



香港遊樂場協會  
HONG KONG PLAYGROUND ASSOCIATION

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**Our Ref.:**  
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**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, 大紫荊勳賢, GBS

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胡法光太平紳士

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彭詢元先生

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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 : 27 June 2019

**HONG KONG PLAYGROUND ASSOCIATION**

**THE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 MARCH, 2019**

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**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, 2019 and have issued an unqualified auditor's report thereon dated 27 June, 2019.

We conducted our review of the attached Annual Financial Report on pages 2 to 6 of the Association for the year ended 31 March, 2019 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, 2019.

- 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, 2019.

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, 27 June, 2019

**ANNUAL FINANCIAL REPORT**  
**HONG KONG PLAYGROUND ASSOCIATION**  
**1 APRIL 2018 TO 31 MARCH 2019**

	Notes	2018-19 \$	2017-18 \$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	86,781,054.00	83,246,080
b. Provident Fund	1c	10,460,122.00	10,122,924
3. Fee Income	2	170,270.00	189,960
4. Central Items	3	-	10,500
5. Rent and Rates	4	3,304,484.00	3,297,064
6. Other Income	5	24,717,600.54	23,161,965
7. Interest Received		157,868.95	77,781
<b>TOTAL INCOME</b>		<b>125,591,399.49</b>	<b>120,106,274</b>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		87,832,885.17	84,268,371
b. Provident Fund	1c	9,890,651.28	9,614,862
c. Allowances		212,540.00	195,600
<b>Sub-total</b>	6	<b>97,936,076.45</b>	<b>94,078,833</b>
2. Other Charges	7	23,619,452.30	22,294,783
3. Central Items	3	-	2,250
4. Rent and Rates	4	3,829,564.14	3,821,420
<b>TOTAL EXPENDITURE</b>		<b>125,385,092.89</b>	<b>120,197,286</b>
<b>C. SURPLUS/(DEFICIT) FOR THE YEAR</b>	8	<b>206,306.60</b>	<b>(91,012)</b>

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.

Remarks:

Income of Rent & Rates in current year does not account for the reimbursement of Rent & Rates underprovided in prior year. The reimbursement for current year will be made normally by the Social Welfare Department in next year and is restricted to transfer to Reserve Fund.

	2018-19 \$	2017-18 \$
Surplus/(Deficit) for the year before reimbursement of Rent & Rates	206,306.60	(91,012)
Add: Projected reimbursable deficit for Rent & Rates (Note 8)	525,080.14	524,356
Surplus/(Deficit) for the year after reimbursement of Rent & Rates	<u>731,386.74</u>	<u>433,344</u>

Approved by the Executive Committee on 27 June, 2019



Chairman



Executive Director

**NOTES ON THE ANNUAL FINANCIAL REPORT  
HONG KONG PLAYGROUND ASSOCIATION  
1 APRIL 2018 TO 31 MARCH 2019**

**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>	<b>Snapshot Staff \$</b>	<b>6.8% and Other Posts \$</b>	<b>Total \$</b>
Subvention Received	7,472,673.00	2,987,449.00	10,460,122.00
Provident Fund Contribution Paid during the Year	(7,175,192.50)	(2,715,458.78)	(9,890,651.28)
Surplus for the Year	297,480.50	271,990.22	569,470.72
Add : Surplus b/f	435,715.90	5,911,339.52	6,347,055.42
Add : Additional subvention received for previous year	-	88,049.00	88,049.00
Add : Transfer from PF 6.8% to PF Snapshot Staff per SWD Ref: SF/SAS/4-65/78 (352) III on 18/5/2018	168,259.00	(168,259.00)	-
Less: Refund to Government			
Recovery of surplus for Snapshot staff per SWD Ref: SWD/S/102/1(2018) on 21/3/2018	(250,851.00)	-	(250,851.00)
Recovery of surplus for Snapshot staff per SWD Ref: SF/SAS/4-65/78 (352) III on 18/5/2018	(93,362.00)	-	(93,362.00)
<b>Surplus c/f</b>	<u>557,242.40</u>	<u>6,103,119.74</u>	<u>6,660,362.14</u>

**NOTES ON THE ANNUAL FINANCIAL REPORT  
HONG KONG PLAYGROUND ASSOCIATION  
1 APRIL 2018 TO 31 MARCH 2019**

- 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:

	<b>2018-19</b>	<b>2017-18</b>
<b>a. <u>Income</u></b>	<b>\$</b>	<b>\$</b>
After School Care Programme	-	10,500
<b>Total</b>	-	10,500
 <b>b. <u>Expenditure</u></b>		
After School Care Programme	-	2,250
<b>Total</b>	-	2,250

- 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:

	<b>2018-19</b>	<b>2017-18</b>
<b>Other Income</b>	<b>\$</b>	<b>\$</b>
a. Fees and charges for services incidental to the operation of subvented services	24,717,600.54	23,161,965
b. Others	-	-
<b>Total</b>	24,717,600.54	23,161,965

**NOTES ON THE ANNUAL FINANCIAL REPORT**  
**HONG KONG PLAYGROUND ASSOCIATION**  
**1 APRIL 2018 TO 31 MARCH 2019**

- 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:

<b>Analysis of Personal Emoluments</b>	<b>No of Posts</b>	<b>\$</b>
HK\$700,001 - HK\$800,000 p.a.	4	2,878,983.00
HK\$800,001 - HK\$900,000 p.a.	2	1,738,196.00
HK\$900,001 - HK\$1,000,000 p.a.	24	23,684,940.00
HK\$1,000,001 - HK\$1,100,000 p.a.	0	-
HK\$1,100,001 - HK\$1,200,000 p.a.	8	9,273,600.00
>HK\$1,200,000 p.a.	1	1,697,400.00
	<u>39</u>	<u>39,273,119.00</u>

- 7. Other Charges**

The breakdown on Other Charges is as follows:

<b>Other Charges</b>	<b>2018-19</b>	<b>2017-18</b>
	<b>\$</b>	<b>\$</b>
(a) Utilities	1,309,509.09	1,353,757
(b) Food	-	-
(c) Administrative Expenses	773,077.43	792,862
(d) Stores and Equipment	1,250,859.62	1,289,424
(e) Repairs & Maintenance	417,500.21	594,150
(f) Special Allowances	-	-
(g) Programme Expenses	7,255,397.38	6,809,295
(h) Transportation and Travelling	263,269.50	305,663
(i) Insurance	594,312.91	325,258
(j) Honorarium to Instructors	11,549,913.55	10,710,163
(k) Miscellaneous	205,612.61	114,211
<b>Total</b>	<u>23,619,452.30</u>	<u>22,294,783</u>

**NOTES ON THE ANNUAL FINANCIAL REPORT**  
**HONG KONG PLAYGROUND ASSOCIATION**  
**1 APRIL 2018 TO 31 MARCH 2019**

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

	Analysis of Reserve Fund			
	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$
<b>Income</b>				
Lump Sum Grant	97,241,176.00	-	-	97,241,176.00
Fee Income	170,270.00	-	-	170,270.00
Other Income	24,717,600.54	-	-	24,717,600.54
Interest Received (Note (1))	157,868.95	-	-	157,868.95
Rent and Rates	-	3,304,484.00	-	3,304,484.00
Central Items	-	-	-	-
<b>Total Income (a)</b>	<b>122,286,915.49</b>	<b>3,304,484.00</b>	<b>-</b>	<b>125,591,399.49</b>
<b>Expenditure</b>				
Personal Emoluments	97,936,076.45	-	-	97,936,076.45
Other Charges	23,619,452.30	-	-	23,619,452.30
Rent and Rates	-	3,829,564.14	-	3,829,564.14
Central Items	-	-	-	-
<b>Total Expenditure (b)</b>	<b>121,555,528.75</b>	<b>3,829,564.14</b>	<b>-</b>	<b>125,385,092.89</b>
<b>Surplus/(Deficit) for the year (a) - (b)</b>	<b>731,386.74</b>	<b>(525,080.14)</b>	<b>-</b>	<b>206,306.60</b>
<u>Less:</u> (Surplus)/Deficit of Provident Fund	(569,470.72)	-	-	(569,470.72)
<b>Surplus/(Deficit) for the year</b>	<b>161,916.02</b>	<b>(525,080.14)</b>	<b>-</b>	<b>(363,164.12)</b>
<u>Add:</u> Surplus/(Deficit) b/f	3,119,189.17	(530,247.81)	71,248.76	2,660,190.12
	<b>3,281,105.19</b>	<b>(1,055,327.95)</b>	<b>71,248.76</b>	<b>2,297,026.00</b>
<u>Add:</u> Refund from Government				
Backpayment of Rent & Rates for 2017/18	-	524,189.00	-	524,189.00
Adjustment for Refund to Keep Clean HK per SWD Ref: SF/SAS/4-65/78 (352)III on 14/5/2018	74.00	-	-	74.00
Adjustment for Central Items understated per SWD Ref: SF/SAS/4-65/78(352)III on 14/5/2018	-	-	4,501.00	4,501.00
<u>Less:</u> Refund to Government				
Adjustment for Central Items per SWD Ref:SF/SAS/4-65/78(352)II on 14/5/2018	-	-	(1,500.00)	(1,500.00)
<u>Less:</u> Unrecognised Modernization Works	(69,837.90)	-	-	(69,837.90)
<b>Surplus/(Deficit) c/f (Note (3))</b>	<b>3,211,341.29</b>	<b>(531,138.95)</b>	<b>74,249.76</b>	<b>2,754,452.10</b>

**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 of 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 Programme Assistants, Care Assistants, Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule of Central Items (**Annex 1**).
- (4) The level of LSG cumulative reserve (i.e. S) will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.