

SISTERS OF THE PRECIOUS BLOOD  
PRECIOUS BLOOD CHILDREN'S VILLAGE  
ANNUAL FINANCIAL REPORT  
FOR THE PERIOD FROM 1 APRIL 2020 TO 31 MARCH 2021

POON SUK CHING

CERTIFIED PUBLIC ACCOUNTANT

*Poon Suk Ching*

**Certified Public Accountant**

**Hong Kong**

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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 2021 and have issued an unqualified auditors' report thereon dated 21 June 2021.


I conducted my review of the attached Annual Financial Report on pages 1 to 5 of the Organisation 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 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 2021:

- 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 2021.

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, 21 June 2021

**ANNUAL FINANCIAL REPORT**  
**NGO : 564 Sisters of the Precious Blood**  
**1 APRIL 2020 TO 31 MARCH 2021**

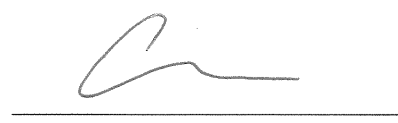
	<u>Notes</u>	<u>2020-21</u> \$	<u>2019-20</u> \$	<u>Remarks</u>
<b>A. INCOME</b>				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	16,670,069.00	16,625,265.00	
b. Provident Fund	1c	1,009,874.00	1,011,388.00	
2. Fee Income	2	-	-	
3. Central Items	3	563,263.00	667,877.00	
4. Rent and Rates	4	68,113.00	65,683.00	
5. Other Income	5	8,399.06	14,808.44	
6. Interest Received		19,642.17	34,103.10	
<b>TOTAL INCOME</b>		<u>18,339,360.23</u>	<u>18,419,124.54</u>	
<b>B. EXPENDITURE</b>				
1. Personal Emoluments				
a. Salaries		12,877,364.57	12,232,869.76	
b. Provident Fund	1c	755,786.65	659,769.64	
c. Allowances		-	-	
Sub-total	6	13,633,151.22	12,892,639.40	
2. Other Charges	7	3,775,158.20	3,801,847.54	
3. Central Items	3	563,263.00	524,835.00	
4. Rent and Rates	4	83,680.00	99,940.00	
<b>TOTAL EXPENDITURE</b>		<u>18,055,252.42</u>	<u>17,319,261.94</u>	
<b>C. SURPLUS FOR THE YEAR</b>	8	<u>284,107.81</u>	<u>1,099,862.60</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: 21 June 2021

SIGNATURE

  
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 SR. CHEUNG NGAN SHAN  
 SUPERINTENDENT  
 DATE: 21 June 2021

**NOTES ON THE ANNUAL FINANCIAL REPORT  
FOR THE PERIOD FROM 1 APRIL 2020 TO 31 MARCH 2021**

**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 Note 3.

Details are analysed below:

**Provident Fund Contribution**

	<u>Snapshot Staff</u>	<u>6.8% &amp; Other Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	76,770.00	933,104.00	1,009,874.00
Provident Fund Contribution Paid during the Year	51,980.00	703,806.65	755,786.65
Surplus for the Year	24,790.00	229,297.35	254,087.35
Add : Surplus b/f	121,195.72	2,562,454.85	2,683,650.57
Surplus retained	145,985.72	2,791,752.20	2,937,737.92
Less: Refund to Government for 2018/19	(55,860.00)	-	(55,860.00)
Adjustment for 2016-17	(19,169.00)	19,169.00	-
Adjustment for 2019-20	(1,641.00)	-	(1,641.00)
Surplus c/f	69,315.72	2,810,921.20	2,880,236.92

**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 2020 TO 31 MARCH 2021**

**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</u> <u>2020-21</u>	<u>Total</u> <u>2019-20</u>
<b>a. Income</b>		
Allowances on statutory minimum wage	350,911.00	322,805.00
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 Agent	-	132,720.00
Special Allowances for Staff of Subvented Residential Care Service Units in respect of COVID-19	212,352.00	212,352.00
	<u>563,263.00</u>	<u>667,877.00</u>
<b>b. Expenditure</b>		
Allowances on statutory minimum wage	350,911.00	322,805.00
Special Allowances for Staff of Subvented Residential Care Service Units in respect of COVID-19	212,352.00	202,030.00
	<u>563,263.00</u>	<u>524,835.00</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.

The breakdown of Other Income is as follows:

<b>Other Income</b>	<u>2020-21</u> \$	<u>2019-20</u> \$
(a) Food for Staff	2,746.00	4,946.00
(b) Provident Fund Registration/Audit Fee Reimbursement	-	-
(c) Insurance claimed	563.63	2,359.03
(d) Miscellaneous	5,089.43	1,918.41
(e) Programme income	-	5,585.00
	<u>8,399.06</u>	<u>14,808.44</u>
<b>Total</b>	<u>8,399.06</u>	<u>14,808.44</u>

**NOTES ON THE ANNUAL FINANCIAL REPORT  
FOR THE PERIOD FROM 1 APRIL 2020 TO 31 MARCH 2021**

**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.		
HK\$800,001 - HK\$900,000 p.a.	1	821,001.00
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:

<u>Other Charges</u>	<u>2020-21</u>	<u>2019-20</u>
	\$	\$
(a) Utilities	352,974.92	354,153.94
(b) Food	1,120,289.50	898,060.06
(c) Administrative Expenses	117,463.99	114,430.61
(d) Stores and Equipment	342,617.91	292,444.40
(e) Repairs and maintenance	1,120,463.70	917,811.53
(f) Special Allowances	-	-
(g) Programme Expenses	421,933.92	901,007.79
(h) Transportation and Travelling	66,093.83	91,146.09
(i) Insurance	135,928.63	117,723.29
(j) Miscellaneous	97,391.80	115,069.83
<b>Total</b>	<u>3,775,158.20</u>	<u>3,801,847.54</u>

**NOTES ON THE ANNUAL FINANCIAL REPORT  
FOR THE PERIOD FROM 1 APRIL 2020 TO 31 MARCH 2021**

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

	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
<b>Income</b>				
Lump Sum Grant	17,679,943.00	-	-	17,679,943.00
Fee Income	-	-	-	-
Other Income	8,399.06	-	-	8,399.06
Interest Received (Note (1))	19,642.17	-	-	19,642.17
Rent and Rates	-	68,113.00	-	68,113.00
Central Items	-	-	563,263.00	563,263.00
<b>Total Income (a)</b>	<b>17,707,984.23</b>	<b>68,113.00</b>	<b>563,263.00</b>	<b>18,339,360.23</b>
<b>Expenditure</b>				
Personal Emoluments	13,633,151.22	-	-	13,633,151.22
Other Charges	3,775,158.20	-	-	3,775,158.20
Rent and Rates	-	83,680.00	-	83,680.00
Central Items	-	-	563,263.00	563,263.00
<b>Total Expenditure (b)</b>	<b>17,408,309.42</b>	<b>83,680.00</b>	<b>563,263.00</b>	<b>18,055,252.42</b>
<b>Surplus/(Deficit) for the Year (a) – (b)</b>	<b>299,674.81</b>	<b>(15,567.00)</b>	<b>-</b>	<b>284,107.81</b>
Less : Surplus of Provident Fund	254,087.35	-	-	254,087.35
	45,587.46	(15,567.00)	-	30,020.46
<b>Surplus/(Deficit) b/f (Note (2))</b>	<b>8,690,848.42</b>	<b>(65,471.68)</b>	<b>143,042.00</b>	<b>8,768,418.74</b>
Less: Use of reserve	8,736,435.88	(81,038.68)	143,042.00	8,798,439.20
Add: Refund from Government for 19/20	(26,400.00)	-	-	(26,400.00)
Add: Recovery of surplus 2016/17	-	34,257.00	-	34,257.00
Add: Recovery of surplus 2016/17	16,074.68	-	-	16,074.68
Add: Transfer from PF Reserve for 2019/20	1,641.00	-	-	1,641.00
Add: Transfer from General Fund for deficit	-	31,214.68	-	31,214.68
<b>Surplus/(Deficit) c/f (Note (4))</b>	<b>8,727,751.56</b>	<b>(15,567.00)</b>	<b>143,042.00</b>	<b>8,855,226.56</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 items is considered as part of LSG reserve.
- (2) Accumulated balance LSG 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.