$1,200,000 p.a.	4	4,568,373
> HK\$1,200,000 p.a.	4	6,061,880

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7. Other Charges

The breakdown on Other Charges is as follows:

<u>Other Charges</u>	<u>2021/22</u>	<u>2020/21</u>
	\$	\$
(a) Utilities	10,778,575.30	8,259,558.31
(b) Food	12,410,891.55	11,330,896.20
(c) Administrative Expenses	4,118,529.93	3,612,581.40
(d) Stores and Equipment	3,205,610.60	2,949,916.25
(e) Repair and Maintenance	11,515,817.98	12,516,473.12
(f) Renovation Expenses	654,441.00	606,771.21
(g) Special Allowances	1,948,706.22	2,649,716.45
(h) Programme Expenses	2,634,572.77	1,994,046.71
(i) Transport and Travelling	3,327,992.22	2,525,641.23
(j) Insurance	7,686,247.98	7,071,635.24
(k) Service Users' Work Payment	1,677,981.63	1,157,688.71
(l) Staff Development	3,885,412.39	717,841.35
(m) Staff Uniform	157,493.88	262,162.40
(n) Medical -VMP	2,413,564.50	2,503,702.00
(o) Staff post contract out	6,676,646.28	2,441,753.30
(p) Miscellaneous	4,299,000.90	2,349,310.96
	<u>77,391,485.13</u>	<u>62,949,694.84</u>

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 NOTES ON THE ANNUAL FINANCIAL REPORT
 FOR THE YEAR 2021-22

8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	Analysis of Reserve Fund			
	Lump Sum Grant \$	Rent and Rates \$	Central Items \$	Total \$
Income				
Lump Sum Grant	427,386,358.00	-	-	427,386,358.00
Fee Income	21,468,272.23	-	-	21,468,272.23
Other Income	9,230,582.94	-	-	9,230,582.94
Interest Received (Note (1))	154,194.90	-	-	154,194.90
Rent and Rates	-	12,583,436.00	-	12,583,436.00
Central Items	-	-	7,087,998.00	7,087,998.00
Total Income (a)	458,239,408.07	12,583,436.00	7,087,998.00	477,910,842.07
Expenditure				
Personal Emoluments	377,195,700.58	-	-	377,195,700.58
Other Charges	77,391,485.13	-	-	77,391,485.13
Rent and Rates	-	13,722,178.00	-	13,722,178.00
Central Items	-	-	2,346,286.10	2,346,286.10
Total Expenditure (b)	454,587,185.71	13,722,178.00	2,346,286.10	470,655,649.81
Surplus / (Deficit) for the year (a) - (b)	3,652,222.36	(1,138,742.00)	4,741,711.90	7,255,192.26
Less: Surplus of Provident Fund	(289,006.39)	-	-	(289,006.39)
Surplus / (Deficit) b/f (Note (2))	3,363,215.97	(1,138,742.00)	4,741,711.90	6,966,185.87
	84,940,738.95	123,384.00	1,357,892.04	86,422,014.99
Adjustment Central Items for 2020-21 : (12) in SWD SF/SAS/4-35/2/133(648) dated 21st February, 2022	88,303,954.92 4,503.49	(1,015,358.00) -	6,099,603.94 (4,503.49)	93,388,200.86 -
Less: Adjustment of Social Welfare Subventions for Pricilla's Home (ref: SWD/S/R/AR&J/29-Part II, dated 29th June, 2021)	(1,282,372.00)	-	-	(1,282,372.00)
Less: Refund of unspent balance of the "Time-limited Programme on Enhancing Infection Control and Ventilation for the Elderly and Residential Care Homes for Persons with Disabilities - On-site Ventilation Assessment"	-	-	(266,304.00)	(266,304.00)
Less: Provisional recovery of subvention surpluses of Rent and Rate and Central Items for 2020/21: SWD SF/SAS/4-35/133/(648) dated 20th November, 2021	-	(123,384.00)	-	(123,384.00)
Surplus / (Deficit) c/f	87,026,086.41	(1,138,742.00)	5,828,796.45	91,716,140.86

Note:

- (1.) Interest received on LSG and Provident Fund reserves, rent and rates and central items are included as one item under Lump Sum Grant; and the item is considered as part of LSG reserve.
- (2.) Accumulated balance LSG 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.) The level of LSG cumulative reserve less LSG reserve kept in holding account, will be capped at 25% of the Society's operating expenditure (excluding Provident Fund expenditure) for the year. Regarding the calculation of the amount of LSG cumulative reserve for this purpose, the balance as at 31.3.2007 of \$84,779,791.00 is excluded as per SWD's instruction.