

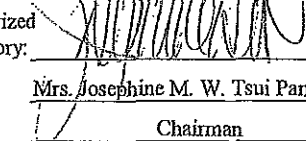
ANNUAL FINANCIAL REPORT


FOR THE PERIOD FROM 01/04/2018 TO 31/03/2019

Agency Code and Name: 656 SAHK

	<u>Notes</u>	<u>Total 2018/19 HK\$</u>	<u>Total 2017/18 HK\$</u>	<u>Remarks</u>
A. INCOME				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	431,514,682.00	380,201,968.00	
b. Provident Fund	1c	35,096,093.00	31,780,371.00	
2. Fee Income	2	27,691,964.17	26,312,454.29	
3. Central Items	3	18,296,393.00	16,172,209.00	
4. Rent and Rates	4	15,939,991.00	15,612,172.00	
5. Other Income	5	4,304,827.91	5,380,342.49	
6. Interest Received		<u>2,582,411.40</u>	<u>1,353,630.89</u>	
TOTAL INCOME		<u>535,426,362.48</u>	<u>476,813,147.67</u>	
B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries		368,688,591.10	323,317,314.22	
b. Provident Fund	1c	34,208,595.44	30,809,271.35	
c. Allowances		11,569,220.39	9,617,443.88	
d. Relief / Temporary Workers		4,258,419.43	3,311,606.57	
e. Statutory Payments		(418,209.40)	719,761.40	
f. Less: Insurance Compensation		<u>(642,581.41)</u>	<u>(1,482,208.04)</u>	
Total Personal Emoluments	6	417,664,035.55	366,293,189.38	
2. Other Charges	7	78,170,821.49	72,913,814.75	
3. Central Items	3	23,009,208.18	16,683,529.26	
4. Rent and Rates		17,017,730.63	16,653,742.64	
5. Rent and Rates (paid by Lump Sum Grant)		-	619,232.30	
TOTAL EXPENDITURE		<u>535,861,795.85</u>	<u>473,163,508.33</u>	
C. (DEFICIT)/SURPLUS FOR THE YEAR	8	<u>(435,433.37)</u>	<u>3,649,639.34</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. Josephine M. W. Tsui Pang, MH
 Title: Chairman
 Date: 28th October 2019

Authorized Signatory: 
 Name: Mr. Eddie K. T. Suen
 Title: Chief Executive Officer
 Date: 28th October 2019

NOTES TO ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 01/04/2018 TO 31/03/2019

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>2018/19</u> HK\$	<u>2017/18</u> HK\$
Lump Sum Grant received for the year	<u>431,514,682.00</u>	<u>380,201,968.00</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> HK\$	<u>6.8% & Other Posts</u> HK\$	<u>Total</u> HK\$
Subvention received	10,559,105.00	24,536,988.00	35,096,093.00
Provident Fund contribution paid during the year	<u>(9,980,072.77)</u>	<u>(24,228,522.67)</u>	<u>(34,208,595.44)</u>
Surplus for the year	579,032.23	308,465.33	887,497.56
Add: Surplus b/f from previous year	1,484,598.45	20,986,713.44	22,471,311.89
Transfer	(361,069.00)	361,069.00	-
Less : Refund to Government	<u>(287,280.00)</u>	<u>-</u>	<u>(287,280.00)</u>
Surplus c/f	<u>1,415,281.68</u>	<u>21,656,247.77</u>	<u>23,071,529.45</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.

NOTES TO ANNUAL FINANCIAL REPORT

FOR THE PERIOD FROM 01/04/2018 TO 31/03/2019

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 3.14 of LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows :

	<u>2018/19</u> HK\$	<u>2017/18</u> HK\$
Income		
Training Subsidy Scheme under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	210,000.00	75,000.00
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	4,276,737.00	3,526,346.00
Pilot Scheme on On-site Pre-school Rehabilitation Service	12,729,656.00	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>18,296,393.00</u>	<u>16,172,209.00</u>
Expenditure		
Training Subsidy Scheme under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	41,400.00	40,800.00
Training Sponsorship for MOT/MPT	540,000.00	1,620,000.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	9,183,197.00	5,796,457.00
Pilot Scheme on On-site Pre-school Rehabilitation Service	13,244,611.18	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>23,009,208.18</u>	<u>16,683,529.26</u>

4. Rent and Rates

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

	<u>2018/19</u> HK\$	<u>2017/18</u> HK\$
Rent and Rates received for the year	<u>15,939,991.00</u>	<u>15,612,172.00</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 is as follows:

	<u>2018/19</u> HK\$	<u>2017/18</u> HK\$
(a) Fees and Charges for services incidental to the operation of subvented services	4,304,827.91	5,380,342.49
(b) Others	-	-
	<u>4,304,827.91</u>	<u>5,380,342.49</u>

NOTES TO ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 01/04/2018 TO 31/03/2019

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.	26	19,493,705.02
HK\$800,001 - HK\$900,000 p.a.	21	17,814,585.70
HK\$900,001 - HK\$1,000,000 p.a.	26	24,984,726.50
HK\$1,000,001 - HK\$1,100,000 p.a.	5	5,210,987.21
HK\$1,100,001 - HK\$1,200,000 p.a.	10	11,791,486.55
>HK\$1,200,000 p.a.	7	9,856,670.25

7. Other Charges

The breakdown on Other Charges is as follows:

	<u>2018/19</u>	<u>2017/18</u>
	<u>HK\$</u>	<u>HK\$</u>
<u>Other Charges</u>		
Utilities	7,649,912.10	7,549,064.80
Food	11,758,093.81	11,590,913.52
Administrative Expenses	5,215,727.22	4,487,170.29
Stores and Equipment	1,466,573.74	1,303,803.94
Minor Purchases, Repair and Maintenance	6,106,116.81	5,532,923.43
Transportation and Travelling	2,440,605.50	2,124,578.06
Programme Expenses	26,127,925.79	21,966,096.69
Special Allowances	5,217,452.50	5,219,519.50
Insurance	3,997,188.25	5,034,087.65
Miscellaneous	8,191,225.77	8,105,656.87
Total	<u>78,170,821.49</u>	<u>72,913,814.75</u>

NOTES TO ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 01/04/2018 TO 31/03/2019

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

	Lump Sum Grant (LSG) HK\$	Rent and Rates HK\$	Central Items HK\$	Total HK\$
INCOME				
Lump Sum Grant	466,610,775.00	-	-	466,610,775.00
Fee Income	27,691,964.17	-	-	27,691,964.17
Other Income	4,304,827.91	-	-	4,304,827.91
Interest Received	2,582,411.40	-	-	2,582,411.40
Rent and Rates	-	15,939,991.00	-	15,939,991.00
Central Items	-	-	18,296,393.00	18,296,393.00
Total Income	501,189,978.48	15,939,991.00	18,296,393.00	535,426,362.48
EXPENDITURE				
Personal Emoluments	417,664,035.55	-	-	417,664,035.55
Other Charges	78,170,821.49	-	-	78,170,821.49
Rent and Rates	-	17,017,730.63	-	17,017,730.63
Central Items	-	-	23,009,208.18	23,009,208.18
Total Expenditure	495,834,857.04	17,017,730.63	23,009,208.18	535,861,795.85
Surplus/(Deficit) for the year	5,355,121.44	(1,077,739.63)	(4,712,815.18)	(435,433.37)
Less: Surplus of Provident Fund	(887,497.56)	-	-	(887,497.56)
Surplus/(Deficit) b/f from previous year	4,467,623.88	(1,077,739.63)	(4,712,815.18)	(1,322,930.93)
	139,653,898.06	(1,239,226.79)	(856,369.26)	137,558,302.01
Add : Adjustment	144,121,521.94	(2,316,966.42)	(5,569,184.44)	136,235,371.08
	285,466.94	-	-	285,466.94
Add : Refund from Government	-	1,142,473.00	-	1,142,473.00
Less: Refund to Government	-	(44,564.60)	(1,206,401.40)	(1,250,966.00)
Surplus/(Deficit) c/f	144,406,988.88	(1,219,058.02)	(6,775,585.84)	136,412,345.02
Shown as Current (Assets)/Liabilities	-	(1,219,058.02)	(6,775,585.84)	(7,994,643.86)
Shown as Funds and Reserves *	144,406,988.88	-	-	144,406,988.88
	144,406,988.88	(1,219,058.02)	(6,775,585.84)	136,412,345.02
* Reserve Fund before 1.4.07	60,434,683.93			
Reserve Fund after 1.4.07	83,972,304.95			
	144,406,988.88			