



香港遊樂場協會 HONG KONG PLAYGROUND ASSOCIATION

HEADQUARTERS

11/F., SOUTHERN CENTRE, 130 HENNESSY ROAD, WANCHAI, HONG KONG.
TELEPHONE: 25733849 FAX: 28346007
E-mail Address: hq@hkpa.hk
Website: www.hkpa.hk

總辦事處：
香港灣仔軒尼詩道
130號修頓中心11樓
電話：
二五七三三八四九
圖文傳真：
二八三四六〇〇七
電郵地址：
hq@hkpa.hk
網址：
www.hkpa.hk

Our Ref.:

Your Ref.:

Patron 贊助人

The Hon Mrs. Carrie Lam Cheng Yuet-ngor,
GBM, GBS

The Chief Executive of the
Hong Kong Special Administrative Region
中華人民共和國香港特別行政區行政長官
林鄭月娥女士, 大紫荊勳章, GBS

Life Hon. President 永遠榮譽會長

Dr. F. K. Hu, GBM, CBE, FHKIE, JP
胡法光太平紳士

President 會長

Mr. Victor Hui Chun Fui, GBS, MBE, JP
許晉奎太平紳士

Managing Vice President 常務副會長

Dr. Lam Hoi Ham, LLD, JP
林海涵太平紳士

Vice-Presidents 副會長

Dr. Henry Hu, GBM, OBE, JP
胡鴻烈太平紳士

Mr. Howard Young, SBS, JP
楊孝華太平紳士

Mr. Herman Hu, SBS, JP
胡曉明太平紳士

Chairman 主席

Mr. Pang Sung Yuen, SBS, CSDSM
彭詢元先生

Vice-Chairman 副主席

Mr. Sin Yat Kin, SBS, CSDSM
單日堅先生

Hon. Treasurer 義務司庫

Mr. Arthur K. C. Li
李傑之先生

Hon. Legal Advisor 義務法律顧問:

Mr. Kong Churk Hoi Billy, BBS, MH, JP, LL M
江焯開太平紳士

Auditors 核數師:

Fan, Chan & Co.
范陳會計師行

Executive Director 總幹事:

Mr. Edward Leung, JP
梁偉權太平紳士

*** Future planning for utilization of the LSG Reserve to cover whenever future LSG deficits.**

**** Future planning for utilization of the PF Reserve to contribute higher percentage (i.e. from 5% to 8%) for MPF and related PF payment for LSG Subvented Staff.**

Announcement by :

Mr. Leung Wai Kuen
Executive Director
Date : 30 June 2021

HONG KONG PLAYGROUND ASSOCIATION

THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH, 2021

CONTENTS

	PAGE
REVIEW REPORT	1
INCOME AND EXPENDITURE ACCOUNT	2
NOTES TO THE ANNUAL FINANCIAL REPORT	3 - 6

范陳會計師行有限公司
FAN, CHAN & CO. LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG



**REVIEW REPORT ON THE ANNUAL FINANCIAL REPORT
TO THE EXECUTIVE COMMITTEE OF
HONG KONG PLAYGROUND ASSOCIATION**
(Incorporated in Hong Kong under Hong Kong Playground Association Ordinance)

We have audited the financial statements of Hong Kong Playground Association ("the Association") for the year ended 31 March, 2021 and have issued an unqualified auditor's report thereon dated 30 June, 2021.

We conducted our review of the attached Annual Financial Report on pages 2 to 6 of the Association for the year ended 31 March, 2021 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organisations" issued by the Hong Kong Institute of Certified Public Accountants. The review includes considering the procedures and records relevant to the preparation of the Annual Financial Report and performing procedures to satisfy ourselves that the Annual Financial Report has been properly prepared from the books and records of the Association, on which the above audited financial statements of the Association are based.

Review conclusions

On the basis of the results of our review and having regard to the audit procedures performed by us in relation to the audit of the financial statements of the Association for the year ended 31 March, 2021.

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Association; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Association has not :
 - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund and other social welfare subventions and expenditure in respect of Funding and Services Agreement activities and support services;
 - ii. kept separate Operating Income and Expenditure Account for each subvented service unit as required by the Lump Sum Grant Manual (LSG Manual) published by the Social Welfare Department of the Government of the HKSAR;
 - iii. prepared the Annual Financial Report in accordance with the format and requirements set out in LSG Manual; and
 - iv. employed the staff quoted in the Provident Fund arrangements during the year ended 31 March, 2021.

This report is intended for filing with the Social Welfare Department of the Government of the HKSAR and should not be used for any other purpose.

Fan, Chan & Co. Limited
Certified Public Accountants
Leung Kwong Kin
Practising Certificate Number: P03702
Hong Kong, 30 June, 2021

ANNUAL FINANCIAL REPORT
HONG KONG PLAYGROUND ASSOCIATION
1 APRIL 2020 TO 31 MARCH 2021

	Notes	2020-21 \$	2019-20 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	95,699,323.00	93,368,007
b. Provident Fund	1c	11,056,899.00	10,740,663
3. Fee Income	2	980.00	117,700
4. Central Items	3	71,424.00	32,400
5. Rent and Rates	4	3,451,732.00	3,431,410
6. Other Income	5	7,880,998.73	21,306,396
7. Interest Received		87,317.09	158,897
TOTAL INCOME		118,248,673.82	129,155,473
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		95,452,707.01	87,852,304
b. Provident Fund	1c	10,311,310.24	9,831,757
c. Allowances		218,400.00	208,185
Sub-total	6	105,982,417.25	97,892,246
2. Other Charges	7	9,188,316.76	21,597,602
3. Central Items	3	31,000.00	12,600
4. Rent and Rates	4	3,854,061.62	3,940,235
TOTAL EXPENDITURE		119,055,795.63	123,442,683
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	(807,121.81)	5,712,790

The Annual Financial Report from pages 2 to 6 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

Approved by the Executive Committee on 30 June 2021.



 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.

	2020-21 \$	2019-20 \$
Surplus/(Deficit) for the year before reimbursement of Rent & Rates	(807,121.81)	5,712,790
Add: Projected reimbursable deficit for Rent & Rates (Note 8)	402,329.62	508,825
Surplus/(Deficit) for the year after reimbursement of Rent & Rates	<u>(404,792.19)</u>	<u>6,221,615</u>

**NOTES ON THE ANNUAL FINANCIAL REPORT
HONG KONG PLAYGROUND ASSOCIATION
1 APRIL 2020 TO 31 MARCH 2021**

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 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	7,508,877.00	3,548,022.00	11,056,899.00
Provident Fund Contribution Paid during the Year	(7,173,204.67)	(3,138,105.57)	(10,311,310.24)
	<u>335,672.33</u>	<u>409,916.43</u>	<u>745,588.76</u>
Surplus for the Year	479,074.57	7,013,915.92	7,492,990.49
Add : Surplus brought forward	-	138,030.00	138,030.00
Add : Additional PF for 6.8% posts for 2018/19 or before per SWD Ref: SWD/S/102/1(2020) on 20/3/2020	-	-	-
Less: Refund to Government			
Transfer of Backpay Subvention for 2019/20 to General & Accumulated Fund (68) in SF/4-15/7(352) (Remarks)	(358,916.00)	(169,565.00)	(528,481.00)
Recovery of surplus in 2017/18 for Snapshot Staff per SWD Ref: SWD/S/102/1(2019) on 20/3/2019	(297,481.00)	-	(297,481.00)
Surplus c/f	<u>158,349.90</u>	<u>7,392,297.35</u>	<u>7,550,647.25</u>

Remarks:

The Backpay of Salary of \$4,295,348 & Provident Fund of \$528,481 was settled in May 2021.

NOTES ON THE ANNUAL FINANCIAL REPORT
HONG KONG PLAYGROUND ASSOCIATION
1 APRIL 2020 TO 31 MARCH 2021

- 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.
- 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 Agency. 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 3.14 of LSG Manual(October 2016)). The income and expenditure of each of the Central Items are as follows:

	2020-21	2019-20
a. <u>Income</u>	\$	\$
After School Care Programme	71,424	32,400
Total	71,424	32,400
b. <u>Expenditure</u>		
After School Care Programme	31,000	12,600
Total	31,000	12,600

- 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 have been included if it is used to finance expenditure reflected in the AFR. The breakdown on Other Income (paragraph 2.29 of LSG Manual (October 2016)) is as follows:

	2020-21	2019-20
	\$	\$
a. Fees and charges for services incidental to the operation of subvented services	7,880,998.73	24,717,601
b. Subsidy from Central Items (CI)		
After School Care Programme (ASCP)/ Enhanced ASCP-Fee Waiving Subsidy Scheme (FWSS)*	16,400.00	-
Less: Utilised allocation under CI-ASCP/ Enhanced ASCP-FWSS which forms as part of Other Income*	(16,400.00)	-
c. Others	-	-
Total	7,880,998.73	24,717,601

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

NOTES ON THE ANNUAL FINANCIAL REPORT
HONG KONG PLAYGROUND ASSOCIATION
1 APRIL 2020 TO 31 MARCH 2021

- 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:

Analysis of Personal Emoluments	No of Posts	\$
HK\$700,001 - HK\$800,000 p.a.	7	5,122,126.20
HK\$800,001 - HK\$900,000 p.a.	3	2,529,031.35
HK\$900,001 - HK\$1,000,000 p.a.	25	24,511,661.78
HK\$1,000,001 - HK\$1,100,000 p.a.	1	1,093,719.00
HK\$1,100,001 - HK\$1,200,000 p.a.	0	-
>HK\$1,200,000 p.a.	7	9,083,937.02
	<u>43</u>	<u>42,340,475.35</u>

7. Other Charges

The breakdown on Other Charges is as follows:

Other Charges	2020-21 \$	2019-20 \$
(a) Utilities	698,518.85	1,380,077
(b) Food	-	-
(c) Administrative Expenses	649,512.09	876,654
(d) Stores and Equipment	1,161,612.92	1,412,527
(e) Repairs & Maintenance	643,563.90	650,101
(f) Special Allowances	-	-
(g) Programme Expenses	2,579,188.56	6,761,840
(h) Transportation and Travelling	243,967.68	281,782
(i) Insurance	525,183.15	529,953
(j) Honorarium to Instructors	2,673,236.99	9,594,040
(k) Miscellaneous	29,932.62	110,628
Sub-Total	<u>9,204,716.76</u>	<u>21,597,602</u>
Less: Utilised allocation under CI-ASCP/ Enhanced ASCP-FWSS which forms as part of Other Income*	<u>(16,400.00)</u>	<u>-</u>
Total	<u><u>9,188,316.76</u></u>	<u><u>21,597,602</u></u>

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

**NOTES ON THE ANNUAL FINANCIAL REPORT
HONG KONG PLAYGROUND ASSOCIATION
1 APRIL 2020 TO 31 MARCH 2021**

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

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Adjustment for utilised allocation under ASCP	Rent and Rates	Central Items	Total
	\$		\$	\$	\$
Income					
Lump Sum Grant	106,756,222.00	-	-	-	106,756,222.00
Fee Income	980.00	-	-	-	980.00
Other Income	7,897,398.73	(16,400.00)	-	-	7,880,998.73
Interest Received (Note (1))	87,317.09	-	-	-	87,317.09
Rent and Rates	-	-	3,451,732.00	-	3,451,732.00
Central Items	-	-	-	71,424.00	71,424.00
Total Income (a)	114,741,917.82	(16,400.00)	3,451,732.00	71,424.00	118,248,673.82
Expenditure					
Personal Emoluments	105,982,417.25	-	-	-	105,982,417.25
Other Charges	9,204,716.76	(16,400.00)	-	-	9,188,316.76
Rent and Rates	-	-	3,854,061.62	-	3,854,061.62
Central Items	-	-	-	31,000.00	31,000.00
Total Expenditure (b)	115,187,134.01	(16,400.00)	3,854,061.62	31,000.00	119,055,795.63
Surplus/(Deficit) for the year (a) - (b)	(445,216.19)	-	(402,329.62)	40,424.00	(807,121.81)
Less: (Surplus)/Deficit of Provident Fund	(745,588.76)	-	-	-	(745,588.76)
Surplus/(Deficit) for the year	(1,190,804.95)	-	(402,329.62)	40,424.00	(1,552,710.57)
Add: Surplus/(Deficit) b/f	8,504,250.44	-	(514,815.21)	94,049.76	8,083,484.99
	7,313,445.49	-	(917,144.83)	134,473.76	6,530,774.42
<u>Add:</u> Refund from Government					
Backpayment of Rent & Rates for 2019/20	-	-	547,955.00	-	547,955.00
Less: Refund to Government per SWD SF/SAS/4-55/1(352)	-	-	(3,726.00)	-	(3,726.00)
Transfer of Backpay Subvention for 2019/20 to General & Accumulated Fund	(4,295,348.00)	-	-	-	(4,295,348.00)
Adjustment for utilised allocation under Enhanced ASCP-FWSS*(over-estimated)/under-estimated in previous years	-	-	-	-	-
Surplus/(Deficit) c/f (Note (3))	3,018,097.49	-	(372,915.83)	134,473.76	2,779,655.42

Notes:

- * For those programmes which are regarded as FSA-related activities only
- (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 for Central Items (Annex 1).
 - (4) The level of LSG cumulative reserve (i.e. S), less LSG Reserve kept in the holding account, will be capped at 25% of the NGO's operating expenditure (excluding Provident Fund expenditure) for the year.