

ANNUAL FINANCIAL REPORT

FU HONG SOCIETY

1ST APRIL, 2023 TO 31ST MARCH, 2024

	Notes	2023-24 \$	2022-23 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	421,966,578.00	401,740,959.00
b. Provident Fund	1c	32,225,395.00	32,065,102.00
Sub-total		454,191,973.00	433,806,061.00
2. Fee Income	2	21,733,976.23	21,678,682.23
3. Central Items	3	2,852,300.00	1,341,309.00
4. Rent and Rates	4	13,787,532.00	13,271,351.00
5. Other Income	5	11,359,215.85	11,163,075.93
6. Interest Received		5,887,713.91	3,150,012.81
TOTAL INCOME		<u>509,812,710.99</u>	<u>484,410,491.97</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		351,070,478.41	344,109,891.30
b. Provident Fund	1c	32,499,552.91	27,284,610.08
c. Allowances		4,504,987.86	3,917,395.21
Sub-total	6	388,075,019.18	375,311,896.59
2. Other Charges	7	94,367,760.71	86,225,754.03
3. Central Items	3	2,215,053.44	2,762,140.13
4. Rent and Rates	4	14,725,526.71	13,984,280.00
TOTAL EXPENDITURE		<u>499,383,360.04</u>	<u>478,284,070.75</u>
C. SURPLUS FOR THE YEAR	8	<u>10,429,350.95</u>	<u>6,126,421.22</u>

The Annual Financial Report from pages 5 to 10 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE



Ms. LAM Siu Ling

CHAIRMAN

DATE: 25th September, 2024

SIGNATURE



Dr. WOO Chi Wood

CHIEF EXECUTIVE OFFICER

DATE: 25th September, 2024

FU HONG SOCIETY
NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE YEAR 2023-24

1. Lump Sum Grant ("LSG")

a. Basis of preparation

The Annual Financial Report ("AFR") is prepared in respect of all Funding and Service 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 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 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>	<u>Snapshot Staff</u>	<u>6.8% and Other Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	8,606,246.00	23,619,149.00	32,225,395.00
Provident Fund Contribution paid during the Year	(7,201,428.00)	(25,298,124.91)	(32,499,552.91)
Surplus / (Deficit) for the year	1,404,818.00	(1,678,975.91)	(274,157.91)
Add: Surplus b/f	4,017,348.07	34,174,254.76	38,191,602.83
Add: Additional subvention received for previous years	-	741,433.00	741,433.00
Less: Refunded to Government	(2,099,303.00)	-	(2,099,303.00)
Surplus c/f	<u>3,322,863.07</u>	<u>33,236,711.85</u>	<u>36,559,574.92</u>

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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3. Central Items

These are subvented services 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>2023/24</u>	<u>2022/23</u>
	\$	\$
a. Income		
Training Sponsorship Scheme for Master in Occupational Therapy and Master in Physiotherapy programmes	1,533,101.00	-
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	1,148,379.00	913,169.00
Time-limited Programme on Enhancing Infection Control and Ventilation for the Elderly and Residential Care Homes for Persons with Disabilities - On-site Ventilation Assessment	-	220,064.00
Time-defined Allocation of Ethnic Minority District Ambassador Posts - salary and provident fund	100,382.00	191,792.00
Time-defined Allocation of Ethnic Minority District Ambassador Posts - other charges	8,536.00	16,284.00
Pilot Scheme on Training to Foreign Domestic Helpers in Care for Persons with Disabilities	15,000.00	-
One-off Allocation for Providing Assistance to Persons with Disabilities under the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities	46,902.00	-
Total	<u>2,852,300.00</u>	<u>1,341,309.00</u>
b. Expenditure		
Training Sponsorship Scheme for Master in Occupational Therapy and Master in Physiotherapy programmes	640,000.00	1,210,292.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	1,339,474.00	1,194,404.00
Time-limited Programme on Enhancing Infection Control and Ventilation for the Elderly and Residential Care Homes for Persons with Disabilities - On-site Ventilation Assessment	21,620.00	64,860.00
Time-defined Allocation of Ethnic Minority District Ambassador Posts - salary and provident fund	195,296.10	183,960.00
Time-defined Allocation of Ethnic Minority District Ambassador Posts - other charges	3,663.34	3,624.13
Pilot Scheme on Training to Foreign Domestic Helpers in Care for Persons with Disabilities	15,000.00	-
One-off Subsidy for Strengthened Provision of Visiting Medical Practitioner Service for Residential Care Homes for Persons with Disabilities	-	105,000.00
Total	<u>2,215,053.44</u>	<u>2,762,140.13</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 need not be included as Other Income in AFR. In this respect, donations 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:

	<u>2023/24</u>	<u>2022/23</u>
	\$	\$
a. Fees and charges for services incidented to the operation of subvented services		
Day care fee	1,287,753.00	1,285,767.20
Other fees	3,787,973.06	3,534,271.34
Programme income	1,331,678.20	493,979.10
Production (Service users' work) income	3,045,977.40	2,324,410.14
b. Others	1,905,834.19	1,094,204.39
Other grants	-	2,430,443.76
	<u>11,359,215.85</u>	<u>11,163,075.93</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>2023/24</u>
		\$
HK\$700,001 - HK\$800,000 p.a.	27	19,732,580
HK\$800,001 - HK\$900,000 p.a.	11	9,070,801
HK\$900,001 - HK\$1,000,000 p.a.	9	8,598,284
HK\$1,000,001 - HK\$1,100,000 p.a.	9	9,512,063
HK\$1,100,001 - HK\$1,200,000 p.a.	6	6,665,099
> HK\$1,200,000 p.a.	7	9,764,529

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7. Other Charges

The breakdown on Other Charges is as follows:

<u>Other Charges</u>	<u>2023/24</u>	<u>2022/23</u>
	\$	\$
(a) Utilities	13,353,762.47	12,223,506.28
(b) Food	13,282,661.32	12,580,466.41
(c) Administrative Expenses	4,201,349.97	4,259,961.07
(d) Stores and Equipment	3,037,836.42	3,207,446.46
(e) Repair and Maintenance	13,402,057.83	13,590,759.54
(f) Renovation Expenses	1,188,300.01	972,898.50
(g) Special Allowances	1,843,527.00	1,603,216.00
(h) Programme Expenses	4,784,555.50	3,967,614.85
(i) Transport and Travelling	4,089,080.82	3,562,711.72
(j) Insurance	6,841,932.68	6,506,938.96
(k) Service Users' Work Payment	2,310,850.67	2,139,948.65
(l) Staff Development	3,885,070.89	3,594,067.91
(m) Staff Uniform	229,321.40	279,622.10
(n) Medical -VMP	2,400,323.00	2,401,920.00
(o) Staff post contract out	16,483,174.26	11,974,613.23
(p) Miscellaneous	3,033,956.47	3,360,062.35
	<u>94,367,760.71</u>	<u>86,225,754.03</u>

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

	Analysis of Reserve Fund				
	Lump Sum Grant \$	Holding Account \$	Rent and Rates \$	Central Items \$	Total \$
Income					
Lump Sum Grant	454,191,973.00	-	-	-	454,191,973.00
Fee Income	21,733,976.23	-	-	-	21,733,976.23
Other Income	11,359,215.85	-	-	-	11,359,215.85
Interest Received (Note (1))	5,887,713.91	-	-	-	5,887,713.91
Rent and Rates	-	-	13,787,532.00	-	13,787,532.00
Central Items	-	-	-	2,852,300.00	2,852,300.00
Total Income (a)	493,172,878.99	-	13,787,532.00	2,852,300.00	509,812,710.99
Expenditure					
Personal Emoluments	381,818,045.18	6,256,974.00	-	-	388,075,019.18
Other Charges	92,525,760.71	1,842,000.00	-	-	94,367,760.71
Rent and Rates	-	-	14,725,526.71	-	14,725,526.71
Central Items	-	-	-	2,215,053.44	2,215,053.44
Total Expenditure (b)	474,343,805.89	8,098,974.00	14,725,526.71	2,215,053.44	499,383,360.04
Surplus / (Deficit) for the year (a) - (b)	18,829,073.10	(8,098,974.00)	(937,994.71)	637,246.56	10,429,350.95
Less: Surplus of Provident Fund	274,157.91	-	-	-	274,157.91
Surplus / (Deficit) b/f (Note (2))	19,103,231.01	(8,098,974.00)	(937,994.71)	637,246.56	10,703,508.86
	15,035,323.84	75,470,452.00	(712,929.00)	(21,742.68)	89,771,104.16
	34,138,554.85	67,371,478.00	(1,650,923.71)	615,503.88	100,474,613.02
Refund from Government	-	-	971,558.00	-	971,558.00
Less: Provisional recovery of subvention surpluses of Rent and Rate and Central Items for 2022/23: SWD SF/SAS/4-35/2/133/(648) dated 30th November, 2023	-	-	(258,024.00)	-	(258,024.00)
Less: Refund of Time-limited Programme on Enhancing Infection Control and Ventilation for the Elderly and Residential Care Homes for Persons with Disabilities - On-site Ventilation	-	-	-	(133,584.00)	(133,584.00)
Surplus / (Deficit) c/f	34,138,554.85	67,371,478.00	(937,389.71)	481,919.88	101,054,563.02

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.