

**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**

**AUDITED FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2018**

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# W. H. Tse & Company

CHARTERED ACCOUNTANTS  
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

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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)**

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We have audited the financial statements of the Association for the year ended 31 March 2018 and have issued an unqualified auditor's report dated 27 SEP 2018 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 2018 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 record 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 2018:

- (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 2018.



# W. H. Tse & Company

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*Our Ref. :*

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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  
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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 2018

## ANNUAL FINANCIAL REPORT

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

1 APRIL 2017 to 31 MARCH 2018

	Notes	<u>2017-18</u> HK\$	<u>2016-17</u> HK\$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	2,306,411.00	2,241,711.00
b. Provident Fund	1c	130,511.00	188,381.00
2. Special One-off-Grant		-	-
3. Fee Income	2	27,100.00	24,900.00
4. Central Items	3	-	-
5. Rent and Rates	4	163,070.00	163,244.00
6. Other Income	5	-	-
7. Interest Received		-	-
<b>TOTAL INCOME</b>		<u><b>2,627,092.00</b></u>	<u><b>2,618,236.00</b></u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		1,241,776.95	1,408,969.91
b. Provident Fund	1c	58,301.21	113,298.58
c. Allowances			
Sub-total	6	<u><b>1,300,078.16</b></u>	<u><b>1,522,268.49</b></u>
2. Other Charges	7	1,137,674.59	863,609.66
3. Central Items	3	-	-
4. Rent and Rates	4	257,900.00	257,900.00
5. Special One-off Grant Payment	7a	-	-
<b>TOTAL EXPENDITURE</b>		<u><b>2,695,652.75</b></u>	<u><b>2,643,778.15</b></u>
<b>C. SURPLUS/(DEFICIT) FOR THE YEAR</b>	8	<u><b>(68,560.75)</b></u>	<u><b>(25,542.15)</b></u>

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 2018

GENERAL SECRETARY

DATE:

28 Sept 2018

## NOTES ON THE ANNUAL FINANCIAL REPORT

### 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 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 3. Details are analysed below :

	Snapshot Staff \$	6.8% and Other Posts \$	Total \$
Subvention Received	-	130,511.00	130,511.00
Provident Fund Contribution Paid during the Year	-	(58,301.21)	(58,301.21)
<b>Surplus/ (Deficit) for the Year</b>	-	<u>72,209.79</u>	<u>72,209.79</u>
Subvention Received			
Surplus/(Deficit) b/f	6,594.90	489,778.06	496,372.96
Additional subvention received for previous year(s)	-	-	-
<b>Less:</b> Refund to Government	(3,221.10)	-	(3,221.10)
<b>Surplus/(Deficit) c/f</b>	<u>3,373.80</u>	<u>561,987.85</u>	<u>565,361.65</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 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:

	2017-18	2016-17
<b>a. Income</b>	<b>\$</b>	<b>\$</b>
Dementia Supplement for Elderly with Disabilities	-	-
Infirmity Care Supplement for the Aged Blind Person	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmity Care Supplement for Residential Elderly Services	-	-
Dementia Supplement for Day Care Centres/units for the Elderly	-	-
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 Scheme for Standalone 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 - 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	-	-
Disabilities	-	-
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	-	-
One-off Subsidy for Enhanced Provision of Visiting Medical Officer for	-	-
Residential Care Homes for the Elderly	-	-
One-off Subsidy for Enhanced Provision of Visiting Medical Officer	-	-
Practitioner Scheme for Residential Care Homes for the Persons with	-	-
Disabilities	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>b. Expenditure</b>	<b>2017-18</b>	<b>2016-17</b>
	<b>\$</b>	<b>\$</b>
Dementia Supplement for Elderly with Disabilities	-	-
Infirmity Care Supplement for the Aged Blind Person	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmity Care Supplement for Residential Elderly Services	-	-
Dementia Supplement for Day Care Centres/units for the Elderly	-	-
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 Scheme for Standalone Child Care Centre Supervisors and	-	-
Short-term Rental Assistance	-	-
Allowance for Specific Services Arising from the Implementation of the	-	-
Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy	-	-
NSCCP - Subsidy for Fee Reduction/waiving	-	-
NSCCP - Rent and Rates	-	-
Training Sponsorship Scheme for Master in Occupational Therapy and	-	-

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 Disabilities	-	-
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	-	-
One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly	-	-
One-off Subsidy for Enhanced Provision of Visiting Medical Officer Practitioner Scheme for Residential Care Homes for the Persons with Disabilities	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

**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 (paragraph 2.29 of LSG Manual (October 2016)) is as follows:

<b>Other Income</b>	<b>2017-18</b>	<b>2016-17</b>
	<b>\$</b>	<b>\$</b>
(a) Fees and charges for services incidental to the operation of subvented services	-	-
(b) Others	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

**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:

<b>Analysis of Personal Emoluments paid under LSG</b>	<b>No of Posts</b>	<b>\$</b>
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:

<b>Other Charges</b>	<b>2017-18</b>	<b>2016-17</b>
	<b>\$</b>	<b>\$</b>
(a) Utilities	76,144.40	76,247.60
(b) Food	-	-
(c) Administrative Expenses	113,314.40	91,477.76
(d) Stores and Equipment	-	-
(e) Repair and Maintenance	120,131.50	99,390.80
(f) Special Allowances	-	-
(g) Programme Expenses	-	-
(h) Transportation and Travelling	139,649.10	120,137.60
(i) Insurance	520,457.89	387,242.40
(j) Miscellaneous	167,977.30	89,113.50
<b>Total</b>	<u><b>1,137,674.59</b></u>	<u><b>863,609.66</b></u>

**7a Special One-off Grant Payments**

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

	2017-18	2016-17
	\$	\$
<b>Special One-off Grant Payments</b>		
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
<b>Total</b>	<u>-</u>	<u>-</u>



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
	\$	\$	\$	\$	\$
<b>Income</b>					
Lump Sum Grant	2,436,922.00	-	-	-	2,436,922.00
Special One-off Grant	-	-	-	-	-
Fee Income	27,100.00	-	-	-	27,100.00
Other Income	-	-	-	-	-
Interest Received (Note (1))	-	-	-	-	-
Rent and Rates	-	-	163,070.00	-	163,070.00
Central Items	-	-	-	-	-
<b>Total Income (a)</b>	<b>2,464,022.00</b>	<b>-</b>	<b>163,070.00</b>	<b>-</b>	<b>2,627,092.00</b>
<b>Expenditure</b>					
Personal Emoluments	1,300,078.16	-	-	-	1,300,078.16
Other Charges	1,137,674.59	-	-	-	1,137,674.59
Rent and Rates	-	-	257,900.00	-	257,900.00
Central Items	-	-	-	-	-
Special One-off Grant Payments	-	-	-	-	-
<b>Total Expenditure (b)</b>	<b>2,437,752.75</b>	<b>-</b>	<b>257,900.00</b>	<b>-</b>	<b>2,695,652.75</b>
<b>Surplus/(Deficit) for the Year (a)-(b)</b>	26,269.25	-	(94,830.00)	-	(68,560.75)
Less: Surplus/(Deficit) of Provident Fund	72,209.79	-	-	-	72,209.79
	(45,940.54)	-	(94,830.00)	-	(140,770.54)
<b>Surplus/(Deficit) b/f (Note (2))</b>	-	-	-	-	-
	(45,940.54)	-	(94,830.00)	-	(140,770.54)
<b>Less: Refund to Government</b>	-	-	-	-	-
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))	-	-	-	-	-
	-	-	-	-	-
<b>Surplus/(Deficit)</b>	(45,940.54)	-	(94,830.00)	-	(140,770.54)
<b>Deficit met by the Association</b>	(45,940.54)	-	(94,830.00)	-	(140,770.54)
<b>Surplus/(Deficit)c/f (Note 4)</b>	-	-	-	-	-

**Notes:**

- (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 Infirmary 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.