

ANNUAL FINANCIAL REPORT

FOR THE PERIOD FROM 01/04/2019 TO 31/03/2020

Agency Code and Name: **656 SAHK**

	<u>Notes</u>	<u>Total 2019/20 HK\$</u>	<u>Total 2018/19 HK\$</u>	<u>Remarks</u>
A. INCOME				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	513,824,314.00	431,514,682.00	
b. Provident Fund	1c	40,514,735.00	35,096,093.00	
2. Fee Income	2	25,529,449.59	27,691,964.17	
3. Central Items	3	14,744,436.00	18,296,393.00	
4. Rent and Rates	4	17,314,855.00	15,939,991.00	
5. Other Income	5	4,116,889.55	4,304,827.91	
6. Interest Received		<u>2,669,733.58</u>	<u>2,582,411.40</u>	
TOTAL INCOME		<u>618,714,412.72</u>	<u>535,426,362.48</u>	
B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries		426,591,070.73	368,688,591.10	
b. Provident Fund	1c	38,590,154.39	34,208,595.44	
c. Allowances		13,230,978.64	11,569,220.39	
d. Relief / Temporary Workers		4,116,393.30	4,258,419.43	
e. Statutory Payments		(254,507.12)	(418,209.40)	
f. <u>Less: Insurance Compensation</u>		<u>(594,635.88)</u>	<u>(642,581.41)</u>	
Total Personal Emoluments	6	481,679,454.06	417,664,035.55	
2. Other Charges	7	84,785,918.05	78,170,821.49	
3. Central Items	3	9,439,697.81	23,009,208.18	
4. Rent and Rates		<u>20,003,596.86</u>	<u>17,017,730.63</u>	
TOTAL EXPENDITURE		<u>595,908,666.78</u>	<u>535,861,795.85</u>	
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	<u>22,805,745.94</u>	<u>(435,433.37)</u>	

The Annual Financial Report from pages 2 to 13 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

Authorised Signatory:



Name: Mrs. Josephine M. W. Tsui Pang, MH

Title: Chairman

Date: 23rd October 2020

Authorised Signatory:



Name: Mr. Eddie K. T. Suen

Title: Chief Executive Officer

Date: 23rd October 2020

NOTES TO ANNUAL FINANCIAL REPORT

FOR THE PERIOD FROM 01/04/2019 TO 31/03/2020

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>2019/20</u> HK\$	<u>2018/19</u> HK\$
Lump Sum Grant received for the year	<u>513,824,314.00</u>	<u>431,514,682.00</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	10,189,417.00	30,325,318.00	40,514,735.00
Provident Fund contribution paid during the year	<u>(9,630,025.20)</u>	<u>(28,960,129.19)</u>	<u>(38,590,154.39)</u>
Surplus for the year	559,391.80	1,365,188.81	1,924,580.61
Add: Surplus b/f from previous year	1,415,281.68	21,656,247.77	23,071,529.45
Less : Refund to Government	<u>(610,731.00)</u>	<u>-</u>	<u>(610,731.00)</u>
Surplus c/f	<u>1,363,942.48</u>	<u>23,021,436.58</u>	<u>24,385,379.06</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 3.14 of LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows :

	<u>2019/20</u> HK\$	<u>2018/19</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
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	8,526,326.00	4,276,737.00
Pilot Scheme on On-site Pre-school Rehabilitation Service	-	12,729,656.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	2,831,476.00	-
Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of COVID-19	2,306,634.00	-
Total	<u>14,744,436.00</u>	<u>18,296,393.00</u>
Expenditure		
Training Subsidy Scheme under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	74,810.00	41,400.00
Training Sponsorship for MOT/MPT	1,080,000.00	540,000.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	5,993,920.00	9,183,197.00
Pilot Scheme on On-site Pre-school Rehabilitation Service	-	13,244,611.18
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	2,160,170.21	-
Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of COVID-19	130,797.60	-
Total	<u>9,439,697.81</u>	<u>23,009,208.18</u>

4. Rent and Rates

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

	<u>2019/20</u> HK\$	<u>2018/19</u> HK\$
Rent and Rates received for the year	<u>17,314,855.00</u>	<u>15,939,991.00</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>2019/20</u> HK\$	<u>2018/19</u> HK\$
(a) Fees and Charges for services incidental to the operation of subvented services	4,116,889.55	4,304,827.91
(b) Others	-	-
	<u>4,116,889.55</u>	<u>4,304,827.91</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.	31	23,161,935.10
HK\$800,001 - HK\$900,000 p.a.	24	20,268,500.74
HK\$900,001 - HK\$1,000,000 p.a.	18	17,341,701.86
HK\$1,000,001 - HK\$1,100,000 p.a.	22	22,651,148.55
HK\$1,100,001 - HK\$1,200,000 p.a.	3	3,448,476.39
>HK\$1,200,000 p.a.	13	17,952,878.40

7. Other Charges

The breakdown on Other Charges is as follows:

	<u>2019/20</u>	<u>2018/19</u>
	<u>HK\$</u>	<u>HK\$</u>
<u>Other Charges</u>		
Utilities	7,602,636.20	7,649,912.10
Food	12,403,156.37	11,758,093.81
Administrative Expenses	6,131,948.86	5,215,727.22
Stores and Equipment	1,888,282.30	1,466,573.74
Minor Purchases, Repair and Maintenance	5,493,393.10	6,106,116.81
Transportation and Travelling	2,660,938.34	2,440,605.50
Programme Expenses	31,788,851.99	26,127,925.79
Special Allowances	4,296,895.50	5,217,452.50
Insurance	5,023,767.56	3,997,188.25
Miscellaneous	7,496,047.83	8,191,225.77
Total	<u>84,785,918.05</u>	<u>78,170,821.49</u>

NOTES TO ANNUAL FINANCIAL REPORT
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8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	<u>Lump Sum Grant (LSG)</u> HK\$	<u>Rent and Rates</u> HK\$	<u>Central Items</u> HK\$	<u>Total</u> HK\$
INCOME				
Lump Sum Grant	554,339,049.00	-	-	554,339,049.00
Fee Income	25,529,449.59	-	-	25,529,449.59
Other Income	4,116,889.55	-	-	4,116,889.55
Interest Received	2,669,733.58	-	-	2,669,733.58
Rent and Rates	-	17,314,855.00	-	17,314,855.00
Central Items	-	-	14,744,436.00	14,744,436.00
Total Income	586,655,121.72	17,314,855.00	14,744,436.00	618,714,412.72
EXPENDITURE				
Personal Emoluments	481,679,454.06	-	-	481,679,454.06
Other Charges	84,785,918.05	-	-	84,785,918.05
Rent and Rates	-	20,003,596.86	-	20,003,596.86
Central Items	-	-	9,439,697.81	9,439,697.81
Total Expenditure	566,465,372.11	20,003,596.86	9,439,697.81	595,908,666.78
Surplus/(Deficit) for the year	20,189,749.61	(2,688,741.86)	5,304,738.19	22,805,745.94
Less: Surplus of Provident Fund	(1,924,580.61)	-	-	(1,924,580.61)
Surplus/(Deficit) b/f from previous year	18,265,169.00	(2,688,741.86)	5,304,738.19	20,881,165.33
	144,406,988.88	(1,219,058.02)	(6,775,585.84)	136,412,345.02
Add : Adjustment	162,672,157.88	(3,907,799.88)	(1,470,847.65)	157,293,510.35
Add : Refund from Government	4,115,184.67	-	-	4,115,184.67
Add : Refund from Government	-	1,118,890.00	-	1,118,890.00
Less: Refund to Government	-	(43,360.81)	(543,234.16)	(586,594.97)
Surplus/(Deficit) c/f	166,787,342.55	(2,832,270.69)	(2,014,081.81)	161,940,990.05
Shown as Current (Assets)/Liabilities	-	(2,832,270.69)	(2,014,081.81)	(4,846,352.50)
Shown as Funds and Reserves *	166,787,342.55	-	-	166,787,342.55
	166,787,342.55	(2,832,270.69)	(2,014,081.81)	161,940,990.05
* Reserve Fund before 1.4.07	60,434,683.93			
Reserve Fund after 1.4.07	106,352,658.62			
	<u>166,787,342.55</u>			