

**SUB-ORGANISATIONS
SUBSIDISED BY SOCIAL WELFARE DEPARTMENT
OPERATED BY THE HONG KONG BUDDHIST ASSOCIATION**

**FOR THE PERIOD FROM 1ST APRIL, 2023
TO 31ST MARCH, 2024**

ANNUAL FINANCIAL REPORT

LUI & MAK CPA LIMITED

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	<u>NOTE</u>	<u>2023/24</u> HK\$	<u>2022/23</u> HK\$
A. INCOME			
1 Lump Sum Grant			
(a) Lump Sum Grant (excluding Provident Fund)	(1b)	58,007,149.00	54,876,535.00
(b) Provident Fund	(1c)	4,153,907.00	4,052,575.00
2 Fee Income	(2)	5,545,547.70	5,074,050.00
3 Central Items	(3)	5,377,312.00	5,534,023.00
4 Rent and Rates	(4)	2,319,010.00	2,319,010.00
5 Other Income	(5)	1,942,224.90	2,685,710.35
6 Interest Received		<u>262,484.61</u>	<u>14,949.42</u>
TOTAL INCOME		<u>77,607,635.21</u>	<u>74,556,852.77</u>
B. EXPENDITURE			
1 Personal Emoluments			
(a) Salaries		51,833,904.55	49,828,954.33
(b) Provident Fund	(1c)	<u>3,260,447.81</u>	<u>3,346,302.95</u>
Sub-total	(6)	55,094,352.36	53,175,257.28
2 Other Charges	(7)	12,089,107.24	11,284,046.00
3 Central Items	(3)	5,372,012.00	5,551,029.00
4 Rent and Rates	(4)	<u>2,313,225.00</u>	<u>2,212,110.00</u>
TOTAL EXPENDITURE		<u>74,868,696.60</u>	<u>72,222,442.28</u>
C. SURPLUS FOR THE YEAR	(8)	<u>2,738,938.61</u>	<u>2,334,410.49</u>

The Annual Financial Report from pages 3 to 11 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



Chairman



Chief Executive Officer

Date: 4th October, 2024

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(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 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 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 HK\$</u>	<u>6.8% and Other Posts HK\$</u>	<u>Total HK\$</u>
Subvention Received	643,179.00	3,510,728.00	4,153,907.00
Provident Fund Contribution Paid during the Year	<u>(624,401.85)</u>	<u>(2,636,045.96)</u>	<u>(3,260,447.81)</u>
Surplus for the Year	18,777.15	874,682.04	893,459.19
Add: Surplus b/f Additional subvention received for previous year(s)	37,920.65	9,670,721.42	9,708,642.07
Less: Refund to Government	<u>5,860.00</u> <u>(4,094.96)</u>	<u>6,651.00</u> <u>-</u>	<u>12,511.00</u> <u>(4,094.96)</u>
Surplus c/f	<u>58,462.84</u> =====	<u>10,552,054.46</u> =====	<u>10,610,517.30</u> =====

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(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:

	<u>2023/24</u> HK\$	<u>2022/23</u> HK\$
(a) Income		
Dementia Supplement for Residential Elderly Services	4,502,702.00	4,581,229.00
Infirmiry Care Supplement for Residential Elderly Services	869,310.00	942,300.00
Time-defined Subsidy Scheme for Occasional Child Care Service	<u>5,300.00</u>	<u>10,494.00</u>
Total	<u>5,377,312.00</u> =====	<u>5,534,023.00</u> =====
(b) Expenditure		
Dementia Supplement for Residential Elderly Services	4,502,702.00	4,581,229.00
Infirmiry Care Supplement for Residential Elderly Services	869,310.00	942,300.00
One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	<u>-</u>	<u>27,500.00</u>
Total	<u>5,372,012.00</u> =====	<u>5,551,029.00</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 be included as Other Income in AFR. In this respect, donations should be 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> HK\$	<u>2022/23</u> HK\$
(a) Programme income	1,620,108.87	1,023,486.80
(b) Miscellaneous income	<u>322,116.03</u>	<u>1,662,223.55</u>
Total	<u>1,942,224.90</u> =====	<u>2,685,710.35</u> =====

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(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	1	714,202.65
HK\$800,001 - HK\$900,000 p.a.	1	844,767.00
HK\$900,001 - HK\$1,000,000 p.a.	2	2,060,036.00
HK\$1,000,001 - HK\$1,100,000 p.a.	-	-
HK\$1,100,001 - HK\$1,200,000 p.a.	-	-
>HK\$1,200,000 p.a.	-	-

(7) OTHER CHARGES

The breakdown on Other Charges is as follows:

	<u>2023/24</u>	<u>2022/23</u>
	HK\$	HK\$
(a) Utilities	1,973,880.77	1,808,447.59
(b) Food	3,139,670.18	3,386,922.07
(c) Administrative Expenses	263,741.13	340,186.53
(d) Stores and Equipment	754,025.34	798,530.56
(e) Repair and Maintenance	1,393,933.93	984,827.00
(f) Special Allowances	-	-
(g) Programme Expenses	2,027,757.20	1,072,304.14
(h) Transportation and Travelling	57,546.94	109,955.91
(i) Insurance	1,404,349.19	1,459,531.02
(j) Miscellaneous	<u>1,074,202.56</u>	<u>1,323,341.18</u>
Total	12,089,107.24	11,284,046.00
	=====	=====

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(8) ANALYSIS OF LUMP SUM GRANT RESERVE AND BALANCES OF OTHER SWD SUBVENTIONS

	<u>Lump Sum Grant (LSG)</u> HK\$	<u>Rent and Rates</u> HK\$	<u>Central Items (CI)</u> HK\$	<u>Total</u> HK\$
Income				
Lump Sum Grant	62,161,056.00	-	-	62,161,056.00
Fee Income	5,545,547.70	-	-	5,545,547.70
Other Income	1,942,224.90	-	-	1,942,224.90
Interest Received (Note (1))	262,484.61	-	-	262,484.61
Rent and Rates	-	2,319,010.00	-	2,319,010.00
Central Items	-	-	5,377,312.00	5,377,312.00
Total Income (a)	<u>69,911,313.21</u>	<u>2,319,010.00</u>	<u>5,377,312.00</u>	<u>77,607,635.21</u>
Expenditure				
Personal Emoluments	55,094,352.36	-	-	55,094,352.36
Other Charges	12,089,107.24	-	-	12,089,107.24
Rent and Rates	-	2,313,225.00	-	2,313,225.00
Central Items	-	-	5,372,012.00	5,372,012.00
Total Expenditure (b)	<u>(67,183,459.60)</u>	<u>(2,313,225.00)</u>	<u>(5,372,012.00)</u>	<u>(74,868,696.60)</u>
Surplus for the Year (a)-(b)	2,727,853.61	5,785.00	5,300.00	2,738,938.61
Less: Surplus of Provident Fund	<u>(893,459.19)</u>	-	-	<u>(893,459.19)</u>
	1,834,394.42	5,785.00	5,300.00	1,845,479.42
Surplus b/f (Note (2))	16,562,206.61	42,992.76	10,494.00	16,615,693.37
Adjustment per SWD letter dated 26th October, 2023 (Ref: (40) in SWD SF/SAS/ 4-35/1/19(066))	-	63,907.24	-	63,907.24
Add: Refund from Government	-	38,004.00	-	38,004.00
Less: Refund to Government	<u>(1,283,956.53)</u>	<u>(144,904.00)</u>	<u>(10,494.00)</u>	<u>(1,439,354.53)</u>
Surplus c/f (Note (4))	<u>17,112,644.50</u>	<u>5,785.00</u>	<u>5,300.00</u>	<u>17,123,729.50</u>

Notes:

- (1) Interest received on LSG 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) should be separately reported as 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 for Central Items.
- (4) The level of LSG cumulative reserve (i.e. HK\$17,112,644.50) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year.