



## UTILIZATION OF LUMP SUM GRANT RESERVE AND PROVIDENT FUND RESERVE

### Principles

Under the current Lump Sum Grant (“LSG”) Subvention System, the LSG reserves are intended for operating expenditure for fund service agreement (“FSA”) or FSA related activities, including but not limited to the payment of staff costs and operating expenses, whereas the provident fund (“PF”) reserves should be deployed for staff on PF contributions.

In managing the reserves, Hong Kong Society for the Protection of Children (the “HKSPC” or “Society”) observes the LSG Manual, LSG circulars and other relevant letters/notifications, and the Executive Committee of HKSPC would –

- ensure that the Society will not encounter financial difficulties;
- if the Society subsequently encounters financial difficulties, resolve the problem(s) on its own without any financial assistance from the government;
- ensure that the problem(s) and resolution(s) do not have adverse effects on the Society achieving the requirements of FSA and the interests of its service users; and
- take into account the Society’s commitment to snapshot staff, as well as the need for service enhancement and staff development.

The Society will absorb all financial consequences arising from the use of the reserves.

### Financial Information

The cumulative LSG reserves as at 31 March 2022 was HK\$31,088,237, including HK\$9,185,059 kept in the Holding Account.

The cumulative PF reserves for non-snapshot staff under LSG as at 31 March 2022 was HK\$11,211,853. A total of HK\$3,707,697 has been utilized to fulfill the PF commitment of non-snapshot staff in the 2021-22 financial year.

### Usage of Reserves

The Society plans to utilize the LSG reserves and PF reserves to implement strategic development plans in services, maintain and strengthen the service delivery, fulfill the contractual commitment to staff, and adopt the improvement measures suggested by the Human Resources Task Force established under the Management Committee of the Society in the area of staff reward system, retention and training.