

ANNUAL FINANCIAL REPORT

FOR THE PERIOD FROM 01/04/2020 TO 31/03/2021

Agency Code and Name: **656 SAHK**

	<u>Notes</u>	<u>Total 2020/21 HK\$</u>	<u>Total 2019/20 HK\$</u>	<u>Remarks</u>
A. INCOME				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	581,622,701.00	513,824,314.00	
b. Provident Fund	1c	44,191,614.00	40,514,735.00	
2. Fee Income	2	23,267,463.92	25,529,449.59	
3. Central Items	3	12,473,055.00	14,744,436.00	
4. Rent and Rates	4	17,368,420.00	17,314,855.00	
5. Other Income	5	2,738,707.74	4,116,889.55	
6. Interest Received		<u>1,545,206.73</u>	<u>2,669,733.58</u>	
TOTAL INCOME		<u>683,207,168.39</u>	<u>618,714,412.72</u>	
B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries		469,892,238.35	426,591,070.73	
b. Provident Fund	1c	41,254,146.21	38,590,154.39	
c. Allowances		16,618,724.16	13,230,978.64	
d. Relief / Temporary Workers		3,116,989.06	4,116,393.30	
e. Statutory Payments		394,992.71	(254,507.12)	
f. <u>Less: Insurance Compensation</u>		<u>(636,315.84)</u>	<u>(594,635.88)</u>	
Total Personal Emoluments	6	530,640,774.65	481,679,454.06	
2. Other Charges	7	97,168,975.01	84,785,918.05	
3. Central Items	3	8,429,910.92	9,439,697.81	
4. Rent and Rates		<u>23,823,724.50</u>	<u>20,003,596.86</u>	
TOTAL EXPENDITURE		<u>660,063,385.08</u>	<u>595,908,666.78</u>	
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	<u>23,143,783.31</u>	<u>22,805,745.94</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: 22nd October 2021

Authorised Signatory:

Name: Mr. Eddie K. T. Suen

Title: Chief Executive Officer

Date: 22nd October 2021

NOTES TO ANNUAL FINANCIAL REPORT

FOR THE PERIOD FROM 01/04/2020 TO 31/03/2021

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>2020/21</u> HK\$	<u>2019/20</u> HK\$
Lump Sum Grant received for the year	<u>581,622,701.00</u>	<u>513,824,314.00</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	9,603,743.00	34,587,871.00	44,191,614.00
Provident Fund contribution paid during the year	<u>(9,058,137.39)</u>	<u>(32,196,008.82)</u>	<u>(41,254,146.21)</u>
Surplus for the year	545,605.61	2,391,862.18	2,937,467.79
Add: Surplus b/f from previous year	1,363,942.48	23,021,436.58	24,385,379.06
Add: Additional subvention received for previous years	-	202,267.00	202,267.00
Less : Refund to Government	<u>(579,032.00)</u>	-	<u>(579,032.00)</u>
Surplus c/f	<u>1,330,516.09</u>	<u>25,615,565.76</u>	<u>26,946,081.85</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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FOR THE PERIOD FROM 01/04/2020 TO 31/03/2021

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

	<u>2020/21</u> HK\$	<u>2019/20</u> HK\$
Income		
Training Subsidy Scheme under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Training Sponsorship for MOT/MPT	960,000.00	1,080,000.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	6,761,617.00	8,526,326.00
Pilot Scheme on On-site Pre-school Rehabilitation Service	-	-
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	2,931,438.00	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
Subsidy for Enhanced Support for Ethnic Minority Children in Special Child Care Centres and Early Education and Training Centres (2019/20 School Year)	710,000.00	-
Subsidy for Enhanced Support for Ethnic Minority Children in Special Child Care Centres and Early Education and Training Centres (2020/21 School Year)	1,110,000.00	-
Total	<u>12,473,055.00</u>	<u>14,744,436.00</u>
Expenditure		
Training Subsidy Scheme under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	45,000.00	74,810.00
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	4,377,351.00	5,993,920.00
Pilot Scheme on On-site Pre-school Rehabilitation Service	-	-
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	2,342,462.83	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
Subsidy for Enhanced Support for Ethnic Minority Children in Special Child Care Centres and Early Education and Training Centres (2019/20 School Year)	569,785.49	-
Subsidy for Enhanced Support for Ethnic Minority Children in Special Child Care Centres and Early Education and Training Centres (2020/21 School Year)	15,311.60	-
Total	<u>8,429,910.92</u>	<u>9,439,697.81</u>

4. Rent and Rates

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

	<u>2020/21</u> HK\$	<u>2019/20</u> HK\$
Rent and Rates received for the year	<u>17,368,420.00</u>	<u>17,314,855.00</u>

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FOR THE PERIOD FROM 01/04/2020 TO 31/03/2021

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>2020/21</u> HK\$	<u>2019/20</u> HK\$
(a) Fees and Charges for services incidental to the operation of subvented services	2,738,707.74	4,116,889.55
(b) Others	-	-
	<u>2,738,707.74</u>	<u>4,116,889.55</u>

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.	30	22,524,729.25
HK\$800,001 - HK\$900,000 p.a.	25	20,938,177.27
HK\$900,001 - HK\$1,000,000 p.a.	25	24,226,509.38
HK\$1,000,001 - HK\$1,100,000 p.a.	20	20,577,537.90
HK\$1,100,001 - HK\$1,200,000 p.a.	4	4,646,219.20
>HK\$1,200,000 p.a.	13	18,289,840.75

7. Other Charges

The breakdown on Other Charges is as follows:

	<u>2020/21</u> HK\$	<u>2019/20</u> HK\$
<u>Other Charges</u>		
Utilities	5,796,230.04	7,602,636.20
Food	12,111,439.78	12,403,156.37
Administrative Expenses	6,629,075.87	6,131,948.86
Stores and Equipment	2,112,812.63	1,888,282.30
Minor Purchases, Repair and Maintenance	11,805,279.09	5,493,393.10
Transportation and Travelling	1,831,314.70	2,660,938.34
Programme Expenses	32,925,144.30	31,788,851.99
Special Allowances	6,694,032.50	4,296,895.50
Insurance	5,954,419.61	5,023,767.56
Miscellaneous	11,309,226.49	7,496,047.83
Total	<u>97,168,975.01</u>	<u>84,785,918.05</u>

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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	625,814,315.00	-	-	625,814,315.00
Fee Income	23,267,463.92	-	-	23,267,463.92
Other Income	2,738,707.74	-	-	2,738,707.74
Interest Received	1,545,206.73	-	-	1,545,206.73
Rent and Rates	-	17,368,420.00	-	17,368,420.00
Central Items	-	-	12,473,055.00	12,473,055.00
Total Income	653,365,693.39	17,368,420.00	12,473,055.00	683,207,168.39
EXPENDITURE				
Personal Emoluments	530,640,774.65	-	-	530,640,774.65
Other Charges	97,168,975.01	-	-	97,168,975.01
Rent and Rates	-	23,823,724.50	-	23,823,724.50
Central Items	-	-	8,429,910.92	8,429,910.92
Total Expenditure	627,809,749.66	23,823,724.50	8,429,910.92	660,063,385.08
Surplus/(Deficit) for the year	25,555,943.73	(6,455,304.50)	4,043,144.08	23,143,783.31
Less: Surplus of Provident Fund	(2,937,467.79)	-	-	(2,937,467.79)
Surplus/(Deficit) b/f from previous year	22,618,475.94	(6,455,304.50)	4,043,144.08	20,206,315.52
	166,787,342.55	(2,832,270.69)	(2,014,081.81)	161,940,990.05
	189,405,818.49	(9,287,575.19)	2,029,062.27	182,147,305.57
Add : Adjustment	-	-	-	-
Add : Refund from Government	-	1,378,142.00	-	1,378,142.00
Less: Refund to Government	-	(69,633.79)	(2,847,142.19)	(2,916,775.98)
Surplus/(Deficit) c/f	189,405,818.49	(7,979,066.98)	(818,079.92)	180,608,671.59
Shown as Current (Assets)/Liabilities	-	(7,979,066.98)	(818,079.92)	(8,797,146.90)
Shown as Funds and Reserves *	189,405,818.49	-	-	189,405,818.49
	189,405,818.49	(7,979,066.98)	(818,079.92)	180,608,671.59
* Reserve Fund before 1.4.07	60,434,683.93			
Reserve Fund after 1.4.07	128,971,134.56			
	189,405,818.49			