

ANNUAL FINANCIAL REPORT

NGO: THE HONG KONG STUDENT AID SOCIETY LIMITED

(1 April 2022 to 31 March 2023)

	Notes	2022-23 \$	2021-22 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	65,608,845.00	64,808,559.00
b. Provident Fund	1c	4,496,520.00	4,403,407.00
2. Fee Income	2	-	-
3. Central Items	3	6,699,555.00	6,675,457.00
4. Rent and Rates	4	2,456,589.00	2,036,903.00
5. Other Income	5	86,485.65	359,407.13
6. Interest Received		414,403.96	120,872.49
TOTAL INCOME		<u>79,762,398.61</u>	<u>78,404,605.62</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		57,485,924.15	56,024,535.68
b. Provident Fund	1c	4,408,090.05	4,452,298.47
c. Allowances			
Sub-total	6	<u>61,894,014.20</u>	<u>60,476,834.15</u>
2. Other Charges	7	11,475,739.20	11,480,485.45
3. Central Items	3	6,064,977.05	6,057,346.44
4. Rent and Rates	4	2,116,176.76	2,479,522.92
TOTAL EXPENDITURE		<u>81,550,907.21</u>	<u>80,494,188.96</u>
C. (DEFICIT)/ SURPLUS FOR THE YEAR	8	<u>(1,788,508.60)</u>	<u>(2,089,583.34)</u>

The Annual Financial Report from pages 4 to 11 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



Cheng Mee Ling Elinda
CHAIRLADY

DATE: 26 OCT 2023



Cheung Yat Magdalena
CHIEF EXECUTIVE OFFICER

DATE: 26 OCT 2023

NOTES ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant (LSG)

- a. Basic 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 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 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	916,165.00	3,580,355.00	4,496,520.00
Provident Fund Contribution Paid during the Year	(501,105.14)	(3,906,984.91)	(4,408,090.05)
Surplus/ (Deficit) for the Year	415,059.86	(326,629.91)	88,429.95
Add: Surplus/ (Deficit) b/f	303,517.74	6,041,548.88	6,345,066.62
Additional PF for 6.8% for 2020/21 or before	-	75,452.00	75,452.00
Less: Surplus in 2020-21 PF for snapshot staff	(178,017.00)	-	(178,017.00)
Surplus/ (Deficit) c/f	540,560.60	5,790,370.97	6,330,931.57

- 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 subsidies allocated to NGOs for specified purposes on a recurrent, time-limited or one-off basis 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. Any surplus, which is allowed to be offset by any deficit of another item, is subject to claw-back by SWD according to the terms and conditions of individual central items. 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). The income and expenditure of each of the Central Items are as follows:

NOTES ON THE ANNUAL FINANCIAL REPORT

	2022-23	2021-22
a. Income	\$	\$
Foster Care Allowance / Emergency Foster Care Allowance	4,845,470.00	4,802,644.00
Overnight On-site-on-call Allowance	1,721,283.00	1,738,669.00
Overnight On-site-on-call Provident Fund	117,061.00	118,244.00
Time-defined Subsidy Scheme for Occasional Child Care Service	15,741.00	15,900.00
Total	6,699,555.00	6,675,457.00

	2022-23	2021-22
b. Expenditure	\$	\$
Foster Care Allowance / Emergency Foster Care Allowance	3,921,637.01	3,717,934.49
Overnight On-site-on-call Allowance	2,038,097.22	2,232,440.93
Overnight On-site-on-call Provident Fund	92,742.82	106,971.02
Time-defined Subsidy Scheme for Occasional Child Care Service	12,500.00	-
	6,064,977.05	6,057,346.44

- 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:

	2022-23	2021-22
Other Income	\$	\$
Fees and charges for services incidental to the operation of subvented services	86,485.65	359,407.13
	86,485.65	359,407.13
	86,485.65	359,407.13

NOTES ON THE ANNUAL FINANCIAL REPORT

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\$800,000 p.a.	3	2,287,658.65
HK\$800,001 - HK\$900,000 p.a.	2	1,707,182.25
HK\$900,001 - HK\$1,000,000 p.a.	2	1,858,460.00
HK\$1,000,001 - HK\$1,100,000 p.a.	1	1,056,180.00
HK\$1,100,001 - HK\$1,200,000 p.a.	1	1,105,080.00
>HK\$1,200,000 p.a.	-	-

7. Other Charges

The breakdown on Other Charges is as follows:

	2022-23	2021-22
Other Charges	\$	\$
(a) Utilities	2,001,042.95	1,763,110.93
(b) Food	4,757,970.76	4,121,169.33
(c) Administrative Expenses	1,429,680.36	1,647,533.57
(d) Stores and Equipment	19,647.20	31,063.50
(e) Repair and Maintenance	650,890.55	798,215.72
(f) Special Allowances	432,298.95	431,408.71
(g) Programme Expenses	372,217.50	406,965.76
(h) Transportation and Travelling	119,229.21	136,241.85
(i) Insurance	822,955.55	870,788.47
(j) Miscellaneous	730,919.17	1,193,190.50
(k) Staff Training and Development	138,887.00	80,797.11
	<u>11,475,739.20</u>	<u>11,480,485.45</u>

NOTES ON THE ANNUAL FINANCIAL REPORT

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

	Lump Sum Grant (LSG)	Holding Account (HA)	Rent and Rates	Central Items (CI)	Total
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	70,105,365.00	-	-	-	70,105,365.00
Fee Income	-	-	-	-	-
Other Income	86,485.65	-	-	-	86,485.65
Interest Received (Note (1))	414,403.96	-	-	-	414,403.96
Rent and Rates	-	-	2,456,589.00	-	2,456,589.00
Central Items	-	-	-	6,699,555.00	6,699,555.00
Total Income (a)	70,606,254.61	-	2,456,589.00	6,699,555.00	79,762,398.61
Expenditure					
Personal Emoluments	59,407,154.22	2,486,859.98	-	-	61,894,014.20
Other Charges	11,336,852.20	138,887.00	-	-	11,475,739.20
Rent and Rates	-	-	2,116,176.76	-	2,116,176.76
Central Items	-	-	-	6,064,977.05	6,064,977.05
Total Expenditure (b)	70,744,006.42	2,625,746.98	2,116,176.76	6,064,977.05	81,550,907.21
(Deficit)/ Surplus for the Year (a) - (b)	(137,751.81)	(2,625,746.98)	340,412.24	634,577.95	(1,788,508.60)
Less: Surplus of Provident Fund	(88,429.95)				(88,429.95)
	(226,181.76)	(2,625,746.98)	340,412.24	634,577.95	(1,876,938.55)
Surplus/ (Deficit) b/f (Note (2))	7,746,267.21	19,076,206.83	(450,900.93)	(50,957.48)	26,320,615.63
	7,520,085.45	16,450,459.85	(110,488.69)	583,620.47	24,443,677.08
Add: Refund from Government				18,294.00	18,294.00
Add: Adjustment(Note 5)	502,414.39				502,414.39
Adjustment(Note 6)	61,067.89				61,067.89
Less: Refund to Government			(100,640.98)	(1,100,609.51)	(1,201,250.49)
Surplus/ (Deficit) c/f (Note (4))	8,083,567.73	16,450,459.85	(211,129.67)	(498,695.04)	23,824,202.87

Notes:

- (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant should all be included as one item under LSG; and the item 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 year (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 Infirmity Care Supplement, if any, as per Annex 6.
- (4) The level of LSG cumulative reserve (i.e. S), 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.
- (5) Adjustment in Lump Sum Grant Reserve was related to Accounting Inspection 2020/21.
- (6) Adjustment in Lump Sum Reserve of the expenses of vehicle for MMH 2021/22 due to Accounting Inspection 2020/21.

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period from 1 April 2022 to 31 March 2023

Name of Agency : The Hong Kong Student Aid Society Limited

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
		\$	\$	\$	\$
Service Unit: 3548 (Holland Hostel)	Rent (Note 3)	78,273.00	29,031.29	49,241.71	-
	Rates	140,960.00	146,842.47	-	5,882.47
	Total	219,233.00	175,873.76	49,241.71	5,882.47
Service Unit: 3550 (Island Hostel)	Rent (Note 3)	3,991.00	-	3,991.00	-
	Rates	375,814.00	143,301.00	232,513.00	-
	Total	379,805.00	143,301.00	236,504.00	-
Service Unit: 3551 (Mark Memorial Home)	Rent (Note 3)	991,756.00	994,392.00	-	2,636.00
	Rates	73,702.00	58,600.00	15,102.00	-
	Total	1,065,458.00	1,052,992.00	15,102.00	2,636.00
Service Unit: 7241 (Yan Lok SGH)	Rent (Note 3)	110,112.00	110,112.00	-	-
	Rates	11,807.00	2,870.00	8,937.00	-
	Total	121,919.00	112,982.00	8,937.00	-
Service Unit: 7242 (Yan Yee SGH)	Rent (Note 3)	110,112.00	110,112.00	-	-
	Rates	11,807.00	2,870.00	8,937.00	-
	Total	121,919.00	112,982.00	8,937.00	-
Service Unit: 7243 (Yan Lai SGH)	Rent (Note 3)	110,112.00	110,112.00	-	-
	Rates	10,912.00	2,435.00	8,477.00	-
	Total	121,024.00	112,547.00	8,477.00	-
Service Unit: 7244 (Yan Ming SGH)	Rent (Note 3)	110,112.00	110,112.00	-	-
	Rates	10,912.00	2,435.00	8,477.00	-
	Total	121,024.00	112,547.00	8,477.00	-
Service Unit: 7763 (Yan Shun SGH)	Rent (Note 3)	90,024.00	90,024.00	-	-
	Rates	12,045.00	7,626.62	4,418.38	-
	Total	102,069.00	97,650.62	4,418.38	-
Service Unit: 7764 (Yan Mong SGH)	Rent (Note 3)	90,024.00	90,024.00	-	-
	Rates	12,045.00	7,626.62	4,418.38	-
	Total	102,069.00	97,650.62	4,418.38	-
Service Unit: 7765 (Yan Oi SGH)	Rent (Note 3)	90,024.00	90,024.00	-	-
	Rates	12,045.00	7,626.76	4,418.24	-
	Total	102,069.00	97,650.76	4,418.24	-
	Grant Total	2,456,589.00	2,116,176.76	348,930.71	8,518.47

Notes:

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

Schedule for Central Items
Analysis of Subvention and Expenditure for the period from 1 April 2022 to 31 March 2023

Name of Agency : The Hong Kong Student Aid Society Limited

Unit Code and Name (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the Year			Surplus b/f (Note 5) (e)	Surplus c/f (Note 6) (f)=(e)+(a)-(d)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d)=(b)-(c)		
3548 - Holland Hostel	Quarterly	325,281.00	\$ 368,850.00	\$	\$ 43,569.00	\$	\$ 43,569.00	\$	\$
	P Fund - Quarterly	22,121.00	17,750.14	4,370.86	-	N.A.	-	N.A.	N.A.
3551 - Mark Memorial Home	Quarterly	216,855.00	320,878.47		104,023.47	N.A.	104,023.47	N.A.	N.A.
	P Fund - Quarterly	14,748.00	12,264.91	2,483.09	-	N.A.	-	N.A.	N.A.
3550 - Island Hostel	Quarterly	325,259.00	583,837.50		258,578.50	N.A.	258,578.50	N.A.	N.A.
	P Fund - Quarterly	22,120.00	29,029.89		6,909.89	N.A.	6,909.89	N.A.	N.A.
7241 - Yan Lok SGH	Quarterly	121,984.00	111,093.75	10,890.25	-	N.A.	-	N.A.	N.A.
	P Fund - Quarterly	8,296.00	5,554.74	2,741.26	-	N.A.	-	N.A.	N.A.
7242 - Yan Yee SGH	Quarterly	121,984.00	111,900.00	10,084.00	-	N.A.	-	N.A.	N.A.
	P Fund - Quarterly	8,296.00	5,595.01	2,700.99	-	N.A.	-	N.A.	N.A.
7243 - Yan Lai SGH	Quarterly	121,984.00	107,512.50	14,471.50	-	N.A.	-	N.A.	N.A.
	P Fund - Quarterly	8,296.00	3,556.75	4,739.25	-	N.A.	-	N.A.	N.A.
7244 - Yan Ming SGH	Quarterly	121,984.00	113,118.75	8,865.25	-	N.A.	-	N.A.	N.A.
	P Fund - Quarterly	8,296.00	4,087.53	4,208.47	-	N.A.	-	N.A.	N.A.
7763 - Yan Shun SGH	Quarterly	121,984.00	112,875.00	9,109.00	-	N.A.	-	N.A.	N.A.
	P Fund - Quarterly	8,296.00	5,275.64	3,020.36	-	N.A.	-	N.A.	N.A.
7764 - Yan Mong SGH	Quarterly	121,984.00	108,356.25	13,627.75	-	N.A.	-	N.A.	N.A.
	P Fund - Quarterly	8,296.00	4,644.42	3,651.58	-	N.A.	-	N.A.	N.A.
7765 - Yan Oi SGH	Quarterly	121,984.00	99,675.00	22,309.00	-	N.A.	-	N.A.	N.A.
	P Fund - Quarterly	8,296.00	4,983.79	3,312.21	-	N.A.	-	N.A.	N.A.
6352 - Subsidy Scheme for OCCS	Subsidy	15,741.00	12,500.00	3,241.00	-		-		
3552 - FOSTER CARE	Foster Care	2,768,840.00				N.A.		N.A.	N.A.
3994 - DAY FOSTER CARE	Foster Care	692,210.00				N.A.		N.A.	N.A.
1927 - FOSTER CARE	Foster Care	692,210.00				N.A.		N.A.	N.A.
4250 - FOSTER CARE	Foster Care	692,210.00				N.A.		N.A.	N.A.
		4,845,470.00	3,921,637.01	923,832.99	-	N.A.	-	N.A.	N.A.
Special Allowance for Staff of Subvented Residential Care Units in respect of COVID-19		-	-	-	-	N.A.		N.A.	N.A.
TOTAL		6,699,555.00	6,064,977.05	1,047,658.81	413,080.86		413,080.86		

Schedule for Investment

Analysis of Investment as at 31 March 2023

Agency: The Hong Kong Student Aid Society Limited

	<u>2023</u> \$	<u>2022</u> \$
LSG Reserve as at 31 March 2023	<u>24,534,027.58</u>	<u>26,822,474.04</u>
Represented by:		
Investments		
a) HKD Bank Account Balances	7,621,819.26	7,006,620.22
b) HKD Fixed Deposits	16,912,208.32	19,815,853.82
	<u>24,534,027.58</u>	<u>26,822,474.04</u>



Cheng Mee Ling Elinda
CHAIRLADY

Date: 26 OCT 2023



Cheung Yat Magdalena
CHIEF EXECUTIVE OFFICER

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