


ANNUAL FINANCIAL REPORT
HONG KONG PLAYGROUND ASSOCIATION
1 APRIL 2023 TO 31 MARCH 2024


| | Notes | 2023-24 \$ | 2022-23 \$ |
|--|-------|-----------------------|-----------------------|
| A. INCOME | | | |
| 1. Lump Sum Grant | | | |
| a. Lump Sum Grant (excluding Provident Fund) | 1b | 103,311,909.00 | 99,063,938.00 |
| b. Provident Fund | 1c | 10,396,786.00 | 10,523,767.00 |
| 2. Fee Income | 2 | - | - |
| 3. Central Items | 3 | 254,232.00 | 249,282.00 |
| 4. Rent and Rates | 4 | 3,537,976.00 | 3,537,976.00 |
| 5. Other Income | 5 | 20,035,368.99 | 21,600,951.38 |
| 6. Interest Received | | 1,044,012.05 | 95,852.46 |
| TOTAL INCOME | | 138,580,284.04 | 135,071,766.84 |
| B. EXPENDITURE | | | |
| 1. Personal Emoluments | | | |
| a. Salaries | | 93,011,741.37 | 85,869,484.50 |
| b. Provident Fund | 1c | 8,914,057.92 | 9,170,019.36 |
| c. Allowances | | 216,818.34 | 648,596.65 |
| Sub-total | 6 | 102,142,617.63 | 95,688,100.51 |
| 2. Other Charges | 7 | 29,018,114.33 | 21,817,159.16 |
| 3. Central Items | 3 | 255,466.00 | 257,467.00 |
| 4. Rent and Rates | 4 | 4,100,620.60 | 4,006,048.49 |
| TOTAL EXPENDITURE | | 135,516,818.56 | 121,768,775.16 |
| C. SURPLUS FOR THE YEAR | 8 | 3,063,465.48 | 13,302,991.68 |

The Annual Financial Report from pages 3 to 7 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

Approved by the Executive Committee on 28 June, 2024



 Chairman



 Executive Director

Remarks:

Income of Rent & Rates in current year does not account for the reimbursement of Rent & Rates underprovided in prior year. R&R reimbursement will only be released for recognized premises after the relevant claims and sufficient supporting documents are duly submitted by the NGO and vetted by SWD. Back-payments of R&R for prior years are shown as a separate item after "Surplus/deficit b/f in Note 8 to the AFR.

| | 2023-24 \$ | 2022-23 \$ |
|---|---------------------|----------------------|
| Surplus for the year before reimbursement of Rent & Rates | 3,063,465.48 | 13,302,991.68 |
| Add: Projected reimbursable deficit for Rent & Rates (Note 8) | 562,644.60 | 468,072.49 |
| | 3,626,110.08 | 13,771,064.17 |

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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 Lumpsum 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 LSG (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 which are separately included as part of the income and expenditure of the relevant disclosures have been shown under Note 3.
 Details are analysed below:

| | Snapshot Staff | 6.8% and Other Posts | 2023-24 Total |
|---|---------------------|----------------------------|----------------------|
| <u>Provident Fund Contribution</u> | \$ | \$ | \$ |
| Subvention Received | 5,740,987.00 | 4,655,799.00 | 10,396,786.00 |
| Provident Fund Contribution Paid during the Year | (5,182,257.30) | (3,731,800.62) | (8,914,057.92) |
| Surplus for the Year | 558,729.70 | 923,998.38 | 1,482,728.08 |
| Add : Surplus brought forward | 1,539,733.89 | 9,482,821.82 | 11,022,555.71 |
| Add : Additional PF for 6.8% posts for 2021/22 or before per SWD Ref: SWD/S/102/1(2023) on 22/3/2023 | - | 196,385.00 | 196,385.00 |
| Less: Refund to Government Recovery of surplus in 2021/22 for Snapshot Staff per SWD Ref: SWD/S/102/1(2023) on 22/3/2023 | (753,493.00) | - | (753,493.00) |
| Surplus c/f | <u>1,344,970.59</u> | <u>10,603,205.20</u> | <u>11,948,175.79</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 LSG Manual.

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- 3. Central Items** These are subvented service activities 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 NGO.

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:

| | 2023-24 | 2022-23 |
|------------------------------|-------------------|-------------------|
| a. <u>Income</u> | \$ | \$ |
| After School Care Programme | 254,232.00 | 249,282.00 |
| Total | <u>254,232.00</u> | <u>249,282.00</u> |
| b. <u>Expenditure</u> | | |
| After School Care Programme | 255,466.00 | 257,467.00 |
| Total | <u>255,466.00</u> | <u>257,467.00</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. In this respect, donations should be 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:

| | 2023-24 | 2022-23 |
|---|----------------------|----------------------|
| Other income | \$ | \$ |
| (a) Programme income | 7,300,850.56 | 8,677,858.81 |
| (b) Production income | - | - |
| (c) Donation | 104,836.00 | 251,984.00 |
| (d) Income from Other Activities | 12,492,888.50 | 12,457,314.70 |
| (e) Utilised allocation under Central Items (CI). After School Care Programme (ASCP)/ Enhanced ASCP/ASCP(PC)-Fee Waiving Subsidy Scheme (FWSS)* which forms as part of Other Income | 255,466.00 | 257,467.00 |
| (f) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received | - | - |
| (g) Miscellaneous income | 136,793.93 | 213,793.87 |
| Sub-Total | 20,290,834.99 | 21,858,418.38 |
| Less: Utilised allocation under CI: ASCP/ Enhanced ASCP/ASCP(PC)-FWSS which forms as part of Other Income* | (255,466.00) | (257,467.00) |
| Total | <u>20,035,368.99</u> | <u>21,600,951.38</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:

| | | 2023-24 |
|------------------------------------|--------------|----------------------|
| Analysis of Personal Emoluments | No. of Posts | \$ |
| paid under LSG | | |
| HK\$700,001 - HK\$800,000 p.a. | 7 | 5,391,313.75 |
| HK\$800,001 - HK\$900,000 p.a. | 6 | 4,974,886.90 |
| HK\$900,001 - HK\$1,000,000 p.a. | 2 | 1,941,631.25 |
| HK\$1,000,001 - HK\$1,100,000 p.a. | 18 | 19,256,596.80 |
| HK\$1,100,001 - HK\$1,200,000 p.a. | 2 | 2,231,598.00 |
| >HK\$1,200,000 p.a. | 2 | 3,068,378.25 |
| | <u>37</u> | <u>36,864,404.95</u> |

7. • Other Charges

The breakdown on Other Charges is as follows:

| | 2023-24 | 2022-23 |
|-----------------------------------|----------------------|----------------------|
| Other Charges | \$ | \$ |
| (a) Utilities | 1,835,883.04 | 1,534,164.71 |
| (b) Food • | - | - |
| (c) Administrative Expenses | 750,500.92 | 765,815.28 |
| (d) Stores and Equipment • | 1,281,433.62 | 1,220,597.14 |
| (e) Repairs & Maintenance • | 501,021.63 | 1,183,656.09 |
| (f) Special Allowances • | - | - |
| (g) Programme Expenses | 14,342,526.29 | 7,982,118.11 |
| (h) Transportation and Travelling | 268,757.92 | 260,868.94 |
| (i) Insurance | 460,819.50 | 464,458.58 |
| (j) Honorarium to Instructors | 8,922,585.95 | 8,241,896.88 |
| (k) Miscellaneous | 910,051.46 | 421,050.43 |
| Sub-Total | <u>29,273,580.33</u> | <u>22,074,626.16</u> |

Less: Utilised allocation under CI:ASCP/

Enhanced ASCP/ASCP(PC)-FWSS which

forms as part of Other Income

| | | |
|--------------|----------------------|----------------------|
| | (255,466.00) | (257,467.00) |
| Total | <u>29,018,114.33</u> | <u>21,817,159.16</u> |

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

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

| | Analysis of Reserve Fund | | | | | |
|--|--------------------------|----------------------|---|---------------------|-------------------|-----------------------|
| | Lump Sum Grant (LSG) | Holding Account (HA) | Adjustment for utilised allocation under ASCP | Rent and Rates | Central Items | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Income | | | | | | |
| Lump Sum Grant | 113,708,695.00 | - | - | - | - | 113,708,695.00 |
| Fee Income | - | - | - | - | - | - |
| Other Income | 20,290,834.99 | - | (255,466.00) | - | - | 20,035,368.99 |
| Interest Received (Note (1)) | 1,044,012.05 | - | - | - | - | 1,044,012.05 |
| Rent and Rates | - | - | - | 3,537,976.00 | - | 3,537,976.00 |
| Central Items | - | - | - | - | 254,232.00 | 254,232.00 |
| Total Income (a) | 135,043,542.04 | - | (255,466.00) | 3,537,976.00 | 254,232.00 | 138,580,284.04 |
| Expenditure | | | | | | |
| Personal Emoluments | 102,142,617.63 | - | - | - | - | 102,142,617.63 |
| Other Charges | 29,273,580.33 | - | (255,466.00) | - | - | 29,018,114.33 |
| Rent and Rates | - | - | - | 4,100,620.60 | - | 4,100,620.60 |
| Central Items | - | - | - | - | 255,466.00 | 255,466.00 |
| Total Expenditure (b) | 131,416,197.96 | - | (255,466.00) | 4,100,620.60 | 255,466.00 | 135,516,818.56 |
| Surplus/(Deficit) for the year (a) - (b) | 3,627,344.08 | - | - | (562,644.60) | (1,234.00) | 3,063,465.48 |
| <u>Less:</u> (Surplus)/Deficit of Provident Fund | <u>(1,482,728.08)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,482,728.08)</u> |
| | 2,144,616.00 | - | - | (562,644.60) | (1,234.00) | 1,580,737.40 |
| Surplus/(Deficit) b/f (Note (2)) | 26,370,815.46 | 3,018,097.49 | - | (445,353.50) | 93,542.76 | 29,037,102.21 |
| | 28,515,431.46 | 3,018,097.49 | - | (1,007,998.10) | 92,308.76 | 30,617,839.61 |
| <u>Add:</u> Refund from Government | | | | | | |
| Backpayment of Rent & Rates for 2022/23 | - | - | - | 520,273.00 | - | 520,273.00 |
| <u>Less:</u> Refund to Government per SWD SF/SAS/4-35/2/78(352) on 30 Nov 2023 | <u>-</u> | <u>-</u> | <u>-</u> | <u>(74,443.74)</u> | <u>-</u> | <u>(74,443.74)</u> |
| | | | | | | |
| Surplus/(Deficit) c/f (Note (4)) | 28,515,431.46 | 3,018,097.49 | - | (562,168.84) | 92,308.76 | 31,063,668.87 |

Notes:

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