

**ANNUAL FINANCIAL REPORT**

Agency Code and Name: **656 SAHK**

**FOR THE PERIOD FROM 01/04/2022 TO 31/03/2023**

	<u>Notes</u>	<u>2022/23</u> HK\$	<u>2021/22</u> HK\$	<u>Remarks</u>
<b>A. INCOME</b>				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	619,435,909.00	601,879,234.00	
b. Provident Fund	1c	45,806,208.00	45,215,043.00	
2. Fee Income	2	28,435,373.36	26,929,948.96	
3. Central Items	3	10,427,874.00	13,614,427.00	
4. Rent and Rates	4	24,686,196.00	18,472,335.00	
5. Other Income	5	3,598,402.02	3,204,314.37	
6. Interest Received		4,018,814.96	549,819.06	
		<u>736,408,777.34</u>	<u>709,865,121.39</u>	
<b>B. EXPENDITURE</b>				
1. Personal Emoluments				
a. Salaries		482,909,930.38	472,728,593.13	
b. Provident Fund	1c	43,193,436.09	41,343,221.78	
c. Allowances		22,649,929.71	18,336,615.40	
d. Relief / Temporary Workers		5,895,352.00	5,074,620.90	
e. Statutory Payments		(64,837.18)	(268,652.28)	
f. <u>Less: Insurance Compensation</u>		<u>(609,965.84)</u>	<u>(1,330,205.18)</u>	
Total Personal Emoluments	6	553,973,845.16	535,884,193.75	
2. Other Charges	7	130,706,538.41	125,857,261.21	
3. Central Items	3	14,679,380.38	8,645,775.46	
4. Rent and Rates		27,118,698.80	25,775,427.60	
		<u>726,478,462.75</u>	<u>696,162,658.02</u>	
<b>C. SURPLUS FOR THE YEAR</b>	8	<u>9,930,314.59</u>	<u>13,702,463.37</u>	

The Annual Financial Report from pages 3 to 15 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: 6th October 2023

Authorised Signatory:

Name: Mr. Eddie K. T. Suen

Title: Chief Executive Officer

Date: 6th October 2023

**NOTES TO ANNUAL FINANCIAL REPORT**  
**FOR THE PERIOD FROM 01/04/2022 TO 31/03/2023**

**1. Lump Sum Grant**

**a. Basis of preparation**

The Annual Financial Report ("AFR") is prepared in respect of all Funding and Service Agreement ("FSA") services (including support services to FSA services) funded by the Social Welfare Department ("SWD") under the Lump Sum Grant ("LSG") Subvention System. 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 such as depreciation, provisions and accruals have not been included in the AFR.

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

This represents LSG (excluding Provident Fund) received for the year.

	<u>2022/23</u> HK\$	<u>2021/22</u> HK\$
LSG received for the year	619,435,909.00	601,879,234.00

**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.

The Provident Fund received and contributed for staff under the Central Items which are separately included as part of the income and expenditure of the relevant items have been shown under Note 3.

Details are analysed below:

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u> HK\$	<u>6.8% &amp; Other Posts</u> HK\$	<u>Total</u> HK\$
Subvention received	8,151,472.00	37,654,736.00	45,806,208.00
Provident Fund contribution paid during the year	(6,547,438.91)	(36,645,997.18)	(43,193,436.09)
Surplus for the year	1,604,033.09	1,008,738.82	2,612,771.91
Add: Surplus b/f from previous year	2,008,607.53	28,249,903.54	30,258,511.07
Add: Additional subvention received for previous years	-	-	-
Less : Refund to Government	(545,606.00)	-	(545,606.00)
Surplus c/f	3,067,034.62	29,258,642.36	32,325,676.98

**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 01/04/2022 TO 31/03/2023**

**3. Central Items**

These are subsidies allocated to Non-Governmental Organizations ("NGOs") for specified purposes on a recurrent, time-limited or one-off basis which are not included in LSG and are subject to their own procedures as set out in other SWD's papers and correspondence with the NGOs. Any surplus, which is not allowed to be offset by any deficit of another item, is subject to claw-back by SWD according to the terms and conditions of individual central items. 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 the LSG Manual). The income and expenditure of each of the Central Items are as follows:

	<u>2022/23</u> HK\$	<u>2021/22</u> HK\$
<b>Income</b>		
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	30,000.00
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy Programmes of The Hong Kong Polytechnic University	-	1,920,000.00
Training Sponsorship Scheme for Bachelor of Science (Hons) in Occupational Therapy Programme of Tung Wah College	-	300,000.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	4,109,274.00	6,659,427.00
Subsidy for Enhanced Support for Ethnic Minority Children in Special Child Care Centres and Early Education and Training Centres (2021/22 School Year)	-	1,000,000.00
Subsidy for Enhanced Support for Ethnic Minority Children in Special Child Care Centres and Early Education and Training Centres (2022/23 School Year)	1,160,000.00	-
One-off Subsidy for Strengthened Provision of Visiting Medical Practitioner Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	-	3,705,000.00
Time-defined Service Contract of Social Work Service for Pre-primary Institutions (Phase 1)		
- Allocation	2,579,300.00	-
- Rent and Rates	-	-
Time-defined Service Contract of Social Work Service for Pre-primary Institutions (Phase 3)		
- Allocation	2,579,300.00	-
- Rent and Rates	-	-
<b>Total</b>	<u>10,427,874.00</u>	<u>13,614,427.00</u>
<b>Expenditure</b>		
Training Subsidy Scheme under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	60,000.00
Training Sponsorship for Master in Occupational Therapy and Physiotherapy Programmes	2,080,000.00	1,120,000.00
Training Sponsorship Scheme for Bachelor of Science (Hons) in Occupational Therapy Programme of Tung Wah College	280,292.00	-
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	6,128,244.06	6,385,255.00
Subsidy for Enhanced Support for Ethnic Minority Children in Special Child Care Centres and Early Education and Training Centres (2020/21 School Year)	-	999,382.86
Subsidy for Enhanced Support for Ethnic Minority Children in Special Child Care Centres and Early Education and Training Centres (2021/22 School Year)	671,596.79	48,037.60

**NOTES TO ANNUAL FINANCIAL REPORT**  
**FOR THE PERIOD FROM 01/04/2022 TO 31/03/2023**

**3. Central Items (continued)**

	<u>2022/23</u> HK\$	<u>2021/22</u> HK\$
Subsidy for Enhanced Support for Ethnic Minority Children in Special Child Care Centres and Early Education and Training Centres (2022/23 School Year)	188,666.66	-
Additional VMP from 16.3.22 to 15.6.22 for against COVID-19 Officer Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	425,233.00	33,100.00
Time-defined Service Contract of Social Work Service for Pre-primary Institutions (Phase 1)		
- Allocation	2,325,036.07	-
- Rent and Rates	146,684.87	-
Time-defined Service Contract of Social Work Service for Pre-primary Institutions (Phase 3)		
- Allocation	2,286,942.04	-
- Rent and Rates	146,684.89	-
<b>Total</b>	<u><u>14,679,380.38</u></u>	<u><u>8,645,775.46</u></u>

**4. Rent and Rates**

This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditure on rent and rates in respect of premises not recognised by SWD have not been included in AFR.

	<u>2022/23</u> HK\$	<u>2021/22</u> HK\$
Rent and Rates received for the year	<u><u>24,686,196.00</u></u>	<u><u>18,472,335.00</u></u>

**5. Other Income**

This includes programme income and all income other than recognised 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 of the FSA services / FSA-related activities reflected in the AFR.

The breakdown on Other Income is as follows:

	<u>2022/23</u> HK\$	<u>2021/22</u> HK\$
(a) Programme income	898,826.50	656,549.68
(b) Production income	2,231,048.62	2,196,540.90
(c) Donation	13,400.00	-
(d) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	290,366.90	330,743.79
(e) Miscellaneous Income	164,760.00	20,480.00
	<u><u>3,598,402.02</u></u>	<u><u>3,204,314.37</u></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.	48	35,640,462.87
HK\$800,001 - HK\$900,000 p.a.	23	19,545,148.95
HK\$900,001 - HK\$1,000,000 p.a.	15	14,367,269.30
HK\$1,000,001 - HK\$1,100,000 p.a.	26	25,951,591.57
HK\$1,100,001 - HK\$1,200,000 p.a.	6	6,918,992.53
>HK\$1,200,000 p.a.	16	22,539,020.11

7. **Other Charges**

The breakdown on Other Charges is as follows:

	<u>2022/23</u> HK\$	<u>2021/22</u> HK\$
<u>Other Charges</u>		
Utilities	9,869,191.30	8,592,077.15
Food	15,696,870.58	14,301,028.84
Administrative Expenses	8,084,725.09	7,393,626.50
Stores and Equipment	2,257,353.02	2,363,504.55
Minor Purchases, Repair and Maintenance	11,351,016.01	8,019,895.55
Transportation and Travelling	2,903,345.75	2,969,377.33
Programme Expenses	58,377,239.01	58,667,375.07
Incentive Payment	4,518,144.00	4,850,189.00
Insurance	5,740,048.37	6,209,882.73
Miscellaneous	11,908,605.28	12,490,304.49
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Total	130,706,538.41	125,857,261.21
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**NOTES TO ANNUAL FINANCIAL REPORT**  
**FOR THE PERIOD FROM 01/04/2022 TO 31/03/2023**

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

	Lump Sum Grant (LSG) HK\$	Holding Account (HA) HK\$	Adjustment for Utilised allocation under ASCP/ ASCP(PC) - FWSS HK\$	Rent and Rates HK\$	Central Items HK\$	Total HK\$
<b>INCOME</b>						
Lump Sum Grant	665,242,117.00	-	-	-	-	665,242,117.00
Fee Income	28,435,373.36	-	-	-	-	28,435,373.36
Other Income#	3,598,402.02	-	-	-	-	3,598,402.02
Interest Received (Note (1))	4,018,814.96	-	-	-	-	4,018,814.96
Rent and Rates	-	-	-	24,686,196.00	-	24,686,196.00
Central Items	-	-	-	-	10,427,874.00	10,427,874.00
<b>Total Income</b>	<b>701,294,707.34</b>	<b>-</b>	<b>-</b>	<b>24,686,196.00</b>	<b>10,427,874.00</b>	<b>736,408,777.34</b>
<b>EXPENDITURE</b>						
Personal Emoluments	553,973,845.16	-	-	-	-	553,973,845.16
Other Charges	130,706,538.41	-	-	-	-	130,706,538.41
Rent and Rates	-	-	-	27,118,698.80	-	27,118,698.80
Central Items	-	-	-	-	14,679,380.38	14,679,380.38
<b>Total Expenditure</b>	<b>684,680,383.57</b>	<b>-</b>	<b>-</b>	<b>27,118,698.80</b>	<b>14,679,380.38</b>	<b>726,478,462.75</b>
<b>Surplus/(Deficit) for the year (Note (2))</b>	<b>16,614,323.77</b>	<b>-</b>	<b>-</b>	<b>(2,432,502.80)</b>	<b>(4,251,506.38)</b>	<b>9,930,314.59</b>
Less: Surplus of Provident Fund	(2,612,771.91)	-	-	-	-	(2,612,771.91)
<b>Surplus/(Deficit) b/f from previous year</b>	<b>14,001,551.86</b>	<b>-</b>	<b>-</b>	<b>(2,432,502.80)</b>	<b>(4,251,506.38)</b>	<b>7,317,542.68</b>
	141,136,219.57	60,434,683.93	-	(9,537,203.78)	3,547,890.45	195,581,590.17
Add : Adjustment	155,137,771.43	60,434,683.93	-	(11,969,706.58)	(703,615.93)	202,899,132.85
Add : Refund from Government	-	-	-	-	740,985.32	740,985.32
Less: Refund to Government	-	-	-	2,279,008.00	-	2,279,008.00
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))	-	-	-	(747,683.12)	(4,008,308.00)	(4,755,991.12)
Adjustment for utilised allocation under Enhanced ASCP / ASCP(PC) - FWSS* (over-estimated) / under-estimated in previous year(s)	-	-	-	-	-	-
<b>Surplus/(Deficit) c/f (Note (4))</b>	<b>155,137,771.43</b>	<b>60,434,683.93</b>	<b>-</b>	<b>(10,438,381.70)</b>	<b>(3,970,938.61)</b>	<b>201,163,135.05</b>
Shown as Current (Assets)/Liabilities	-	-	-	(10,438,381.70)	(3,970,938.61)	(14,409,320.31)
Shown as Funds and Reserves	155,137,771.43	60,434,683.93	-	-	-	215,572,455.36
	155,137,771.43	60,434,683.93	-	(10,438,381.70)	(3,970,938.61)	201,163,135.05

**Notes:**

# Including an amount HK\$0.00 being the utilised allocation under CI - ASCP / Enhanced ASCP / ASCP(PC) - FWSS\*

\* For those programmes which are regarded as FSA services / FSA-related activities only.

(1) Interest received on LSG (including HA) and Provident Fund reserves, rent and rates, Central Items are included as one item under LSG; and the item is considered as part of LSG reserve.

(2) Accumulated balance of LSG Surplus b/f from previous years (including all interest received in previous years (see (1) above) and the balance of HA should be separately reported as in the surplus b/f under LSG and HA respectively.

(3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule for Central Items.

(4) For NGOs without HA, separate disclosure of the movement of HA in their respective AFRs is not necessary. The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.

For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows:

(i) With Snapshot Staff (SS) [i.e. Position of SS as at 1st September being reported on the Agency Staff List submitted by NGO last year was greater than zero]

The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+ T2) excluding Provident Fund Contribution(K)) for the year.

(ii) Without SS [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year (which is regarded as Year 0) was zero]

For the next three years (Year 1 to Year 3), the level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution for the year.

From the fourth financial year (Year 4) onwards, the level of LSG cumulative reserve and HA reserve will be counted altogether and the combined reserve amount (i.e. S1+S2) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution (K)) for the year. In this regard, separate disclosure of the movement of HA in their respective AFRs is not necessary.

[For (4)(i) and (4)(ii) above, please also refer to SWD's letter under reference (11) in SED/S/109/1/10 of 4th April 2022.]

For any amount above the cap SWD would arrange the claw-back (including provisional in the following financial year) accordingly.