

SISTERS OF THE PRECIOUS BLOOD
PRECIOUS BLOOD CHILDREN'S VILLAGE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2019

POON SUK CHING

CERTIFIED PUBLIC ACCOUNTANT

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**Review Report to the Management Committee of
Sisters of the Precious Blood
Precious Blood Children's Village (the "Organisation")**

I have audited the financial statements of the Organisation for the year ended 31 March 2019 and have issued an unqualified auditors' report thereon dated *28 JUN 2019*

I conducted my review of the attached Annual Financial Report on pages 1 to 5 of the Organisation for the year ended 31 March 2019 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organisations" issued by the Hong Kong Institute of Certified Public Accountants. The review includes considering the procedures and records relevant to the preparation of the Annual Financial Report and performing procedures to satisfy ourselves that the Annual Financial Report has been properly prepared from the books and records of the Organisation, on which the above audited financial statements of the Organisation are based.

Review conclusions

On the basis of the results of my review and having regard to the audit procedures performed by me in relation to the audit of the financial statements of the Organisation for the year ended 31 March 2019:

- a. in my opinion the Annual Financial Report has been properly prepared from the books and records of the Organisation.
- b. no matters have come to my attention during the course of my review, which cause me to believe that the Organisation has not:
 - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund, Tide-over Grant and other social welfare subventions and expenditure in respect of Funding and Services Agreement activities and support services;
 - ii. kept separate Operating Income and Expenditure Account for each subvented services unit as required by the Lump Sum Grant Manual (LSG Manual) published by the Social Welfare Department of the Government of the HKSAR;
 - iii. prepared the Annual Financial Report in accordance with the format and requirements set out in LSG Manual; and
 - iv. employed the staff quoted in the Tide-over Grant and Provident Fund arrangements during the year ended 31 March 2019.

This report is intended for filing with the Social Welfare Department of the Government of the HKSAR and should not be used for any other purpose.


POON Suk Ching
Certified Public Accountant
Hong Kong, *28 JUN 2019*

ANNUAL FINANCIAL REPORT
NGO : 564 Sisters of the Precious Blood
1 APRIL 2018 TO 31 MARCH 2019

	<u>Notes</u>	<u>Total</u> 2018-19 \$	<u>Total</u> 2017-18 \$	<u>Remarks</u>
A. INCOME				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	14,685,392.00	13,452,751.00	
b. Provident Fund	1c	912,678.00	927,884.00	
2. Special One-off Grant		-	-	
3. Fee Income	2	-	-	
4. Central Items	3	322,805.00	321,246.00	
5. Rent and Rates	4	64,269.00	64,466.00	
6. Other Income	5	104,164.12	10,058.17	
7. Interest Received		19,055.65	8,761.53	
TOTAL INCOME		<u>16,108,363.77</u>	<u>14,785,166.70</u>	
B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries		11,180,445.88	9,798,334.23	
b. Provident Fund	1c	503,819.71	547,080.29	
c. Allowances		-	-	
	6	11,684,265.59	10,345,414.52	
2. Other Charges	7	3,596,897.91	3,468,231.88	
3. Central Items	3	322,805.00	321,246.00	
4. Rent and Rates	4	94,640.00	137,471.00	
5. Special One-off Grant Payments	7a	-	-	
TOTAL EXPENDITURE		<u>15,698,608.50</u>	<u>14,272,363.40</u>	
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	<u>409,755.27</u>	<u>512,803.30</u>	

The Annual Financial Report from pages 1 to 5 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE



SR. KWONG LAI KUEN
CHAIR PERSON

DATE: 28 JUN 2019

SIGNATURE



SR. CHEUNG NGAN SHAN
SUPERINTENDENT

DATE: 28 JUN 2019

**NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 1 APRIL 2018 TO 31 MARCH 2019**

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 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 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 shown under 3.

Details are analysed below:

Provident Fund Contribution

	<u>Snapshot Staff</u>	<u>6.8% Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	124,238.00	788,440.00	912,678.00
Provident Fund Contribution Paid during the Year	-	503,819.71	503,819.71
Surplus for the Year	124,238.00	284,620.29	408,858.29
Add : Surplus b/f	348,412.75	1,801,944.54	2,150,357.29
Surplus retained	472,650.75	2,086,564.83	2,559,215.58
Less: Recovery of surplus	(67,239.00)	-	(67,239.00)
Add: Adjustments per SWD letter	4,345.05	14,729.63	19,074.68
Surplus c/f	409,756.80	2,101,294.46	2,511,051.26

2. Fee Income

This represents social welfare fee income received for the year in respect of the fees and charges recognized for the purpose of subvention as set out in the LSG Manual.

**NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 1 APRIL 2018 TO 31 MARCH 2019**

3. Central Items

These are subvented service activities which are not included in Lump Sum Grant 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 LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	<u>Total 2018-19</u>	<u>Total 2017-18</u>
Income		
Allowances on statutory minimum wage	<u>322,805.00</u>	<u>321,246.00</u>
Expenditure		
Allowances on statutory minimum wage	<u>322,805.00</u>	<u>321,246.00</u>

4. Rent and Rates

This represents the amount paid by 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

These include 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.

	<u>2018-19</u>	<u>2017-18</u>
Other Income	\$	\$
(a) Food for Staff	3,380.00	3,086.00
(b) Provident Fund Registration/Audit Fee Reimbursement	-	-
(c) Insurance claimed	93,920.12	497.17
(d) Miscellaneous	2,344.00	2,815.00
(d) Programme income	<u>4,520.00</u>	<u>3,660.00</u>
Total	<u>104,164.12</u>	<u>10,058.17</u>

**NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 1 APRIL 2018 TO 31 MARCH 2019**

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</u>	<u>No of Posts</u>	<u>\$</u>
HK\$700,001 - HK\$800,000 p.a.	1	769,164.00
HK\$800,001 - HK\$900,000 p.a.		
HK\$900,001 - HK\$1,000,000 p.a.		
HK\$1,000,001 - HK\$1,200,000 p.a.		
>HK\$1,200,000 p.a.		

7. Other Charges

The breakdown on Other Charges is as follows:

Other Charges	<u>2018-19</u> \$	<u>2017-18</u> \$
(a) Utilities	326,158.44	346,147.83
(b) Food	1,002,603.98	931,193.70
(c) Administrative Expenses	117,830.15	114,281.63
(d) Stores and Equipment	153,814.00	202,226.90
(e) Repairs and maintenance	918,477.02	943,070.18
(f) Programme Expenses	755,102.45	680,991.60
(g) Transportation and Travelling	121,225.16	128,910.13
(h) Insurance	125,499.15	84,350.01
(i) Staff Training and Development	-	-
(j) Miscellaneous	76,187.56	37,059.90
Total	<u>3,596,897.91</u>	<u>3,468,231.88</u>

7a. Special One-off Grant Payments

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

Special One-off Grant Payments	<u>2018-19</u> \$	<u>2017-18</u> \$
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total	<u>-</u>	<u>-</u>

**NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 1 APRIL 2018 TO 31 MARCH 2019**

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

	Lump Sum Grant (LSG)	Special One-Off Grant (SOG)	Rent and Rates	Central Items	Total
Income					
Lump Sum Grant	15,598,070.00	-	-	-	15,598,070.00
Special One-off Grant	-	-	-	-	-
Fee Income	-	-	-	-	-
Other Income	104,164.12	-	-	-	104,164.12
Interest Received (Note (1))	19,055.65	-	-	-	19,055.65
Rent and Rates	-	-	64,269.00	-	64,269.00
Central Items	-	-	-	322,805.00	322,805.00
Total Income (a)	15,721,289.77	-	64,269.00	322,805.00	16,108,363.77
Expenditure					
Personal Emoluments	11,684,265.59	-	-	-	11,684,265.59
Other Charges	3,596,897.91	-	-	-	3,596,897.91
Rent and Rates	-	-	94,640.00	-	94,640.00
Central Items	-	-	-	322,805.00	322,805.00
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	15,281,163.50	-	94,640.00	322,805.00	15,698,608.50
Surplus/(Deficit) for the Year (a) – (b)	440,126.27	-	(30,371.00)	-	409,755.27
Less : Surplus/(Deficit) of Provident Fund	408,858.29	-	-	-	408,858.29
	31,267.98	-	(30,371.00)	-	896.98
Surplus/(Deficit) b/f (Note (2))	8,201,792.81	-	(101,297.68)	-	8,100,495.13
	8,233,060.79	-	(131,668.68)	-	8,101,392.11
Add: Adjustment per SWD letter	3,000.00	-	-	-	3,000.00
Add: Adjustment per SWD letter	(19,074.68)	-	-	-	(19,074.68)
Add: Use of reserve	(47,400.00)	-	-	-	(47,400.00)
Add: (Refund to)/From Government	(9,196.93)	-	70,103.00	-	60,906.07
Surplus/(Deficit) c/f (Note (4))	8,160,389.18	-	(61,565.68)	-	8,098,823.50

Notes:

- (1) Interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant are included as one item under LSG; and the items 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, 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.

**NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 1 APRIL 2018 TO 31 MARCH 2019**

9. Movement of SWD Fund - Phase II

	\$
INCOME	
Subsidy Received	-
Interest Income Received	119.50
	119.50
EXPENDITURE	
Expenditure	-
Surplus for the year	119.50
Amount of Subsidy brought forward from previous year	299,259.03
Cumulative Surplus carried forward to next financial year	299,378.53

10. Movement of SWD Fund - Phase III

	IT \$	Non - IT \$	Total \$
INCOME			
Subsidy Received	-	171,600.00	171,600.00
Interest Income Received	-	-	-
	-	171,600.00	171,600.00
EXPENDITURE			
Expenditure	-	93,322.00	93,322.00
Surplus for the year	-	78,278.00	78,278.00
Amount of Deficit brought forward from previous year	-	(73,414.55)	(73,414.55)
Amount of Subsidy brought forward from previous year	-	4,863.45	4,863.45
	-	4,863.45	4,863.45

Schedule for Central Items
 Analysis of Subvention and Expenditure for the Period from 1.4.2018 to 31.3.2019

Name of Agency : PRECIOUS BLOOD CHILDREN'S VILLAGE

Unit Code and Name (Note 7)	Subvention Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the year		Surplus or Deficit (f)=(e)-(a)-(d)
					Deficit (Note 3) (b)	Adjusted Deficit (d)=(b)-(c)	
564 Superiress of the Sisters of the Precious Blood	Allowances on statutory minimum wage	\$ 322,805.00	\$ 322,805.00	\$ -	\$ -	\$ -	N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Dementia Supplement for Elderly with Disabilities (Note 8)						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Infirmity Care Supplement for the Aged Blind Persons (Note 8)						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Dementia Supplement for Residential Elderly Services (Note 8)						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Infirmity Care supplement for Residential Elderly Services (Note 8)						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Dementia Supplement for Day Care Centres/Units for the Elderly						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Foster Care Allowance/Emergency Foster Care Allowance						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	After School Care Programme						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Temporary Financial Aid						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Emergency Fund						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Time-defined Subsidy Scheme for Extended Hours Service Users						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Short-term Rental Assistance						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Overnight On-Site-on-call Allowance						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Neighbourhood Support Child Care Project (NSCCP), Contract Subsidy						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	NSCCP - Subsidy for Fee Reduction/Waiving						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	NSCCP - Rent and Rates						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Time-defined Subsidy Scheme for Occasional Child Care Service						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Financial Incentive Scheme for Mentors of Employees with Disabilities						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Cash Subsidy for Integrated Support Service for Persons with Severe Physical Disabilities						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Enhanced After School Care Programme						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Navigation Scheme for Young Persons in Care Services - Operating Expenses						N.A.
nnnn-xxxx-xxxx-xxxx-xxxx	Navigation Scheme for Young Persons in Care Services - Training Cost						N.A.
Total :		322,805.00	322,805.00	0.00	0.00	0.00	0.00

Schedule for Central Items

Analysis of Subvention and Expenditure for the Period from 1.4.2018 to 31.3.2019

Notes:

1. The figures for the whole financial years are extracted from the payroll for March (Final) of the financial year.
2. Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
3. Surplus/Deficit for each element represents the differences between subvention released and actual expenditure.
4. Deficit i.r.o. the following central items arising from salary adjustment are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref. (28) in SWD/S/104/2 Pt. 17 dated 31 October 2017.
 - (i) Dementia Supplement for Elderly with Disabilities
 - (ii) Infirmary Care Supplement for the Aged Blind Persons
 - (iii) Dementia Supplement for Residential Elderly Services
 - (iv) Infirmary Care supplement for Residential Elderly Services
5. "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
6. "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
7. Unit code and name are extracted from the payroll from SWD.
8. The income and expenditure for Special One-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmary Care as allocated via SWD's letter ref SWD/S/E/RC/3 Pt. 7 dated 27 February 2017 should also be included in the income/expenditure of the respective items.
9. The central items as listed above may not be exhaustive and any relevant details of central item released and/or expended during the year, where appropriate, should also be included.

Schedule for Rent and Rates**Analysis of Subvention and Expenditure for the period from 1 April 2018 to 31 March 2019****Name of Agency: 564 Sisters of the Precious Blood**

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
4545 Precious Blood Children's Village		\$	\$	\$	\$
	Rent (Note 3)	23,506	39,240	-	15,734
	Rates	40,763	55,400	-	14,637
	Total	64,269	94,640	-	30,371
	Rent (Note 3)				
	Rates				
	Total				
	Rent (Note 3)				
	Rates				
	Total				
	Rent (Note 3)				
	Rates				
	Total				
	Rent (Note 3)				
	Rates				
	Total				
	Grand Total	64,269	94,640	-	30,371

Notes:

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year.
2. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
3. Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.