

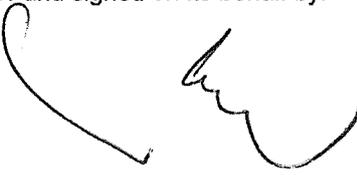
**SIK SIK YUEN**  
**ANNUAL FINANCIAL REPORT**  
**(LUMP SUM GRANT SERVICES)**  
**1 APRIL, 2020 TO 31 MARCH, 2021**

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	Notes	<u>Total</u> <u>2020-21</u>	<u>Total</u> <u>2019-20</u>
		\$	\$
<b>A. INCOME</b>			
1. Lump sum grant			
a. Lump sum grant (excluding provident func	1b	176,111,272.00	172,480,825.00
b. Provident fund	1c	13,131,570.00	13,239,115.00
2. Fee income	2	14,517,312.50	15,001,084.50
3. Central items	3a	18,417,807.00	17,985,351.00
4. Rent and rates	4	9,045,731.00	8,975,996.00
5. Other income	5	1,677,108.80	3,554,670.90
6. Interest received		582,910.39	1,406,564.62
<b>TOTAL INCOME</b>		<u>233,483,711.69</u>	<u>232,643,607.02</u>
<b>B. EXPENDITURE</b>			
1. Personal emoluments			
a. Salaries		157,411,456.57	152,594,717.02
b. Provident fund	1c	11,118,820.18	12,193,328.97
c. Allowances		<u>3,172,338.15</u>	<u>4,414,413.03</u>
Sub-total	6	171,702,614.90	169,202,459.02
2. Other charges	7	26,382,662.74	29,319,500.46
3. Central items	3b	18,392,374.60	17,011,162.38
4. Rent and rates	4	<u>9,021,072.24</u>	<u>9,123,934.14</u>
<b>TOTAL EXPENDITURE</b>		<u>225,498,724.48</u>	<u>224,657,056.00</u>
<b>C. SURPLUS/(DEFICIT) FOR THE YEAR</b>	8	<u>7,984,987.21</u>	<u>7,986,551.02</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 20 August, 2021 and signed on its behalf by:

 <hr style="width: 200px; margin: 0 auto;"/>	 <hr style="width: 200px; margin: 0 auto;"/>	 <hr style="width: 200px; margin: 0 auto;"/>
Mr. Ma Chak Wa Chairman	Mr. Chan Chant Fai Director	Ms. Sin Pik Shan Chief Executive Officer

**SIK SIK YUEN**  
**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 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 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 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.

The Provident Fund received and contributed for staff under the Central Items have been shown under Note 3.

Details are analysed below:

<b><u>Provident fund contribution</u></b>	<b><u>Snapshot Staff</u></b>	<b><u>6.8% and Other Posts</u></b>	<b><u>Total</u></b>
	\$	\$	\$
Subvention received	2,786,434.00	10,345,136.00	13,131,570.00
Provident fund contribution paid during the year	(2,426,948.76)	(8,691,871.42)	(11,118,820.18)
Surplus for the year	359,485.24	1,653,264.58	2,012,749.82
Add: Surplus b/f	172,055.70	26,118,399.55	26,290,455.25
Additional subvention received for previous year(s)	-	54,158.00	54,158.00
	531,540.94	27,825,822.13	28,357,363.07
Less: Refund to Government	73,077.00	196,973.00	270,050.00
Surplus c/f	458,463.94	27,628,849.13	28,087,313.07

**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 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>2020-21</u>	<u>2019-20</u>
	\$	\$
<b>a. <u>Income</u></b>		
Dementia Supplement for Residential Elderly Services	8,395,023.00	7,975,779.00
Infirmity Care Supplement for Residential Elderly Services	8,566,380.00	7,596,036.00
Time-defined Subsidy Scheme for		
Extended Hours Child Care Service	10,978.00	10,978.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	1,445,426.00	1,445,426.00
Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infectious Agent	-	957,132.00
<b>Total</b>	<u>18,417,807.00</u>	<u>17,985,351.00</u>
<b>b. <u>Expenditure</u></b>		
Dementia Supplement for Residential Elderly Services	8,387,371.71	8,019,287.54
Infirmity Care Supplement for Residential Elderly Services	8,559,674.84	7,551,223.06
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	1,445,328.05	1,440,651.78
<b>Total</b>	<u>18,392,374.60</u>	<u>17,011,162.38</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. In this respect, donations have been included if it is used to finance expenditure reflected in the AFR.

The breakdown on Other Income is as follows:

	<u>2020-21</u>	<u>2019-20</u>
	\$	\$
<b><u>Other income</u></b>		
(a) Fees and charged for services incidental to the operation of subvented services	1,278,669.30	3,345,667.70
(b) Subsidy from Central Items (CI) - After School Care Programme (ASCP) /	-	-
(c) Others	398,439.50	209,003.20
Sub-Total	<u>1,677,108.80</u>	<u>3,554,670.90</u>
Less: Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS which forms as part of Other Income	-	-
<b>Total</b>	<u>1,677,108.80</u>	<u>3,554,670.90</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>Analysis on Personal Emoluments paid under LSG:</u>	<u>No. of Posts</u>	<u>\$</u>
HK\$700,001 - HK\$800,000 p.a.	12	9,061,850.76
HK\$800,001 - HK\$900,000 p.a.	2	1,702,140.62
HK\$900,001 - HK\$1,000,000 p.a.	2	1,882,195.37
HK\$1,000,001 - HK\$1,100,000 p.a.	4	4,093,256.08
HK\$1,100,001 - HK\$1,200,000 p.a.	0	-
>HK\$1,200,000 p.a.	1	1,247,391.16

**7. Other charges**

The breakdown on Other Charges is as follows:

<u>Other charges</u>	<u>2020-21</u>	<u>2019-20</u>
	<u>\$</u>	<u>\$</u>
(a) Utilities	5,630,285.83	6,383,317.41
(b) Food	9,331,187.63	8,986,847.79
(c) Administrative expenses	1,637,439.44	1,803,741.92
(d) Stores and equipment	1,487,705.59	1,464,214.82
(e) Repair and maintenance	1,779,751.80	2,046,738.56
(f) Special allowances	-	276.70
(g) Programme expenses	1,325,412.18	3,719,030.44
(h) Transportation and travelling	142,660.21	214,701.54
(i) Insurance	1,283,223.64	1,613,062.41
(j) Miscellaneous	3,764,996.42	3,087,568.87
Sub-Total	<u>26,382,662.74</u>	<u>29,319,500.46</u>
Less: Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS which forms as part of Other Income to fund the operating of FSA-related activities	-	-
Total	<u><u>26,382,662.74</u></u>	<u><u>29,319,500.46</u></u>

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

	Lump Sum Grant (LSG)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP - FWSS	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$
<b>Income</b>					
Lump Sum Grant	189,242,842.00	-	-	-	189,242,842.00
Fee Income	14,517,312.50	-	-	-	14,517,312.50
Other income	1,677,108.80	-	-	-	1,677,108.80
Interest Received (Note 1)	582,910.39	-	-	-	582,910.39
Rent and Rates	-	-	9,045,731.00	-	9,045,731.00
Central Items	-	-	-	18,417,807.00	18,417,807.00
<b>Total Income (a)</b>	<b>206,020,173.69</b>	<b>-</b>	<b>9,045,731.00</b>	<b>18,417,807.00</b>	<b>233,483,711.69</b>
<b>Expenditure</b>					
Personal Emoluments	171,702,614.90	-	-	-	171,702,614.90
Other Charges	26,382,662.74	-	-	-	26,382,662.74
Rent and Rates	-	-	9,021,072.24	-	9,021,072.24
Central Items	-	-	-	18,392,374.60	18,392,374.60
<b>Total Expenditure (b)</b>	<b>198,085,277.64</b>	<b>-</b>	<b>9,021,072.24</b>	<b>18,392,374.60</b>	<b>225,498,724.48</b>
<b>Surplus/(Deficit) for the Year (a) - (b)</b>	<b>7,934,896.05</b>	<b>-</b>	<b>24,658.76</b>	<b>25,432.40</b>	<b>7,984,987.21</b>
Less: Surplus of Provident Fund	(2,012,749.82)	-	-	-	(2,012,749.82)
	5,922,146.23	-	24,658.76	25,432.40	5,972,237.39
Adjustment (Note 6)	-	-	1,100.00	-	1,100.00
<b>Surplus/(Deficit) b/f (Note 2)</b>	<b>55,390,875.12</b>	<b>-</b>	<b>(147,929.79)</b>	<b>941,542.66</b>	<b>56,184,487.99</b>
	61,313,021.35	-	(122,171.03)	966,975.06	62,157,825.38
Add: Refund from Government	-	-	209,629.00	86,172.20	295,801.20
Less: Refund to Government	-	-	(61,690.84)	(1,060,360.82)	(1,122,051.66)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement (Note 3)	-	-	-	-	-
Adjustment for utilised allocation under Enhanced ASCP - FWSS (over-estimated) / under-estimated in previous year(s)	-	-	-	-	-
<b>Surplus/(Deficit) c/f (Note 4)</b>	<b>61,313,021.35</b>	<b>-</b>	<b>25,767.13</b>	<b>(7,213.56)</b>	<b>61,331,574.92</b>

- Notes: (1) Interest received on LSG 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 holding account) and all interest received in previous years should be 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 Supplement, 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) Adjustment for Rates Concession (Ho On-Unit 4976) for the period of 2019-2020.