


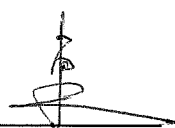
SIK SIK YUEN
ANNUAL FINANCIAL REPORT
1 APRIL 2016 TO 31 MARCH 2017

P.2

| | Notes | <u>Total</u> <u>2016-17</u> | <u>Total</u> <u>2015-16</u> |
|--|-------|--------------------------------|--------------------------------|
| | | \$ | \$ |
| A. INCOME | | | |
| 1. Lump sum grant | | | |
| a. Lump sum grant (excluding provident fund) | 1b | 129,195,786.00 | 123,029,847.00 |
| b. Provident fund | 1c | 10,904,777.00 | 10,492,426.00 |
| 2. Special One-off Grant | | - | - |
| 3. Fee income | 2 | 14,624,514.40 | 14,437,073.60 |
| 4. Central items | 3a | 13,719,412.00 | 13,614,057.00 |
| 5. Rent and rates | 4 | 8,173,439.00 | 7,583,779.00 |
| 6. Other income | 5 | 4,543,523.90 | 4,192,012.00 |
| 7. Interest received | | 414,910.34 | 487,982.87 |
| TOTAL INCOME | | <u>181,576,362.64</u> | <u>173,837,177.47</u> |
| B. EXPENDITURE | | | |
| 1. Personal emoluments | | | |
| a. Salaries | | 120,370,558.11 | 110,739,613.35 |
| b. Provident fund | 1c | 9,282,365.81 | 8,601,076.59 |
| c. Allowances | | 5,509,612.95 | 3,484,627.65 |
| Sub-total | 6 | 135,162,536.87 | 122,825,317.59 |
| 2. Other charges | 7 | 26,093,834.16 | 24,936,889.03 |
| 3. Central items | 3b | 13,811,123.36 | 12,558,529.76 |
| 4. Rent and rates | 4 | 8,619,549.14 | 7,822,489.11 |
| 5. Special One-off Grant Payments | 7a | - | - |
| TOTAL EXPENDITURE | | <u>183,687,043.53</u> | <u>168,143,225.49</u> |
| C. SURPLUS/(DEFICIT) FOR THE YEAR | 8 | <u>(2,110,680.89)</u> | <u>5,693,951.98</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.

Approved by the Board on 25 August, 2017

Mr. Chan Tung
Chairman



Ms. Sin Pik Shan
Chief Executive Officer

SIK SIK YUEN
NOTES ON THE ANNUAL FINANCIAL REPORT
1 APRIL, 2016 TO 31 MARCH, 2017

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 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.

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 1 April, 2000.

6.8% and other posts represent those staff that are employed after 1 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> | <u>6.8% and Other Posts</u> | <u>Total</u> |
|--|-----------------------|---------------------------------|----------------|
| | \$ | \$ | \$ |
| Subvention received | 3,725,320.00 | 7,179,457.00 | 10,904,777.00 |
| Provident fund contribution paid during the year | (3,494,729.98) | (5,787,635.83) | (9,282,365.81) |
| Surplus for the year | 230,590.02 | 1,391,821.17 | 1,622,411.19 |
| Add: Surplus b/f | 441,227.98 | 19,014,152.26 | 19,455,380.24 |
| Additional subvention received for previous year(s) | - | 89,672.00 | 89,672.00 |
| | 671,818.00 | 20,495,645.43 | 21,167,463.43 |
| Less: Refund to Government | (273,580.00) | - | (273,580.00) |
| Surplus c/f | 398,238.00 | 20,495,645.43 | 20,893,883.43 |

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.

SIK SIK YUEN
NOTES ON THE ANNUAL FINANCIAL REPORT
1 APRIL, 2016 TO 31 MARCH, 2017

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

| | <u>2016-17</u> | <u>2015-16</u> |
|--|----------------------|----------------------|
| | \$ | \$ |
| a. Income | | |
| Dementia Supplement for Residential Elderly Services | 7,536,542.00 | 7,172,648.00 |
| Infirmary Care Supplement for Residential Elderly Services | 6,160,913.00 | 6,405,464.00 |
| Time-defined Subsidy Scheme for Extended Hours Child Care Service | <u>21,957.00</u> | <u>35,945.00</u> |
| Total | <u>13,719,412.00</u> | <u>13,614,057.00</u> |
| b. Expenditure | | |
| Dementia Supplement for Residential Elderly Services | 7,379,028.86 | 6,478,179.06 |
| Infirmary Care Supplement for Residential Elderly Services | 6,432,094.50 | 6,086,058.96 |
| Programme Assistants/Care Assistants for Elderly Services | <u>-</u> | <u>(5,708.26)</u> |
| Total | <u>13,811,123.36</u> | <u>12,558,529.76</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 the AFR.

The breakdown on Other Income (paragraph 2.29 of LSG Manual (October 2016)) is as follows:

| | <u>2016-17</u> | <u>2015-16</u> |
|--|---------------------|---------------------|
| | \$ | \$ |
| (a) Fees and charged for services incidental to the operation of subvented services | 4,232,857.90 | 3,847,769.50 |
| (b) Others | <u>310,666.00</u> | <u>344,242.50</u> |
| | <u>4,543,523.90</u> | <u>4,192,012.00</u> |

SIK SIK YUEN
 NOTES ON THE ANNUAL FINANCIAL REPORT
 1 APRIL, 2016 TO 31 MARCH, 2017

P. 5

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>Analysis on Personal Emoluments:</u> | <u>No. of Posts</u> | <u>\$</u> |
|---|---------------------|--------------|
| HK\$700,001 - HK\$800,000 p.a. | 5 | 3,857,902.56 |
| HK\$800,001 - HK\$900,000 p.a. | 3 | 2,487,985.91 |
| HK\$900,001 - HK\$1,000,000 p.a. | 1 | 930,440.53 |
| HK\$1,000,001 - HK\$1,100,000 p.a. | 0 | - |
| HK\$1,100,001 - HK\$1,200,000 p.a. | 2 | 2,261,063.04 |
| >HK\$1,200,000 p.a. | 0 | - |

7. Other charges

The breakdown on Other Charges is as follows:

| <u>Other charges</u> | <u>2016-17</u> | <u>2015-16</u> |
|-----------------------------------|----------------------|----------------------|
| | \$ | \$ |
| (a) Utilities | 6,007,733.50 | 5,860,537.60 |
| (b) Food | 8,998,910.53 | 8,404,726.13 |
| (c) Administrative expenses | 1,234,966.20 | 1,088,957.47 |
| (d) Stores and equipment | 1,411,763.36 | 1,427,695.89 |
| (e) Repair and maintenance | 1,130,660.64 | 1,122,554.72 |
| (f) Special allowances | 1,007.25 | 331.50 |
| (g) Programme expenses | 3,930,766.87 | 3,642,856.23 |
| (h) Transportation and travelling | 224,108.99 | 228,711.96 |
| (i) Insurance | 1,314,260.75 | 1,070,202.61 |
| (j) Miscellaneous | 1,839,656.07 | 2,090,314.92 |
| Total | <u>26,093,834.16</u> | <u>24,936,889.03</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>2016-17</u> | <u>2015-16</u> |
|---------------------------------------|----------------|----------------|
| | \$ | \$ |
| (a) Voluntary Retirement scheme | - | - |
| (b) Compensation scheme | - | - |
| (c) Staff training and development | - | - |
| (d) Other staff-related initiatives | - | - |
| Total | <u>-</u> | <u>-</u> |

SIK SIK YUEN
 NOTES ON THE ANNUAL FINANCIAL REPORT
 1 APRIL, 2016 TO 31 MARCH, 2017

8. Analysis of Reserve Fund

| | Analysis of Reserve Fund | | | | |
|---|--------------------------|-----------------------------|---------------------|----------------------|-----------------------|
| | Lump Sum Grant (LSG) | Special One-off Grant (SOG) | Rent and Rates | Central Items | Total |
| Income | \$ | \$ | \$ | \$ | \$ |
| Lump Sum Grant | 140,100,563.00 | - | - | - | 140,100,563.00 |
| Special One-off Grant | - | - | - | - | - |
| Fee Income | 14,624,514.40 | - | - | - | 14,624,514.40 |
| Other Income | 4,543,523.90 | - | - | - | 4,543,523.90 |
| Interest Received (Note 1) | 414,910.34 | - | - | - | 414,910.34 |
| Rent and Rates | - | - | 8,173,439.00 | - | 8,173,439.00 |
| Central Items | - | - | - | 13,719,412.00 | 13,719,412.00 |
| Total Income (a) | 159,683,511.64 | - | 8,173,439.00 | 13,719,412.00 | 181,576,362.64 |
| Expenditure | | | | | |
| Personal Emoluments | 135,162,536.87 | - | - | - | 135,162,536.87 |
| Other Charges | 26,093,834.16 | - | - | - | 26,093,834.16 |
| Rent and Rates | - | - | 8,619,549.14 | - | 8,619,549.14 |
| Central Items | - | - | - | 13,811,123.36 | 13,811,123.36 |
| Special One-off Grant Payments | - | - | - | - | - |
| Total Expenditure (b) | 161,256,371.03 | - | 8,619,549.14 | 13,811,123.36 | 183,687,043.53 |
| Surplus/(Deficit) for the Year (a) - (b) | (1,572,859.39) | - | (446,110.14) | (91,711.36) | (2,110,680.89) |
| Less: Surplus/(Deficit) of Provident Fund | (1,622,411.19) | - | - | - | (1,622,411.19) |
| Adjustment (Note 6) | (3,195,270.56) | - | (446,110.14) | (91,711.36) | (3,733,092.08) |
| | (60.00) | - | 60.00 | - | - |
| Surplus/(Deficit) b/f (Note 2) | 56,036,996.86 | - | (806,923.35) | 2,695,271.94 | 57,925,345.45 |
| | 52,841,666.28 | - | (1,252,973.49) | 2,603,560.58 | 54,192,253.37 |
| Less: Refund to government (Note 3) | - | - | (1.36) | - | (1.36) |
| -Recovery Surplus of Rent & Rates | - | - | - | (327,708.64) | (327,708.64) |
| -Recovery Surplus of Central Item | - | - | - | - | - |
| Add: Back Payments of Rent & Rates | - | - | 655,413.00 | - | 655,413.00 |
| Surplus/(Deficit) c/f (Note 4) | 52,841,666.28 | - | (597,561.85) | 2,275,851.94 | 54,519,956.37 |

Notes: (1) All the interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant are 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 (including holding account) 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), less LSG Reserve kept in the holding account, will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.

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

(6) Details of adjustment as below:-

- Schedule of Rent & Rates (Annex 2), (Unit 5766) 2010-11 Carpark rent \$9,024 including \$60 expenses which was FSA item and adjustment was made to LSG reserve in 2016-17.