Appendix A

ANNUAL FINANCIAL REPORT

NGO : HONG KONG SOCIETY FOR THE PROTECTION OF CHILDREN

(1 APRIL 2024 TO 31 MARCH 2025)

	Notes	2024-25 $	2023-24 $
A. INCOME			
1 Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	121,168,261	108,699,308
b. Provident Fund	1c	7,470,929	6,791,183
2 Fee Income	2	685,846	616,480
3 Central Items	3	8,241,369	13,448,466
4 Rent and Rates	4	2,670,582	2,363,741
5 Others Income	5	6,279,256	5,622,574
6 Interest Received		1,630,161	1,490,375
TOTAL INCOME		148,146,404	139,032,127
B EXPENDITURE			
1 Personal Emoluments			
a. Salaries		123,009,659	104,587,346
b. Provident Fund	1c	5,130,025	4,682,389
c. Allowances		-	-
d. Long Service Payments		-	-
e. Severance Payments		-	-
f. Relief Workers		339,712	3,191,630
Sub-total	6	128,479,396	112,461,365
2 Other Charges	7	11,586,301	9,738,637
3 Central Items	3	7,024,543	10,914,139
4 Rent and Rates	4	2,636,452	2,644,426
TOTAL EXPENDITURE		149,726,692	135,758,567
C (DEFICIT)/SURPLUS FOR THE YEAR	8	(1,580,288)	3,273,560

The Annual Financial Report from pages 1 to 6 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Subvention Manual.

Mr Vincent Lee
CHAIRMAN

DATE : 27 OCT 2025

Mr William Yue
ACTING DIRECTOR

DATE : 27 OCT 2025

NOTES ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant (LSG)

a. Basis of preparation

The Annual Financial Report (AFR) is prepared in respect of all sevice defined in Funding and Service Agreement (FSA) (including support services to FSA activities) funded by the Social Welfare Department (SWD) under the Lump Sum Grant Subvention System and also FS/ services/ FSA-related activities funded by Other Funds or Donations for Designated Purposes. AFR is prepared **on cash basis**, that is, income is recognised upon receipt of cash and expenditu 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 Gran (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.
Other posts represent those staff that are employed after 1 April 2000.
The Provident Fund received and contributed for staff under the Central Items and Other Funds or Donations for Designated Purposes whick are separately included as part of the income and expenduture of the relevant disclosures hasv been shown under Note 3 and 8
Details are analysed below :

Provident Fund Contribution	**Snapshot Staff**	**6.8% and Other Posts**	**2024-25 Total**
	$	$	$
Subvention Received	144,327	7,459,118	7,603,445
Provident Fund Contribution Paid during the Year	(113,529)	(5,016,496)	(5,130,025)
Surplus/(Deficit) for the Year	30,798	2,442,622	2,473,420
Add : Surplus/(Deficit) b/f	207,807	15,267,909	15,475,716
Additional subvention received for previous year (s)	(209,411)	76,895	(132,516)
Less : Refund to Government	-	-	-
Surplus/(Deficit) c/f	29,194	17,787,426	17,816,620

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 Subvention 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 NGOs.
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 5.5.4 (c) of the LSG Subvention Manua). The income and expenditure of each of the Central items are as follows :

		2024-25	2023-24
a.	**Income**	$	$
	After School Care Programme - Fee Waiving Subsidy Scheme	1,043,784	978,408
	Time-defined Subsidy Scheme for Extended Hours Service Users	240,119	240,124
	Time-defined Subsidy Scheme for Occasional Child Care Service Enhanced After School Care Programme - Fee Waiving Subsidy Scheme	157,410	157,410
	Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	1,613,195	1,258,283
	Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	670,000	650,000
	Time-defined Service Contract of Social Work Service for Pre-primary Institutions	4,516,861	10,164,241
	Total	8,241,369	13,448,466
b.	**Expenditure**		
	After School Care Programme - Fee Waiving Subsidy Scheme	944,812	936,892
	Time-defined Subsidy Scheme for Extended Hours Child Service Users	5,283	2,361
	Time-defined Subsidy Scheme for Occasional Child Care Service	-	1,227
	Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	1,655,284	1,374,015
	Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	330,000	320,000
	Time-defined Service Contract of Social Work Service for Pre-primary Institutions	4,089,164	8,279,645
	Total	7,024,543	10,914,140

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 need not be included as Other Income in AFR. In this respect, donations have been included if it is used to finance expenditure of the FSA services/FSA-realated activities reflected in the AFR.

The breakdown on Other Income is as follows :

		2024-25 $	2023-24 $
Other Income			
(a)	Programme income	-	-
(b)	Production income	-	-
(c)	Other Funds or Donation for Designated Purposes	6,211,355	5,622,574
(d)	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 *	-	-
(e)	Reimbursement of Maternity Leave Pay from Labour Department	67,901	-
(f)	Miscellaneous income (e.g. general donation, photocopying charges, etc.)	-	-
	Sub-Total	6,279,256	5,622,574
Less :	Utilised allocation under CI - ASCP / Enhanced ASCP/ASCP(PC) - FWSS which forms as part of Other Income *	-	-
	Total	6,279,256	5,622,574

* For those programmes which are regarded as FSA services only

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**	**$**
HK$700,001 - HK$800,000 p.a.	4	2,936,450
HK$800,001 - HK$900,000 p.a.	5	4,175,081
HK$900,001 - HK$1,000,000 p.a.	1	986,507
HK$1,000,001 - HK$1,100,000 p.a.	1	1,010,596
HK$1,100,001 - HK$1,200,000 p.a.	1	1,181,700
> HK$1,200,000 p.a.	2	3,436,509

7. Other Charges

The breakdown on Other Charges is as follows:

		2024-25	**2023-24**
Other Charges		**$**	**$**
(a)	Utilities	1,043,866	1,040,442
(b)	Food (including food for service users)	1,111,615	1,239,818
(c)	Administrative Expenses	2,006,908	2,061,531
(d)	Stores and Equipment	2,997,318	1,877,562
(e)	Repair and Maintenance	1,205,994	1,105,894
(f)	Special Allowances	-	-
(g)	Programme Expenses	274,143	217,760
(h)	Transportation and Travelling	89,459	106,867
(i)	Insurance	1,160,332	695,357
(j)	Staff Training Expenses	482,755	240,266
(k)	Medicine and Medical	336,587	330,335
(l)	Miscellaneous	877,321	822,803
	Sub-Total	**11,586,298**	**9,738,635**
Less :	Utilised allocation under CI-ASCP / Enhanced ASCP / ASCP(PC) - FWSS * which froms as part of Other Income	-	-
	Total	**11,586,298**	**9,738,635**

* For those programmes which are regarded as FSA services only

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

	Lum Sum Grant (LSG)	Holding Account (HA)	Other Funds or Donations for Designated Purposes	Adjustment for Utilised allocation under ASCP / Enhanced ASCP / ASCP(PC) - FWSS	Rent and Rates	Central Items (CI)	2024-25 Total
	$	$	$	$	$	$	$
Income							
Lump Sum Grant	128,639,190				-	-	128,639,190
Fee Income	685,846				-	-	685,846
Others Income	6,279,256			-	-	-	6,279,256
Interest Received (Note (1))	1,630,161				-	-	1,630,161
Rent and Rates	-				2,670,582	-	2,670,582
Central Items	-				-	8,241,369	8,241,369
Total Income (a)	137,234,453	-	-	-	2,670,582	8,241,369	148,146,404
Expenditure							
Personal Emoluments	127,606,871	872,525			-	-	128,479,396
Other Charges	11,586,301	-		-	-	-	11,586,301
Rent and Rates	-				2,636,452	-	2,636,452
Central Items	-				-	7,024,543	7,024,543
Total Expenditure (b)	139,193,172	872,525	-	-	2,636,452	7,024,543	149,726,692
Surplus/(Deficit) for the Year (a) - (b)	(1,958,719)	(872,525)		-	34,130	1,216,826	(1,580,288)
Less : Surplus/(Deficit) of Provident Fund	2,473,420	-		-	-	-	2,473,420
Surplus/(Deficit) for the Year (execl. PF)	(4,432,139)	(872,525)		-	34,130	1,216,826	(4,053,708)
Surplus/(Deficit) b/f (Note (2))	**20,862,506**	**7,101,118**		-	**(1,582,301)**	**4,786,944**	**31,168,267**
	16,430,367	6,228,593		-	(1,548,171)	6,003,770	27,114,559
Add : Refund from Government	-	-		-	954,815	-	954,815
Less : Refund to Government	-	-		-	(67,340)	(393,946)	(461,286)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement (Note (3))	-	-		-	-	-	-
Transfer from Other Funds / (to) LSG Reserve^	-		-				
Adjustment for untilised allocation under Enhanced ASCP/ ASCP(PC) - FWSS * (over-estimated) / under-estimated in pervious year (s)	-	-		-		327,596	327,596
Surplus/(Deficit) c/f (Note (4))	16,430,367	6,228,593	-	-	(660,696)	5,937,420	27,935,684

Notes :

\# **Including an amount $Z being the utilised allocation under CI - ASCP / Enhanced ASCP / ASCP (PC) - FWSS ***

* **For those programmes which are regarded as FSA services only**

^ **Balance generated from those completed FSA services / FSA-related activities which are funded by Other Funds or Donations for Designated Purposes**

(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 yerar (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) For NGOs without HA, separate disclosure of the movement of HA in their respective AFRs is not necessary. The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expendutyre (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.
For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows :

(i) With Snapshot Staff (SS) [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year was greater than zero]
The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution(K)) for the year.

(ii) Without SS [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year (which is regarded as Year 0) was zero]
For the next three years (Year 1 to Year 3), the level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident fund Contribution (K)) for the year.
From the fouth financial year (Year 4) onwards, the level of LSG cumulative reserve and HA reserve will be counted altogether and the combined reserve amount (i.e. S1+S2) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution (K)) for the year. In this regard, separate disclosure of the movement of HA in their respective AFRs is not necessary.

[For (4) (i) and (4) (ii) above, please also refer to SWD's letter under reference (11) in SWD/S/109/1/10 of 4 April 2022.]

(5) As a facilitating measure for the implementation of the Productivity Enhancement Programme, the claw-back arrangement of LSG cumulative reserve amount exceeding 25% of the NGO's operating expenditure would be suspended from 2023-24 (for NGOs with 2024-25 provisional subvention allocation of $50M or more) / 2024-25 (for NGOs with 2024-25 provisional subvention allocation of less than $50M) unit 2028-29 as stipulated in SWD's letter under reference. (1) / (2) / (3) / (4) in SWD 0075-0010-0060-0080-0040 of 3 March 2025.