

ANNUAL FINANCIAL REPORT

FOR THE PERIOD FROM 01/04/2017 TO 31/03/2018

Agency Code and Name: 656_SAHK

	<u>Notes</u>	<u>Total 2017/18 HK\$</u>	<u>Restated Total 2016/17 HK\$</u>	<u>Remarks</u>
A. INCOME				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	380,201,968.00	361,481,483.00	
b. Provident Fund	1c	31,780,371.00	30,910,611.00	
2. Fee Income	2	26,312,454.29	26,590,695.61	
3. Central Items	3	16,172,209.00	5,708,342.00	
4. Rent and Rates	4	15,612,172.00	14,982,762.00	
5. Other Income	5	5,380,342.49	1,475,278.84	
6. Interest Received		1,353,630.89	1,133,456.43	
TOTAL INCOME		<u>476,813,147.67</u>	<u>442,282,628.88</u>	
B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries		323,317,314.22	305,033,602.74	
b. Provident Fund	1c	30,809,271.35	29,954,227.22	
c. Allowances		9,617,443.88	11,299,626.16	
d. Relief / Temporary Workers		3,311,606.57	2,152,635.82	
e. Statutory Payments		719,761.40	(60,917.65)	
f. <u>Less: Insurance Compensation</u>		<u>(1,482,208.04)</u>	<u>(774,831.05)</u>	
Total Personal Emoluments	6	366,293,189.38	347,604,343.24	
2. Other Charges	7	72,913,814.75	68,049,955.03	
3. Central Items	3	16,683,529.26	4,256,415.82	
4. Rent and Rates		16,653,742.64	16,557,746.15	
5. Rent and Rates (paid by Lump Sum Grant)		619,232.30	977,371.65	
TOTAL EXPENDITURE		<u>473,163,508.33</u>	<u>437,445,831.89</u>	
C. SURPLUS FOR THE YEAR	8	<u>3,649,639.34</u>	<u>4,836,796.99</u>	

The Annual Financial Report from pages 2 to 12 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

Authorized
Signatory:



Name: Mrs. Pang Tsui Mei Wan

Title: Chairman

Date: 28th September 2018

Authorized
Signatory:



Name: Fong Cheung Fat

Title: Chief Executive Officer

Date: 28th September 2018

NOTES TO ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 01/04/2017 TO 31/03/2018

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 such as 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>2017/18</u>	<u>2016/17</u>
	HK\$	HK\$
Lump Sum Grant received for the year	<u>380,201,968.00</u>	<u>361,481,483.00</u>

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.

The Provident Fund received and contributed for staff under the Central Items have been shown under 3.

Details are analysed below :

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u>	<u>6.8% & Other Posts</u>	<u>Total</u>
	HK\$	HK\$	HK\$
Subvention received	10,765,189.00	21,015,182.00	31,780,371.00
Provident Fund contribution paid during the year	<u>(10,154,458.08)</u>	<u>(20,654,813.27)</u>	<u>(30,809,271.35)</u>
Surplus for the year	610,730.92	360,368.73	971,099.65
Add: Surplus b/f from previous year	1,471,952.53	20,638,616.71	22,110,569.24
Transfer	12,272.00	(12,272.00)	-
Less : Refund to Government	<u>(610,357.00)</u>	-	<u>(610,357.00)</u>
Surplus c/f	<u>1,484,598.45</u>	<u>20,986,713.44</u>	<u>22,471,311.89</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 Lump Sum Grant Manual.

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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>2017/18</u> HK\$	<u>2016/17</u> HK\$
Income		
Training Subsidy Scheme under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	75,000.00	150,000.00
Training Sponsorship for MOT/MPT	1,080,000.00	1,080,000.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	3,526,346.00	4,478,342.00
Pilot Scheme on On-site Pre-school Rehabilitation Service	10,160,863.00	-
One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	1,330,000.00	-
Total	<u>16,172,209.00</u>	<u>5,708,342.00</u>
Expenditure		
Training Subsidy Scheme under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	40,800.00	42,500.00
Training Sponsorship for MOT/MPT	1,620,000.00	95,000.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	5,796,457.00	4,118,915.82
Pilot Scheme on On-site Pre-school Rehabilitation Service	9,102,673.66	-
One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	123,598.60	-
Total	<u>16,683,529.26</u>	<u>4,256,415.82</u>

4. Rent and Rates

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

	<u>2017/18</u> HK\$	<u>2016/17</u> HK\$
Rent and Rates received for the year	<u>15,612,172.00</u>	<u>14,982,762.00</u>

5. Other Income

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

	<u>2017/18</u> HK\$	<u>2016/17</u> HK\$
(a) Fees and Charges for services incidental to the operation of subvented services	5,380,342.49	1,471,578.84
(b) Others	-	3,700.00
	<u>5,380,342.49</u>	<u>1,475,278.84</u>

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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 :

	<u>No. of Posts</u>	<u>HK\$</u>
HK\$700,001 - HK\$800,000 p.a.	21	15,812,798.73
HK\$800,001 - HK\$900,000 p.a.	8	6,879,285.70
HK\$900,001 - HK\$1,000,000 p.a.	20	18,656,841.22
HK\$1,000,001 - HK\$1,100,000 p.a.	2	2,144,293.49
HK\$1,100,001 - HK\$1,200,000 p.a.	8	9,100,720.00
>HK\$1,200,000 p.a.	6	8,677,758.05

7. **Other Charges**

The breakdown on Other Charges is as follows:

	<u>2017/18</u>	<u>2016/17</u>
	<u>HK\$</u>	<u>HK\$</u>
<u>Other Charges</u>		
Utilities	7,549,064.80	7,360,600.19
Food	11,590,913.52	11,789,286.85
Administrative Expenses	4,487,170.29	3,953,216.27
Stores and Equipment	1,303,803.94	1,343,068.23
Minor Purchases, Repair and Maintenance	5,532,923.43	5,715,135.44
Transportation and Travelling	2,124,578.06	1,790,448.47
Programme Expenses	21,966,096.69	20,188,064.18
Special Allowances	5,219,519.50	5,314,495.50
Insurance	5,034,087.65	4,460,728.41
Miscellaneous	8,105,656.87	6,134,911.49
Total	<u>72,913,814.75</u>	<u>68,049,955.03</u>

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8. Analysis of Reserve Fund

	Lump Sum Grant (LSG) HK\$	Rent and Rates HK\$	Central Items HK\$	Total HK\$
INCOME				
Lump Sum Grant	411,982,339.00	-	-	411,982,339.00
Fee Income	26,312,454.29	-	-	26,312,454.29
Other Income	5,380,342.49	-	-	5,380,342.49
Interest Received	1,353,630.89	-	-	1,353,630.89
Rent and Rates	-	15,612,172.00	-	15,612,172.00
Central Items	-	-	16,172,209.00	16,172,209.00
Total Income	445,028,766.67	15,612,172.00	16,172,209.00	476,813,147.67
EXPENDITURE				
Personal Emoluments	366,293,189.38	-	-	366,293,189.38
Other Charges	72,913,814.75	-	-	72,913,814.75
Rent and Rates	619,232.30	16,653,742.64	-	17,272,974.94
Central Items	-	-	16,683,529.26	16,683,529.26
Total Expenditure	439,826,236.43	16,653,742.64	16,683,529.26	473,163,508.33
Surplus/(Deficit) for the year	5,202,530.24	(1,041,570.64)	(511,320.26)	3,649,639.34
Less: Surplus of Provident Fund	(971,099.65)	-	-	(971,099.65)
Surplus/(Deficit) b/f from previous year	4,231,430.59	(1,041,570.64)	(511,320.26)	2,678,539.69
	135,398,126.07	(2,703,310.15)	(333,834.89)	132,360,981.03
Less : Adjustment	139,629,556.66	(3,744,880.79)	(845,155.15)	135,039,520.72
Add : Reimbursement from Government	24,341.40	(312,343.00)	(11,214.11)	(299,215.71)
Less: Refund to Government	-	2,842,721.00	-	2,842,721.00
	-	(24,724.00)	-	(24,724.00)
Surplus/(Deficit) c/f	139,653,898.06	(1,239,226.79)	(856,369.26)	137,558,302.01
Shown as Current (Assets)/Liabilities	-	(1,239,226.79)	(856,369.26)	(2,095,596.05)
Shown as Funds and Reserves *	139,653,898.06	-	-	139,653,898.06
	139,653,898.06	(1,239,226.79)	(856,369.26)	137,558,302.01
* Reserve Fund before 1.4.07	60,434,683.93			
Reserve Fund after 1.4.07	79,219,214.13			
	139,653,898.06			