

THE HONG KONG SOCIETY FOR THE BLIND
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
31ST MARCH 2026

ANNUAL FINANCIAL REPORT
THE HONG KONG SOCIETY FOR THE BLIND

1 APRIL 2025 TO 31 MARCH 2026

	Notes	2025-26 \$	2024-25 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	172,355,565.00	170,186,393.00
b. Provident Fund	1c	10,937,181.00	10,670,058.00
Sub-total		<u>183,292,746.00</u>	<u>180,856,451.00</u>
2. Fee Income	2	11,010,471.20	10,999,905.30
3. Central Items	3	2,803,128.00	5,600,718.00
4. Rent and Rates	4	2,345,520.00	1,961,604.00
5. Other Income	5	17,740,332.28	18,764,388.65
6. Interest Received		<u>1,050,004.30</u>	<u>1,712,865.06</u>
TOTAL INCOME		<u>218,242,201.78</u>	<u>219,895,932.01</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		149,835,931.41	155,391,561.40
b. Provident Fund	1c	9,408,771.89	9,391,233.46
c. Allowances		<u>0.00</u>	<u>0.00</u>
Sub-total	6	<u>159,244,703.30</u>	<u>164,782,794.86</u>
2. Other Charges	7	39,391,984.19	42,533,361.92
3. Central Items	3	2,743,054.81	5,885,520.76
4. Rent and Rates	4	2,599,185.80	2,663,925.14
TOTAL EXPENDITURE		<u>203,978,928.10</u>	<u>215,865,602.68</u>
C. SURPLUS/(DEFICIT) FOR THE YEAR	6	<u>14,263,273.68</u>	<u>4,030,329.33</u>

The Annual Financial Report from pages 1 to 6 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE

SIGNATURE

CHAIRMAN

CHIEF EXECUTIVE

DATE:

DATE:

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 services defined in Funding and Service Agreement (FSA) (including support services to FSA services) funded by the Social Welfare Department (SWD) under the Lump Sum Grant Subvention System and also FSA services / FSA-related activities funded by Other Funds or Donations for Designated Purposes. If NGOs receive funding from (i) specified government funds / subsidy schemes to implement services / projects or (ii) the Hong Kong Jockey Club Charities Trust or the Community Chest to implement welfare services / projects (should meet the conditions stipulated in paragraph 3.7.1 (b) of the Lump Sum Grant Subvention Manual) in 2025-26 and carry them forward to 2026-27, they are neither required to include these in the AFR nor apportion the costs of operating such services / projects, regardless of whether subvented resources are deployed or whether the services / projects provided are FSA services or FSA-related activities. Specified government funds / subsidy schemes are listed on SWD's website. 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.

Other posts represent those staff that are employed after 1 April 2000.

The Provident Fund received and contributed for staff under the Central Items and Other Funds or Donations for Designated Purposes which are separately included as part of the income and expenditure of the relevant disclosures have been shown after **Note 3 and 8**.

Details are analysed below:

<u>Provident Fund Contribution</u>	Snapshot Staff	6.8% and Other Posts	Total
	\$	\$	\$
Subvention Received	1,319,584.00	9,617,597.00	10,937,181.00
Provident Fund Contribution Paid during the Year	<u>1,200,803.89</u>	<u>8,207,968.00</u> ^(Note)	<u>9,408,771.89</u>
Surplus/ (Deficit) for the year of 2025-26	118,780.11	1,409,629.00	1,528,409.11
<u>Add:</u> Surplus/ (Deficit) b/f	549,856.38	18,875,785.39	19,425,641.77
Additional PF for 6.8% posts for 2023-24 or before arising from departure of Snapshot Staff	-	119,976.00	119,976.00
<u>Less: Refund to Government</u>			
Surplus in 2023-24 PF for Snapshot Staff to be deducted in 2025-26 subvention payment	<u>(399,308.00)</u>	<u>-</u>	<u>(399,308.00)</u>
Surplus/ (Deficit) c/f	<u><u>269,328.49</u></u>	<u><u>20,405,390.39</u></u>	<u><u>20,674,718.88</u></u>

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 the purpose of subvention as set out in the LSG Subvention 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 5.5.4 (c) of the LSG Subvention Manual). The income and expenditure of each of the Central Items are as follows:

	2025-26	2024-25
	\$	\$
a. Income		
Dementia Supplement for Elderly with Disabilities	-	2,532,590.00
Infirmity Care Supplement for Aged Blind Persons	2,803,128.00	3,068,128.00
Training Sponsorship Scheme for Master in Physiotherapy (MPT/MOT) of the HK PolyU	-	-
Total	2,803,128.00	5,600,718.00
b. Expenditure		
Dementia Supplement for Elderly with Disabilities	-	2,508,713.09
Infirmity Care Supplement for Aged Blind Persons	2,743,054.81	3,056,807.67
Training Sponsorship Scheme for Master in Physiotherapy (MPT/MOT) of the HK PolyU	-	320,000.00
Total	2,743,054.81	5,885,520.76

4. Rent and Rates

This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditure on rent & rates in respect of premises not recognised by SWD have not been included in AFR.

5. Other Income

This represents all income, other than recognised fee income for subvented welfare services, received during the year in the operation of subvented services including income from other services that are incidental to the operation, programme income, etc. Other Funds or Donations for Designated Purposes may be included in AFR if they are used to finance expenditure of the FSA services / FSA-related activities and have been separately included in the relevant disclosures under the “Other Funds or Donations for Designated Purposes” column in Note 8 of the AFR.

The breakdown on Other Income is as follows:

	2025-26	2024-25
	\$	\$
Other Income		
(a) Programme income	-	-
(b) Production income from SWs/IVRSCs	1,529,180.60	1,682,889.47
(c) Other Funds or Donations for Designated Purposes	-	-
(d) Utilised allocation under Central Items (CI): After School Care Programme (ASCP) / Enhanced ASCP / ASCP(PC) - Fee Waiving Subsidy Scheme (FWSS) which forms as part of Other Income *	-	-
(e) Subsidy received for Abolition of MPF Offsetting Arrangement from Labour Department	26,258.28	
(f) Miscellaneous income (e.g. general donations, photocopying charges, etc.)	16,184,893.22	17,081,499.18
Total	17,740,332.10	18,764,388.65

6. Personal Emoluments

Personal Emoluments include salary, provident fund and salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over \$1,000,000 each paid under LSG is appended below:

Analysis of Personal Emoluments paid under LSG	No of Posts	HK\$
HK\$1,000,001-HK\$1,100,000 p.a.	5	5,269,281.00
HK\$1,100,001-HK\$1,200,000 p.a.	-	-
HK\$1,200,001-HK\$1,300,000 p.a.	-	-
HK\$1,300,001-HK\$1,400,000 p.a.	-	-
HK\$1,400,001-HK\$1,500,000 p.a.	-	-
>HK\$1,500,000 p.a.	-	-

7. Other Charges

This refers to expenses, other than personal emoluments, incurred in the operation and excluded expenditure for FSA services / FSA-related activities supported by Other Funds or Donations for Designated Purposes, which have been separately included in the relevant disclosures under the “Other Funds or Donations for Designated Purposes” column in Note 8 of the AFR.

The breakdown on Other Charges is as follows:

	2025-26	2024-25
Other Charges	\$	\$
(a) Utilities	7,141,556.36	7,381,387.36
(b) Food	6,210,351.32	6,478,258.50
(c) Administrative Expenses	1,255,919.88	1,474,462.56
(d) Stores and Equipment	1,175,429.44	1,239,451.93
(e) Repair and Maintenance	6,847,591.10	7,475,044.91
(f) Programme Expenses	4,845,990.27	4,975,402.03
(g) Transportation and Travelling	623,944.99	616,026.66
(h) Insurance	1,186,990.10	1,221,939.80
(i) Miscellaneous	10,104,210.73	11,671,388.17
Direct Production Cost	4,581,470.22	4,732,649.86
Direct Raw Materials	2,702,247.18	4,317,452.71
Indirect Production Cost	808,463.75	772,504.72
Others	2,012,029.58	1,848,780.88
Sub-Total	39,391,984.19	42,533,361.92
Less: Utilised allocation under CI: ASCP / Enhanced ASCP / ASCP(PC) - FWSS* which forms as part of Other Income	-	-
Total	39,391,984.19	42,533,361.92

8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions as at 31/3/2026

Analysis of Reserve Fund							
	Lump Sum Grant (LSG)	Holding Account	Other Funds or Donations for Designated Purposes	Adjustment for Utilised allocation under ASCP / Enhanced ASCP / ASCP(PC) - FWSS	Rent and Rates	Central Items	Total
Income							
Lump Sum Grant	183,292,746.00	0.00	-				183,292,746.00
Fee Income	11,010,471.20						11,010,471.20
Other Income	17,740,332.28						17,740,332.28
Interest Received (Note (1))	1,050,004.30						1,050,004.30
Rent and Rates					2,345,520.00		2,345,520.00
Central Items						2,803,128.00	2,803,128.00
Total Income	(a) 213,093,553.78	-	-	-	2,345,520.00	2,803,128.00	218,242,201.78
Expenditure							
Personal Emoluments	159,244,703.30						159,244,703.30
Other Charges	39,391,984.19						39,391,984.19
Rent and Rates					2,599,185.80		2,599,185.80
Central Items						2,743,054.81	2,743,054.81
Total Expenditure	(b) 198,636,687.49	-	-	-	2,599,185.80	2,743,054.81	203,978,928.10
Surplus/(Deficit) for the Year							
(a) - (b) = (c)	(c) 14,456,866.29		-		(253,665.80)	60,073.19	14,263,273.68
Less: Surplus/(Deficit) of Provident Fund	1,528,409.11		-		-	-	1,528,409.11
Surplus/(Deficit) for the Year (excl.PF) excluding Provident Fund	12,928,457.18	-	-	-	(253,665.80)	60,073.19	12,734,864.57
Surplus/(Deficit) b/f	25,252,850.21	17,474,503.92	-	-	(702,321.14)	49,489.24	42,074,522.23
Adjusted Surplus/(Deficit) b/f (Note (2))	(d) 25,252,850.21	17,474,503.92	-	-	(702,321.14)	49,489.24	42,074,522.23
Surplus/(Deficit) c/f (before adjustment / refund / support for prior years)	38,181,307.39	17,474,503.92	-	-	(955,986.94)	109,562.43	54,809,386.80
Transfer from Holding Account to cover qualified items of LSG Reserve	2,410,764.00	(2,410,764.00)					-
Transfer for use in the same areas as LSG Reserve from PF Reserve / HA Reserve							-
Combine HA Reserve with LSG Reserve in Year 4 when there is no Snapshot Staff							-
Transfer from LSG Reserve to cover the salary adjustment Infirmary Care Supplement (Note (3))							-
Transfer from Other Funds / (to) LSG Reserve^							-
Supported by Government - Rent and Rates for 2024/25: FTY: \$281,664, KHAB: \$19,856, RC: \$28,125, BCAA: \$831, MGCH: \$38,401					368,877.00		368,877.00
Refund to Government for Rent and Rates of 2025/26: IAC:\$31,448.15, FTY:\$17,312, RCHQ:\$9,546, MGCH:\$7264.73, HOD:\$2626.02, KHAB:\$2070.99, TMHAB:\$9,775.26					(80,043.15)		(80,043.15)
Unsupport balance of Rent and Rates for 2024/25					413,487.29		413,487.29
Refund to Government						(35,197.24)	(35,197.24)
Surplus/(Deficit) c/f (Note (4))	40,592,071.39	15,063,739.92	-	-	(253,665.80)	74,365.19	55,476,510.70
Notes:	55,655,811.31						

(1) Interest received on LSG (including HA) 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 and the balance of HA should be separately reported as in the surplus b/f under LSG and HA respectively.

(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) For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows(With Snapshot Staff (SS)):

Total expenditures of PE + OC	198,636,687.49
Less PF expenses	(9,408,771.89)
Net:	189,227,915.60
Capped ceiling %	25%
Capped ceiling	47,306,978.90
No clawback is required as the total LSG reserve (\$40,592,071.68. is lesser than the Capped ceiling level \$47,306,978.90.)	

(5) As a support measure for the implementation of the Productivity Enhancement Programme, the claw-back arrangement of LSG cumulative reserve amount exceeding 25% of the NGO's operating expenditure would be suspended from 2023-24 (for NGOs with 2024-25 provisional subvention allocation of \$50M or more) / 2024-25 (for NGOs with 2024-25 provisional subvention allocation of less than \$50M) until 2028-29 as stipulated in SWD's letter under reference (1) / (2) / (3) / (4) in SWD 0075-0010-0060-0080-0040 of 3 March 2025.