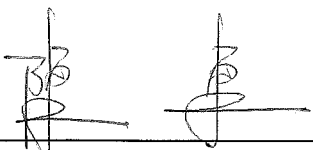


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ANNUAL FINANCIAL REPORT
1 APRIL 2015 TO 31 MARCH 2016

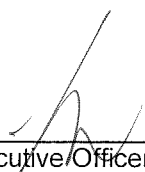
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	Notes	<u>Total</u> <u>2015-16</u>	<u>Total</u> <u>2014-15</u>
		\$	\$
A. INCOME			
1. Lump sum grant			
a. Lump sum grant (excluding provident fund)	1b	123,029,847.00	113,211,270.00
b. Provident fund	1c	10,492,426.00	9,946,704.00
2. Special One-off Grant		-	-
3. Fee income	2	14,437,073.60	14,442,930.50
4. Central items	3a	13,614,057.00	13,711,221.00
5. Rent and rates	4	7,583,779.00	7,448,637.00
6. Other income	5	4,192,012.00	3,958,676.60
7. Interest received		487,982.87	728,972.14
TOTAL INCOME		<u>173,837,177.47</u>	<u>163,448,411.24</u>
B. EXPENDITURE			
1. Personal emoluments			
a. Salaries		110,739,613.35	98,958,520.20
b. Provident fund	1c	8,601,076.59	7,330,785.06
c. Allowances		3,484,627.65	937,778.69
Sub-total	6	122,825,317.59	107,227,083.95
2. Other charges	7	24,936,889.03	23,661,606.05
3. Central items	3b	12,558,529.76	12,115,761.36
4. Rent and rates	4	7,822,489.11	7,768,961.14
5. Special One-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		<u>168,143,225.49</u>	<u>150,773,412.50</u>
C. SURPLUS FOR THE YEAR	8	<u>5,693,951.98</u>	<u>12,674,998.74</u>

Approved by the Board on 26 August, 2016



 Chairman



 Chief Executive Officer

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NOTES ON THE ANNUAL FINANCIAL REPORT
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1. Lump Sum Grant

a. Basis of preparation

The Annual Financial Report (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 like 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.

c. Provident Fund

This is Provident Fund received and contributed during the year.

Snapshot staff are defined as those staff occupying recongised or holding against subvented posts as at 1 April, 2000.

6.8% and other posts represent those staff that are employed after 1 April, 2000.

Please note that the PF 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% and Other Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention received	3,719,630.00	6,772,796.00	10,492,426.00
Provident fund contribution paid during the year	(3,551,981.88)	(5,049,094.71)	(8,601,076.59)
Surplus for the year	167,648.12	1,723,701.29	1,891,349.41
Add: Surplus b/f	273,579.86	17,290,450.97	17,564,030.83
Surplus c/f	441,227.98	19,014,152.26	19,455,380.24

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>2015-16</u>	<u>2014-15</u>
a. <u>Income</u>	\$	\$
Dementia Supplement for Residential Elderly Services	7,172,648.00	6,372,132.00
Infirmity Care Supplement for Residential Elderly Services	6,405,464.00	5,829,499.00
Programme Assistants/Care Assistants for Elderly Services	-	1,478,062.00
Time-defined Subsidy Scheme for Extended Hours Child Care Service	35,945.00	31,528.00
	<hr/>	<hr/>
Total	<u>13,614,057.00</u>	<u>13,711,221.00</u>
b. <u>Expenditure</u>	\$	\$
Dementia Supplement for Residential Elderly Services	6,478,179.06	5,858,546.67
Infirmity Care Supplement for Residential Elderly Services	6,086,058.96	4,940,992.98
Programme Assistants/Care Assistants for Elderly Services	(5,708.26)	1,243,902.75
Programme Workers	-	72,318.96
	<hr/>	<hr/>
Total	<u>12,558,529.76</u>	<u>12,115,761.36</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.

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.

6. Personal emoluments

Personal emoluments include salary, provident fund and salary-related allowances.
 The analysis on number of posts with annual Personal Emoluments over \$500,000 each is appended below:

<u>Analysis on Personal Emoluments:</u>	<u>No. of Posts</u>	<u>\$</u>
HK\$500,001 - HK\$600,000 p.a.	19	10,534,129.29
HK\$600,001 - HK\$700,000 p.a.	1	648,092.90
HK\$700,001 - HK\$800,000 p.a.	6	4,549,858.60
HK\$800,001 - HK\$900,000 p.a.	1	870,953.93
HK\$900,001 - HK\$1,000,000 p.a.	0	-
>HK\$1,000,000 p.a.	3	3,099,856.71

7. Other charges

The breakdown on Other Charges is as follows:

<u>Other charges</u>	<u>2015-16</u>	<u>2014-15</u>
	\$	\$
(a) Utilities	5,860,537.60	6,161,135.61
(b) Food	8,404,726.13	8,177,338.39
(c) Administrative expenses	1,088,957.47	862,965.65
(d) Stores and equipment	1,427,695.89	1,307,373.98
(e) Repair and maintenance	1,122,554.72	1,140,236.19
(f) Special allowances	331.50	-
(g) Programme expenses	3,642,856.23	2,699,199.24
(h) Transportation and travelling	228,711.96	261,837.52
(i) Insurance	1,070,202.61	1,417,868.08
(j) Miscellaneous	2,090,314.92	1,633,651.39
Total	<u>24,936,889.03</u>	<u>23,661,606.05</u>

7a. Special One-off Grant Payments

Details of Special One-off Grant Payments are as follows:

<u>Special One-off Grant Payments</u>	<u>2015-16</u>	<u>2014-15</u>
	\$	\$
(a) Voluntary Retirement scheme	-	-
(b) Compensation scheme	-	-
(c) Staff training & development	-	-
(d) Other staff-related initiatives	-	-
Total	<u>-</u>	<u>-</u>

NOTES ON THE ANNUAL FINANCIAL REPORT
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8. Analysis of Reserve Fund

	Analysis of Reserve Fund					Total \$
	Lump Sum Grant (LSG) \$	Special One-off Grant (SOG) \$	Rent and Rates \$	Central Items \$		
Income						
Lump Sum Grant	133,522,273.00	-	-	-	-	133,522,273.00
Special One-off Grant	-	-	-	-	-	-
Fee Income	14,437,073.60	-	-	-	-	14,437,073.60
Other Income	4,192,012.00	-	-	-	-	4,192,012.00
Interest Received (Note 1)	487,982.87	-	-	-	-	487,982.87
Rent and Rates	-	-	7,583,779.00	-	-	7,583,779.00
Central Items	-	-	-	13,614,057.00	-	13,614,057.00
Total Income (a)	152,639,341.47	-	7,583,779.00	13,614,057.00	-	173,837,177.47
Expenditure						
Personal Emoluments	122,825,317.59	-	-	-	-	122,825,317.59
Other Charges	24,936,889.03	-	-	-	-	24,936,889.03
Rent and Rates	-	-	7,822,489.11	-	-	7,822,489.11
Central Items	-	-	-	12,558,529.76	-	12,558,529.76
Special One-off Grant Payments	-	-	-	-	-	-
Total Expenditure (b)	147,762,206.62	-	7,822,489.11	12,558,529.76	-	168,143,225.49
Surplus/(Deficit) for the Year (a) - (b)	4,877,134.85	-	(238,710.11)	1,055,527.24	-	5,693,951.98
Less: Surplus/(Deficit) of Provident Fund	(1,891,349.41)	-	-	-	-	(1,891,349.41)
Surplus/(Deficit) b/f (Note 2)	2,985,785.44	-	(238,710.11)	1,055,527.24	-	3,802,602.57
	53,051,211.42	-	(516,781.28)	2,930,483.14	-	55,464,913.28
	56,036,996.86	-	(755,491.39)	3,986,010.38	-	59,267,515.85
Less: Refund to government (Note 3)	-	-	-	-	-	-
-Recovery Surplus of Rent & Rates	-	-	(51,431.96)	-	-	(51,431.96)
-Recovery Surplus of Central Item	-	-	-	(1,290,738.44)	-	(1,290,738.44)
Surplus/(Deficit) c/f (Note 4)	56,036,996.86	-	(806,923.35)	2,695,271.94	-	57,925,345.45

Notes: (1) All the interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant is included as one item under LSG; and the item is considered as part of LSG reserve.

(2) Accumulated balance Lump Sum Grant Surplus b/f from previous years and all interest received in previous years are included in the surplus b/f under LSG.

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

(4) The level of LSG cumulative reserves (i.e. Lump Sum Grant and Interest Received) will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for that year.

(5) The surplus brought forward includes accumulated lump sum grant reserve of \$28,600,250.93 as at 31/3/2007.