

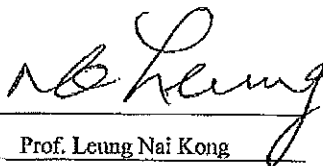
**ANNUAL FINANCIAL REPORT**

**FOR THE PERIOD FROM 01/04/2015 TO 31/03/2016**


Agency Code and Name: **656 SAHK**

|  | <u>Notes</u> | Total<br><u>2015/16</u><br>HK\$ | Total<br><u>2014/15</u><br>HK\$ | <u>Remarks</u> |
|--|--------------|---------------------------------|---------------------------------|----------------|
| <b>A. INCOME</b>                             |              |                                 |                                 |                |
| 1. Lump Sum Grant                            |              |                                 |                                 |                |
| a. Lump Sum Grant (excluding Provident Fund) | 1b           | 334,912,752.00                  | 315,877,741.00                  |                |
| b. Provident Fund                            | 1c           | 29,443,447.00                   | 28,251,412.00                   |                |
| 2. Fee Income                                | 2            | 24,514,178.28                   | 24,260,496.51                   |                |
| 3. Central Items                             | 3            | 2,131,863.00                    | 5,496,697.00                    |                |
| 4. Rent and Rates                            | 4            | 12,501,831.00                   | 11,960,396.00                   |                |
| 5. Other Income                              | 5            | 1,255,741.67                    | 879,486.65                      |                |
| 6. Interest Received                         |              | 1,015,459.11                    | 1,217,746.89                    |                |
| <b>TOTAL INCOME</b>                          |              | <u>405,775,272.06</u>           | <u>387,943,976.05</u>           |                |
| <b>B. EXPENDITURE</b>                        |              |                                 |                                 |                |
| 1. Personal Emoluments                       |              |                                 |                                 |                |
| a. Salaries                                  |              | 282,388,861.08                  | 251,618,251.95                  |                |
| b. Provident Fund                            | 1c           | 27,348,333.62                   | 24,876,922.56                   |                |
| c. Allowances                                |              | 7,568,210.28                    | 3,897,757.66                    |                |
| d. Relief / Temporary Workers                |              | 2,132,326.91                    | 1,539,975.31                    |                |
| e. Statutory Payments                        |              | 80,721.78                       | 145,910.85                      |                |
| f. <u>Less: Insurance Compensation</u>       |              | <u>(1,236,039.99)</u>           | <u>(248,672.09)</u>             |                |
| <b>Total Personal Emoluments</b>             | 6            | <b>318,282,413.68</b>           | <b>281,830,146.24</b>           |                |
| 2. Other Charges                             | 7            | 58,377,433.22                   | 50,147,559.91                   |                |
| 3. Central Items                             | 3            | 4,484,843.72                    | 6,241,605.45                    |                |
| 4. Rent and Rates                            |              | 14,573,013.90                   | 14,284,860.89                   |                |
| 5. Rent and Rates (paid by Lump Sum Grant)   |              | 1,383,764.20                    | 1,358,625.40                    |                |
| <b>TOTAL EXPENDITURE</b>                     |              | <u>397,101,468.72</u>           | <u>353,862,797.89</u>           |                |
| <b>C. SURPLUS FOR THE YEAR</b>               | 8            | <u>8,673,803.34</u>             | <u>34,081,178.16</u>            |                |

Authorized Signatory:



Authorized Signatory:



Name: Prof. Leung Nai Kong

Name: Mr. Fong Cheung Fat

Title: Chairman

Title: Chief Executive Officer

Date: 18th July 2016

Date: 18th July 2016

**NOTES TO ANNUAL FINANCIAL REPORT**  
**FOR THE PERIOD FROM 01/04/2015 TO 31/03/2016**

**I. Lump Sum Grant**

**a. Basis of preparation**

The Annual Financial Report (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 like depreciation, provisions and accruals have not been included in the AFR.

**b. Lump Sum Grant (excluding Provident Fund)**

This represents Lump Sum Grant (excluding Provident Fund) received for the year.

|                                      | <u>2015/16</u><br>HK\$ | <u>2014/15</u><br>HK\$ |
|--------------------------------------|------------------------|------------------------|
| Lump Sum Grant received for the year | 334,912,752.00         | 315,877,741.00         |

**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 1st April 2000. 6.8% and other posts represent those staff that are employed after 1st April 2000.

Please note that the PF received and contributed for staff under the Central Items is shown under 3.

Details are analysed below :

| <u>Provident Fund Contribution</u>               | <u>Snapshot Staff</u><br>HK\$ | <u>6.8% &amp;<br/>Other Posts</u><br>HK\$ | <u>Total</u><br>HK\$ |
|--|-------------------------------|---|----------------------|
| Subvention received                              | 11,527,609.00                 | 17,915,838.00                             | 29,443,447.00        |
| Provident Fund contribution paid during the year | (10,556,183.45)               | (16,792,150.17)                           | (27,348,333.62)      |
| Surplus for the year                             | 971,425.55                    | 1,123,687.83                              | 2,095,113.38         |
| Add: Surplus b/f from previous year              | 4,684,910.93                  | 18,843,489.15                             | 23,528,400.08        |
| Less : Refund to Government                      | (3,902,034.00)                | -   | (3,902,034.00)       |
| Surplus c/f                                      | 1,754,302.48                  | 19,967,176.98                             | 21,721,479.46        |

**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 Lump Sum Grant Manual.

**NOTES TO ANNUAL FINANCIAL REPORT**

**FOR THE PERIOD FROM 01/04/2015 TO 31/03/2016**

**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 PF 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 3.13 of LSG Manual). The income and expenditure of each of the Central Items are as follows :

|   | <u>2015/16</u><br>HK\$ | <u>2014/15</u><br>HK\$ |
|---|------------------------|------------------------|
| <b>Income</b>   |                        |                        |
| Care Assistant (CA)/Programme Assistant (PA) Posts  | -                      | 1,939,957.00           |
| Care Assistant & Programme Assistant  | -                      | 1,806,498.00           |
| Training Subsidy Scheme under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services | -                      | 255,000.00             |
| Training Sponsorship for MOT/MPT  | -                      | 760,000.00             |
| Financial Incentive Scheme for Mentors of Employees with Disabilities Receiving Subvented Vocational Rehabilitation Services                  | -                      | 20,000.00              |
| Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services                                  | 2,131,863.00           | 715,242.00             |
| Total   | <u>2,131,863.00</u>    | <u>5,496,697.00</u>    |
| <b>Expenditure</b>  |                        |                        |
| Care Assistant (CA)/Programme Assistant (PA) Posts  | -                      | 1,946,171.17           |
| Care Assistant & Programme Assistant  | -                      | 1,810,091.82           |
| Training Subsidy Scheme under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services | 45,000.00              | 82,500.00              |
| Training Sponsorship for MOT/MPT  | 665,000.00             | 760,000.00             |
| Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services                                  | 3,774,843.72           | 1,642,842.46           |
| Total   | <u>4,484,843.72</u>    | <u>6,241,605.45</u>    |

**4. Rent and Rates**

This represents the amount paid by Social Welfare Department in respect of premises recognised by SWD.

|                                      | <u>2015/16</u><br>HK\$ | <u>2014/15</u><br>HK\$ |
|--------------------------------------|------------------------|------------------------|
| Rent and Rates received for the year | <u>12,501,831.00</u>   | <u>11,960,396.00</u>   |

**5. Other Income**

This includes programme income and all income other than recognised social welfare fee income received during the year.

**NOTES TO ANNUAL FINANCIAL REPORT**  
**FOR THE PERIOD FROM 01/04/2015 TO 31/03/2016**

**6. Personal Emoluments**

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

The analysis on number of posts with annual Personal Emoluments over \$500,000 each is appended below :

|                                  | <u>No. of Posts</u> | <u>HK\$</u>   |
|----------------------------------|---------------------|---------------|
| HK\$500,001 - HK\$600,000 p.a.   | 54                  | 29,600,753.25 |
| HK\$600,001 - HK\$700,000 p.a.   | 24                  | 15,686,976.38 |
| HK\$700,001 - HK\$800,000 p.a.   | 9                   | 6,611,782.08  |
| HK\$800,001 - HK\$900,000 p.a.   | 25                  | 21,533,404.47 |
| HK\$900,001 - HK\$1,000,000 p.a. | 2                   | 1,914,024.40  |
| >HK\$1,000,000 p.a.              | 15                  | 16,964,017.54 |

**7. Other Charges**

The breakdown on Other Charges is as follows:

|   | <u>2015/16</u>       | <u>2014/15</u>       |
|---|----------------------|----------------------|
|   | <u>HK\$</u>          | <u>HK\$</u>          |
| <u>Other Charges</u>                    |                      |                      |
| Utilities                               | 7,578,306.78         | 7,152,982.64         |
| Food                                    | 9,647,003.94         | 9,197,192.58         |
| Administrative Expenses                 | 4,079,847.75         | 3,572,152.84         |
| Auditors' Remuneration                  | 63,041.00            | 63,569.00            |
| Stores and Equipment                    | 1,180,525.40         | 1,090,522.72         |
| Minor Purchases, Repair and Maintenance | 4,169,090.04         | 3,526,774.29         |
| Transportation and Travelling           | 1,820,642.53         | 1,776,785.64         |
| Programme Expenses                      | 15,057,545.15        | 11,228,765.33        |
| Special Allowances                      | 5,330,501.50         | 4,680,573.00         |
| Insurance                               | 4,154,359.52         | 3,685,668.62         |
| Miscellaneous                           | 5,296,569.61         | 4,172,573.25         |
| Total                                   | <u>58,377,433.22</u> | <u>50,147,559.91</u> |

**NOTES TO ANNUAL FINANCIAL REPORT**  
**FOR THE PERIOD FROM 01/04/2015 TO 31/03/2016**

**8. Analysis of Reserve Fund**

|  | Lump Sum<br>Grant (LSG)<br>HK\$ | Rent and Rates<br>HK\$ | Central Items<br>HK\$ | Total<br>HK\$         |
|--|---------------------------------|------------------------|-----------------------|-----------------------|
| <b>INCOME</b>                            |                                 |                        |                       |                       |
| Lump Sum Grant                           | 364,356,199.00                  | -                      | -                     | 364,356,199.00        |
| Fee Income                               | 24,514,178.28                   | -                      | -                     | 24,514,178.28         |
| Other Income                             | 1,255,741.67                    | -                      | -                     | 1,255,741.67          |
| Interest Received                        | 1,015,459.11                    | -                      | -                     | 1,015,459.11          |
| Rent and Rates                           | -                               | 12,501,831.00          | -                     | 12,501,831.00         |
| Central Items                            | -                               | -                      | 2,131,863.00          | 2,131,863.00          |
| <b>Total Income</b>                      | <b>391,141,578.06</b>           | <b>12,501,831.00</b>   | <b>2,131,863.00</b>   | <b>405,775,272.06</b> |
| <b>EXPENDITURE</b>                       |                                 |                        |                       |                       |
| Personal Emoluments                      | 318,282,413.68                  | -                      | -                     | 318,282,413.68        |
| Other Charges                            | 58,377,433.22                   | -                      | -                     | 58,377,433.22         |
| Rent and Rates                           | 1,383,764.20                    | 14,573,013.90          | -                     | 15,956,778.10         |
| Central Items                            | -                               | -                      | 4,484,843.72          | 4,484,843.72          |
| <b>Total Expenditure</b>                 | <b>378,043,611.10</b>           | <b>14,573,013.90</b>   | <b>4,484,843.72</b>   | <b>397,101,468.72</b> |
| Surplus/(Deficit) for the year           | 13,097,966.96                   | (2,071,182.90)         | (2,352,980.72)        | 8,673,803.34          |
| Less: Surplus of Provident Fund          | (2,095,113.38)                  | -                      | -                     | (2,095,113.38)        |
| Surplus/(Deficit) b/f from previous year | 11,002,853.58                   | (2,071,182.90)         | (2,352,980.72)        | 6,578,689.96          |
|  | 117,350,920.42                  | (4,854,142.35)         | 580,346.94            | 113,077,125.01        |
| Add : Adjustment agreed with SWD         | 128,353,774.00                  | (6,925,325.25)         | (1,772,633.78)        | 119,655,814.97        |
| Add : Reimbursement from Government      | -                               | -                      | -                     | -                     |
| Less: Refund to Government               | -                               | 2,294,760.00           | -                     | 2,294,760.00          |
|  | -                               | (26,604.40)            | (13,127.29)           | (39,731.69)           |
| <b>Surplus/(Deficit) c/f</b>             | <b>128,353,774.00</b>           | <b>(4,657,169.65)</b>  | <b>(1,785,761.07)</b> | <b>121,910,843.28</b> |
| Shown as Current (Assets)/Liabilities    | -                               | (4,657,169.65)         | (1,785,761.07)        | (6,442,930.72)        |
| Shown as Funds and Reserves *            | 128,353,774.00                  | -                      | -                     | 128,353,774.00        |
|  | 128,353,774.00                  | (4,657,169.65)         | (1,785,761.07)        | 121,910,843.28        |
| * Reserve Fund before 1.4.07             | 60,434,683.93                   |                        |                       |                       |
| Reserve Fund after 1.4.07                | 67,919,090.07                   |                        |                       |                       |
|  | <u>128,353,774.00</u>           |                        |                       |                       |