



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, G B S

Life Hon. President 永遠榮譽會長

Dr. F. K. Hu, GBM, CBE, FHKIE, JP
胡法光博士太平紳士

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
林海涵博士太平紳士

Mr. Pang Sung Yuen, SBS, CSDSM
彭詢元先生

Vice-Presidents 副會長

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胡鴻烈博士太平紳士

Mr. Howard Young, SBS, JP
楊孝華太平紳士

Dr. Herman Hu, SBS, JP
胡曉明博士太平紳士

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Mr. Sin Yat Kin, SBS, CSDSM, JP
單日堅太平紳士

Vice-Chairman 副主席

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
江焯開太平紳士

Auditors 核數師:

Fan, Chan & Co. Limited
范陳會計師行有限公司

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 2022**

HONG KONG PLAYGROUND ASSOCIATION

THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH, 2022



**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, 2022 and have issued an unqualified auditor's report thereon dated 27 June, 2022.

We conducted our review of the attached Annual Financial Report on pages 2 to 6 of the Association for the year ended 31 March, 2022 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, 2022.

- 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, 2022.

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, 2022

ANNUAL FINANCIAL REPORT
HONG KONG PLAYGROUND ASSOCIATION
1 APRIL 2021 TO 31 MARCH 2022

	Notes	2021-22 \$	2020-21 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	96,787,674.00	95,699,323.00
b. Provident Fund	1c	10,624,006.00	11,056,899.00
2. Fee Income	2	-	980.00
3. Central Items	3	89,856.00	71,424.00
4. Rent and Rates	4	3,451,732.00	3,451,732.00
5. Other Income	5	18,162,618.54	7,880,998.73
6. Interest Received		11,619.02	87,317.09
TOTAL INCOME		129,127,505.56	118,248,673.82
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		87,593,449.86	95,452,707.01
b. Provident Fund	1c	8,724,941.18	10,311,310.24
c. Allowances		218,400.00	218,400.00
Sub-total	6	96,536,791.04	105,982,417.25
2. Other Charges	7	17,500,095.77	9,188,316.76
3. Central Items	3	122,602.00	31,000.00
4. Rent and Rates	4	3,811,675.09	3,854,061.62
TOTAL EXPENDITURE		117,971,163.90	119,055,795.63
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	11,156,341.66	(807,121.81)

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 27 June, 2022



 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.

	2021-22 \$	2020-21 \$
Surplus/(Deficit) for the year before reimbursement of Rent & Rates	11,156,341.66	(807,121.81)
Add: Projected reimbursable deficit for Rent & Rates (Note 8)	359,943.09	402,329.62
	<u>11,516,284.75</u>	<u>(404,792.19)</u>

NOTES ON THE ANNUAL FINANCIAL REPORT
HONG KONG PLAYGROUND ASSOCIATION
1 APRIL 2021 TO 31 MARCH 2022

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 Note 3. Details are analysed below:

<u>Provident Fund Contribution</u>	Snapshot Staff \$	6.8% and Other Posts \$	Total \$
Subvention Received	6,812,507.00	3,811,499.00	10,624,006.00
Provident Fund Contribution Paid during the Year	(6,059,014.30)	(2,665,926.88)	(8,724,941.18)
Surplus for the Year	753,492.70	1,145,572.12	1,899,064.82
Add : Surplus brought forward	158,349.90	7,392,297.35	7,550,647.25
Add : Additional PF for 6.8% posts for 2019/20 or before per SWD Ref: SWD/S/102/1(2021) on 22/3/2021	-	26,049.00	26,049.00
Less: Refund to Government			
Adjustment of Backpay Subvention for 2019/20 from General & Accumulated Fund (68) in SF/4-15/7(352) (Remarks)	358,916.00	169,565.00	528,481.00
Recovery of surplus in 2019/20 for Snapshot Staff per SWD Ref: SWD/S/102/1(2021) on 22/3/2021	(181,594.00)	-	(181,594.00)
Surplus c/f	<u>1,089,164.60</u>	<u>8,733,483.47</u>	<u>9,822,648.07</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 2021 TO 31 MARCH 2022

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 NGO. 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:

	2021-22	2020-21
a. <u>Income</u>	\$	\$
After School Care Programme	89,856	71,424
Total	89,856	71,424
b. <u>Expenditure</u>		
After School Care Programme	122,602	31,000
Total	122,602	31,000

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:

	2021-22	2020-21
Other income	\$	\$
a. Fees and charges for services incidental to the operation of subvented services	18,162,618.54	7,880,998.73
b. Utilised allocation under Central Items (CI) After School Care Programme (ASCP)/ Enhanced ASCP-Fee Waiving Subsidy Scheme (FWSS)* which forms as part of Other Income	122,602.00	16,400.00
c. Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	-	-
d. Others	-	-
	18,285,220.54	7,897,398.73
Less: Utilised allocation under CI-ASCP/ Enhanced ASCP-FWSS which forms as part of Other Income*	(122,602.00)	(16,400.00)
Total	18,162,618.54	7,880,998.73

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

NOTES ON THE ANNUAL FINANCIAL REPORT
HONG KONG PLAYGROUND ASSOCIATION
1 APRIL 2021 TO 31 MARCH 2022

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.	8	5,892,857.00
HK\$800,001 - HK\$900,000 p.a.	0	-
HK\$900,001 - HK\$1,000,000 p.a.	24	23,479,233.23
HK\$1,000,001 - HK\$1,100,000 p.a.	1	1,069,661.41
HK\$1,100,001 - HK\$1,200,000 p.a.	1	1,144,192.50
>HK\$1,200,000 p.a.	6	7,881,912.71
	<u>40</u>	<u>39,467,856.85</u>

7. Other Charges

The breakdown on Other Charges is as follows:

Other Charges	2021-22 \$	2020-21 \$
(a) Utilities	1,349,005.89	698,518.85
(b) Food	-	-
(c) Administrative Expenses	666,337.79	649,512.09
(d) Stores and Equipment	907,552.21	1,161,612.92
(e) Repairs & Maintenance	696,500.68	643,563.90
(f) Special Allowances	-	-
(g) Programme Expenses	4,788,472.86	2,579,188.56
(h) Transportation and Travelling	266,895.18	243,967.68
(i) Insurance	524,139.07	525,183.15
(j) Honorarium to Instructors	8,370,843.15	2,673,236.99
(k) Miscellaneous	<u>52,950.94</u>	<u>29,932.62</u>
Sub-Total	17,622,697.77	9,204,716.76
Less: Utilised allocation under CI-ASCP/ Enhanced ASCP-FWSS which forms as part of Other Income to fund the operating expenses of FSA-related activities*	<u>(122,602.00)</u>	<u>(16,400.00)</u>
Total	<u>17,500,095.77</u>	<u>9,188,316.76</u>

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

NOTES ON THE ANNUAL FINANCIAL REPORT
HONG KONG PLAYGROUND ASSOCIATION
1 APRIL 2021 TO 31 MARCH 2022

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	107,411,680.00	-	-	-	107,411,680.00
Fee Income	-	-	-	-	-
Other Income	18,285,220.54	(122,602.00)	-	-	18,162,618.54
Interest Received (Note (1))	11,619.02	-	-	-	11,619.02
Rent and Rates	-	-	3,451,732.00	-	3,451,732.00
Central Items	-	-	-	89,856.00	89,856.00
Total Income (a)	125,708,519.56	(122,602.00)	3,451,732.00	89,856.00	129,127,505.56
Expenditure					
Personal Emoluments	96,536,791.04	-	-	-	96,536,791.04
Other Charges	17,622,697.77	(122,602.00)	-	-	17,500,095.77
Rent and Rates	-	-	3,811,675.09	-	3,811,675.09
Central Items	-	-	-	122,602.00	122,602.00
Total Expenditure (b)	114,159,488.81	(122,602.00)	3,811,675.09	122,602.00	117,971,163.90
Surplus/(Deficit) for the year (a) - (b)	11,549,030.75	-	(359,943.09)	(32,746.00)	11,156,341.66
Less: (Surplus)/Deficit of Provident Fund	(1,899,064.82)	-	-	-	(1,899,064.82)
Surplus/(Deficit) for the year	9,649,965.93	-	(359,943.09)	(32,746.00)	9,257,276.84
Add: Surplus/(Deficit) b/f	3,018,097.49	-	(372,915.83)	134,473.76	2,779,655.42
	12,668,063.42	-	(732,858.92)	101,727.76	12,036,932.26
Add: Refund from Government					
Backpayment of Rent & Rates for 2020/21	-	-	449,212.00	-	449,212.00
Less: Refund to Government per SWD SF/SAS/4-35/2/78(352)	-	-	(80,686.28)	-	(80,686.28)
Adjustment of Backpay Subvention for 2019/20 from General & Accumulated Fund	4,295,348.00	-	-	-	4,295,348.00
		-	-	-	-
Surplus/(Deficit) c/f (Note (3))	16,963,411.42	-	(364,333.20)	101,727.76	16,700,805.98

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.