

Our Ref.:
Your Ref.:

Patron 贊助人

The Honourable John KC LEE,
GBM, SBS, PDSM, PMSM
The Chief Executive
Hong Kong Special Administrative Region
People's Republic of China
中華人民共和國香港特別行政區行政長官
李家超先生, 大紫荊勳賢, SBS, PDSM, PMSM

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許晉奎, GBS, MBE, JP

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單日堅, SBS, CSDSM, JP

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Mr. Arthur K. C. Li
李傑之先生

Hon. Treasurer 義務司庫:

Ms. Fiona Lam
林靄欣女士

Hon. Legal Advisor 義務法律顧問:

Mr. Kong Churk Hoi Billy, BBS, MH, JP, LL M
江焯開, BBS, MH, JP, LL M

Auditors 核數師:

Fan, Chan & Co. Limited
范陳會計師行有限公司

Executive Director 總幹事:

Dr. Wan Lap Man
溫立文博士

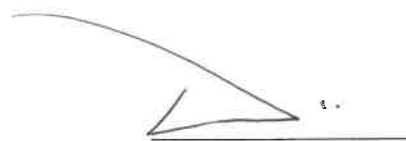
Utilization of LSG Reserve

Future planning on utilization of LSG Reserve included strengthening the agency's corporate governance and strategic development, enhancing central administrative management and supporting the professional development of staff. In addition, it is also planned to use the LSG Reserve to cover whatever future LSG deficits, especially arising from LSG subvention deductions of 2% and 3% in 2025/26 and 2026/27 respectively.

Utilization of PF Reserve

The existing policies for employer's provident fund contributions remain unchanged. They are subject to periodic review for future plans on utilization of the PF Reserve.

Announced by :



Dr. Wan Lap Man
Executive Director
Date : 28 June 2024

HONG KONG PLAYGROUND ASSOCIATION

THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH, 2024



**INDEPENDENT AUDITOR'S ASSURANCE 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, 2024 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have issued an unmodified auditor's report thereon dated 28 June, 2024.

Pursuant to the Lump Sum Grant ("LSG") Manual issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region ("SWD"), we have been requested to issue this assurance report in connection with the Annual Financial Report ("AFR") of the Association for the year ended 31 March, 2024.

Responsibilities of the Executive Committee

In relation to this report, the Executive Committee are responsible for ensuring the AFR of the Association for the year ended 31 March, 2024 is properly prepared in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD; and the use of the funds from the LSG by the Association has complied with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to form a conclusion, based on our engagement, and to report our conclusion to you.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information and with reference to Practice Note 851 (Revised), Reporting on the Annual Financial Reports of Non-governmental Organisations issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance for giving conclusion 1 and obtain limited assurance for giving conclusion 2 below.

The work undertaken in connection with this engagement is less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In relation to our conclusion 1 below, we have planned and performed such procedures as we considered necessary with reference to the procedures recommended in PN851 (Revised), to satisfy ourselves that the AFR has been properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.



**INDEPENDENT AUDITOR'S ASSURANCE 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)

Auditor's Responsibility (continued)

In relation to our conclusion 2 below, we have obtained an understanding in respect of the purposes of the use of the funds as specified in the LSG Manual and other instructions issued by the SWD and obtaining an understanding of the control procedures. We are not required to perform any procedures to search for instances of the use of funds from the LSG by the Association being non-complied with the specified purposes. Our work was limited to reporting non-compliances identified as a result of the procedures performed in relation to conclusion 2 and during the normal course of our work relating to conclusion 1. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Conclusions

1. In our opinion, the AFR of the Association for the year ended 31 March, 2024 is properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.
2. Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the use of the funds from the LSG by the Association has not complied, in all material respects, with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

Intended Users and Purpose

This report is intended solely for submission by the Association to the SWD and is not intended to be, and should not be, used for any other purpose. We agree that a copy of this report may be provided to the SWD without further comment from us.

Fan, Chan & Co. Limited
Certified Public Accountants
Leung Kwong Kin
Practising Certificate Number: P03702


Hong Kong, 28 June, 2024

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		<u>138,580,284.04</u>	<u>135,071,766.84</u>
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		<u>135,516,818.56</u>	<u>121,768,775.16</u>
C. SURPLUS FOR THE YEAR	8	<u>3,063,465.48</u>	<u>13,302,991.68</u>

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
	<u>3,626,110.08</u>	<u>13,771,064.17</u>

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

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:

<u>Provident Fund Contribution</u>	Snapshot Staff \$	6.8% and Other Posts \$	2023-24 Total \$
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.

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

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	<u>254,232.00</u>	<u>249,282.00</u>
Total	<u><u>254,232.00</u></u>	<u><u>249,282.00</u></u>
b. <u>Expenditure</u>		
After School Care Programme	<u>255,466.00</u>	<u>257,467.00</u>
Total	<u><u>255,466.00</u></u>	<u><u>257,467.00</u></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	<u>136,793.93</u>	<u>213,793.87</u>
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*	<u>(255,466.00)</u>	<u>(257,467.00)</u>
Total	<u><u>20,035,368.99</u></u>	<u><u>21,600,951.38</u></u>

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

- 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 paid under LSG	No. of Posts	2023-24 \$
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:

Other Charges	2023-24 \$	2022-23 \$
(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.

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

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	(1,482,728.08)	-	-	-	-	(1,482,728.08)
	2,144,616.00	-	-	(562,644.60)	(1,234.00)	1,580,737.40
Surplus/(Deficit) b/f (Note (2))	26,370,815.48	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	-	-	-	(74,443.74)	-	(74,443.74)
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.