

**HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR
THE PHYSICALLY DISABLED**
("The Association")
香港殘疾人奧委會暨傷殘人士體育協會

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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W. H. Tse & Company

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Our Ref. :

Your Ref. :

**INDEPENDENT REVIEW REPORT
TO THE EXECUTIVE COMMITTEE OF THE
HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED
("The Association") 香港殘疾人奧委會暨傷殘人士體育協會
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)**

We have audited the financial statements of the Association for the year ended 31 March 2021 and have issued an unqualified auditor's report dated 28 SEP 2021 thereon.

We conducted our review of the attached Annual Financial Report on pages 3 to 8 of the Association for the year ended 31 March 2021 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 Association, on which the above audited financial statements of the Association are based.

Review conclusions

On the basis of the result of our review and having regard to the audit procedures performed by us in relation to the audit of the financial statements of the Association for the year ended 31 March 2021:

- (a) in our opinion the Annual Financial Report has been properly prepared from the books and records of the Association; and
- (b) no matters have been come to our attention during the course of our review, which cause us to believe that the Association has not:
 - properly accounted for the receipt of Lump Sum Grant ("LSG"), Provident Fund and other social welfare subventions and expenditure in respect of Funding and Services Agreement activities and support services;
 - kept separate Operating Income and Expenditure Account for each subvented service unit as required by the Lump Sum Grant Manual (LSG Manual) published by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region ("HKSAR");
 - prepared the Annual Financial Report in accordance with the format and requirements set out in the LSG Manual; and
 - employed the staff quoted in the Provident Fund arrangements during the year ended 31 March 2021.



W. H. Tse & Company

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**INDEPENDENT REVIEW REPORT (CONT'D)
TO THE EXECUTIVE COMMITTEE OF THE
HONG KONG PARALYMPIC COMMITTEE &
SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED
("The Association") 香港殘疾人奧委會暨傷殘人士體育協會
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)**

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.

*W. H. Tse & Company
Chartered Accountants
Certified Public Accountants (Practising)*

Hong Kong,

28 SEP 2021

ANNUAL FINANCIAL REPORT

NGO : HK PARALYMPIC COMMITTEE & SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED

1 APRIL 2020 to 31 MARCH 2021

	Notes	<u>2020/21</u> HK\$	<u>2019/20</u> HK\$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	2,550,031.00	2,514,217.00
b. Provident Fund	1c	143,509.00	143,553.00
2. Fee Income	2	15,420.00	20,360.00
3. Central Items	3	-	-
4. Rent and Rates	4	173,804.00	173,543.00
5. Other Income	5	-	-
6. Interest Received		-	-
TOTAL INCOME		2,882,764.00	2,851,673.00
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		1,494,547.23	1,892,833.36
b. Provident Fund	1c	75,637.36	80,124.41
c. Allowances		-	-
Sub-total	6	1,570,184.59	1,972,957.77
2. Other Charges	7	633,530.93	834,034.92
3. Central Items	3	-	-
4. Rent and Rates	4	161,399.44	176,111.00
TOTAL EXPENDITURE		2,365,114.96	2,983,103.69
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	517,649.04	(131,430.69)

The Annual Financial Report from pages 3 to 8 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE



CHAIRMAN

DATE: 28 SEP 2021



GENERAL SECRETARY

DATE: 28 SEP 2021

NOTES ON THE ANNUAL FINANCIAL REPORT

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) 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 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>	Snapshot Staff	6.8% and Other Posts	Total
	\$	\$	\$
Subvention Received	-	143,509.00	143,509.00
Provident Fund Contribution Paid during the Year	-	(75,637.36)	(75,637.36)
- Surplus/ (Deficit) for the Year	-	67,871.64	67,871.64
Add :			
Surplus/(Deficit) b/f	-	686,117.16	686,117.16
Additional subvention received for previous year(s)	-	-	-
Less : Refund to Government	-	-	-
Surplus/(Deficit) c/f	-	753,988.80	753,988.80

- 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:

	2020-21	2019-20
	\$	\$
a. Income		
Dementia Supplement for Elderly with Disabilities	-	-
Infirmiry Care Supplement for the Aged Blind Person	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmiry Care Supplement for Residential Elderly Services	-	-
Foster Care Allowance/Emergency Foster Care Allowance	-	-
After School Care Programme - Fee Waiving Subsidy Scheme	-	-
Temporary Financial Aid	-	-
Emergency Fund	-	-
Time-defined Subsidy Scheme for Extended Hours Services Users	-	-
Training Subsidy under Training Scheme for Child Care Centre Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Short-term Rental Assistance	-	-
Allowance for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight on-site-on-call Allowance)	-	-
Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy	-	-
NSCCP - Subsidy for Fee Reduction/waiving	-	-
NSCCP - Subsidy for Incentive Payment	-	-
NSCCP - Rent and Rates	-	-
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	-	-
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disability	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
Enhanced After School Care Programme - Fee Waiving Subsidy Scheme	-	-
Navigation Scheme for Young Persons in Care Services - Operating Expenses	-	-
Navigation Scheme for Young Persons in Care Services - Training Cost	-	-
Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services	-	-
Pilot Scheme on Multi-disciplinary Outreach Support Teams for the Elderly (MOSTE) - Annual Funding Allocation	-	-
MOSTE - Annual Rent and Rates	-	-
Child Care Training for Grand parents	-	-
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	-	-
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	-
Subsidy for Enhanced Support for Ethnic Minority Children in Special Care Centre	-	-
Subsidy for Enhanced Support for Ethnic Minority Children in Early Education and Training Centres	-	-
Ethnic Minority District Ambassador Posts	-	-
Time-limited programme on Enhancing Infection Control and Ventilation of Residential Care Homes for the Elderly and Residential Care Homes for Persons with Disabilities - On-site Ventilation Assessment	-	-
Total	-	-
b. Expenditure		
	2020-21	2019-20
	\$	\$
Dementia Supplement for Elderly with Disabilities	-	-
Infirmiry Care Supplement for the Aged Blind Person	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmiry Care Supplement for Residential Elderly Services	-	-
Foster Care Allowance/Emergency Foster Care Allowance	-	-
After School Care Programme - Fee Waiving Subsidy Scheme	-	-
Temporary Financial Aid	-	-
Emergency Fund	-	-
Time-defined Subsidy Scheme for Extended Hours Services Users	-	-
Training Subsidy under Training Scheme for Child Care Centre Supervisors and	-	-

Short-term Rental Assistance	-	-
Allowance for Specific Services Arising from the Implementation of the Minimum Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy	-	-
NSCCP - Subsidy for Fee Reduction/waiving	-	-
NSCCP - Subsidy for Incentive Payment	-	-
NSCCP - Rent and Rates	-	-
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy	-	-
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disability	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
Enhanced After School Care Programme - Fee Waiving Subsidy Scheme	-	-
Navigation Scheme for Young Persons in Care Services - Operating Expenses	-	-
Navigation Scheme for Young Persons in Care Services - Training Cost	-	-
Grant under the Pilot Scheme on On-site Pre-school Rehabilitation Services	-	-
Pilot Scheme on Multi-disciplinary Outreach Support Teams for the Elderly (MOSTE) - Annual Funding Allocation	-	-
MOSTE - Annual Rent and Rates	-	-
Child Care Training for Grand parents	-	-
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	-	-
Special Allowance for Staff of Subvented Residential Service Units in respect of	-	-
Subsidy for Enhanced Support for Ethnic Minority Children in Special Care Centre	-	-
Subsidy for Enhanced Support for Ethnic Minority Children in Early Education and Training Centres	-	-
Ethnic Minority District Ambassador Posts	-	-
Time-limited programme on Enhancing Infection Control and Ventilation of Residential Care Homes for the Elderly and Residential Care Homes for Persons with	-	-
Total	-	-

- 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:

Other Income	2020-21	2019-20
	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	-	-
(b) Subsidy from Central Items (CI) - After School Care Programme (ASCP)/Enhanced ASCP - Fee Waiving Subsidy Scheme	-	-
(c) Others	-	-
Sub-Total	-	-
<u>Less:</u> Utilised allocation under CI-ASCP/Enhanced ASCP - FWSS which forms as part of Other Income*	-	-
Total	-	-

*For those programmes which are regarded as FSA-related activities only

- 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

Analysis of Personal Emoluments paid under LSG	No of Posts	\$
HK\$700,001 - HK\$800,000 p.a.	-	-
HK\$800,001 - HK\$900,000 p.a.	-	-
HK\$900,001 - HK\$1,000,000 p.a.	-	-

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:

Other Charges	2020-21	2019-20
	\$	\$
(a) Utilities	35,420.00	66,604.48
(b) Food	-	-
(c) Administrative Expenses	175,438.14	111,272.93
(d) Stores and Equipment	-	-
(e) Repair and Maintenance	68,798.60	63,090.75
(f) Special Allowances	-	-
(g) Programme Expenses	-	-
(h) Transportation and Travelling	25,519.04	54,768.00
(i) Insurance	260,582.95	504,162.39
(j) IT Support Expenses	67,772.20	34,136.37
(k) Miscellaneous	-	-
Sub-Total	<u>633,530.93</u>	<u>834,034.92</u>
<u>Less:</u> Utilised allocation under CI-ASCP/Enhanced ASCP - FWSS which forms as part of Other Income to fund the operating expenses of FSA-related activities	-	-
Total	<u><u>633,530.93</u></u>	<u><u>834,034.92</u></u>

**For those programmes which are regarded as FSA-related activities only*

8 Analysis of Lump Sum Grant Reserve and balances of other SWD Subventions

	Lump Sum Grant (LSG)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP-FWSS	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	2,693,540.00	-	-	-	2,693,540.00
Fee Income	15,420.00	-	-	-	15,420.00
Other Income	-	-	-	-	-
Interest Received (Note (1))	-	-	-	-	-
Rent and Rates	-	-	173,804.00	-	173,804.00
Central Items	-	-	-	-	-
Total Income (a)	2,708,960.00	-	173,804.00	-	2,882,764.00
Expenditure					
Personal Emoluments	1,570,184.59	-	-	-	1,570,184.59
Other Charges	633,530.93	-	-	-	633,530.93
Rent and Rates	-	-	161,399.44	-	161,399.44
Central Items	-	-	-	-	-
Total Expenditure (b)	2,203,715.52	-	161,399.44	-	2,365,114.96
Surplus/(Deficit) for the Year (a)-(b)	505,244.48	-	12,404.56	-	517,649.04
<u>Less:</u> Surplus/(Deficit) of Provident Fund	67,871.64	-	-	-	67,871.64
Surplus/(Deficit) b/f (Note (2))	437,372.84	-	12,404.56	-	449,777.40
<u>Add:</u> Refund from Government	-	-	-	-	-
<u>Less:</u> Refund to Government	-	-	-	-	-
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplementary (Note (3))	-	-	-	-	-
Adjustment for utilised allocation under Enhanced ASCP - FWSS* (over-estimated) / under-estimated in previous year(s)	-	-	-	-	-
	437,372.84	-	12,404.56	-	449,777.40
Deficit met by the Association					
Surplus/(Deficit) c/f (Note 4)	437,372.84	-	12,404.56	-	449,777.40

Notes:

Including an amount \$Z being the utilised allocation under CI - ASCP / Enhanced ASCP - FWSS*

* For those programmes which are regarded as FSA-related activities only

- (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant are 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 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 Schedule of Central Items.
- (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.