

General Revenue Account

REPORT OF THE DIRECTOR OF AUDIT



Audit Commission

The Government of the Hong Kong Special Administrative Region

Independent Auditor's Report To the President of the Legislative Council

Opinion

I certify that I have examined and audited the financial statements of the General Revenue Account set out on pages 22 to 34, which comprise the statement of assets and liabilities as at 31 March 2017, and the statement of receipts and payments for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of the General Revenue Account are prepared, in all material respects, in accordance with the Public Finance Ordinance (Cap. 2) and section 11(1) of the Audit Ordinance (Cap. 122).

Basis for opinion

I conducted my audit in accordance with section 12(1) of the Audit Ordinance and the Audit Commission auditing standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report. I have fulfilled the independence and other ethical responsibilities in accordance with those standards. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Director of Accounting Services is responsible for the other information. The other information comprises all the information included in the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2017 published by the Treasury, other than the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Director of Accounting Services' responsibilities for the financial statements

In accordance with section 16(1) of the Public Finance Ordinance, the Director of Accounting Services is responsible for the compilation and supervision of the accounts of the Government of the Hong Kong Special Administrative Region, for the management of accounting operations and procedures, and for ensuring that all regulations, directions or instructions made or given under the Public Finance Ordinance relating thereto and in respect of the safe custody of public moneys and its accounting are complied with.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit Commission auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Audit Commission auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the General Revenue Account's internal control; and
- evaluate the appropriateness of accounting policies used by the Director of Accounting Services and the reasonableness of accounting estimates and related disclosures.

David Sun
Director of Audit

27 October 2017

Audit Commission
26th Floor
Immigration Tower
7 Gloucester Road
Wanchai, Hong Kong

General Revenue Account

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2017

(Expressed in Hong Kong dollars)

	Note	2017 \$'000	2016 \$'000
Assets			
Investments with the Exchange Fund	3	572,380,941	516,992,357
Deposits with banks	4	542,313	1,258,984
Cash and bank balances	5	4,341,392	3,279,897
Advances	6	2,996,632	3,041,990
		580,261,278	524,573,228
Liabilities			
Deposits	7	(16,816,005)	(16,032,856)
Suspense Accounts	8	(50,405)	(54,216)
		(16,866,410)	(16,087,072)
		563,394,868	508,486,156
Representing:			
General Revenue Balance			
Balance at beginning of year		508,486,156	478,855,628
Surplus for the year		54,908,712	29,630,528
Balance at end of year	9, 10	563,394,868	508,486,156

Notes 1 to 13 form part of these financial statements.

Martin SIU
Director of Accounting Services
28 August 2017



General Revenue Account

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Expressed in Hong Kong dollars)

	Note	2017 \$'000	2016 \$'000
Cash and bank balances at beginning of year		3,279,897	3,106,602
Revenue	11	436,026,493	384,020,956
Expenditure	12	(381,117,781)	(354,390,428)
Surplus for the year		54,908,712	29,630,528
Other cash movements	13	(53,847,217)	(29,457,233)
Cash and bank balances at end of year		4,341,392	3,279,897

Notes 1 to 13 form part of these financial statements.

Martin SIU
Director of Accounting Services
28 August 2017



General Revenue Account

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars, unless otherwise stated)

1. Purpose and Legislation

- (i) The Public Finance Ordinance (Cap. 2) provides for the control and management of the public finances of Hong Kong and for incidental and connected purposes. The General Revenue Account records moneys raised or received for the purposes of the Government (except where provided otherwise in other Ordinances) and appropriations of expenditure in accordance with the Appropriation Ordinance and the Supplementary Appropriation Ordinance.
- (ii) The Statement of Assets and Liabilities and the Statement of Receipts and Payments of the General Revenue Account constitute the statement of the assets and liabilities and the annual statement of the receipts and payments of the Government as specified in section 11(1)(a) and (b) of the Audit Ordinance (Cap. 122). These Statements exclude the assets and liabilities and the receipts and payments of the Funds established under section 29 of the Public Finance Ordinance, viz Capital Works Reserve Fund, Capital Investment Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund, Lotteries Fund and Bond Fund, for which separate financial statements are prepared.

2. Accounting Policies

- (i) The General Revenue Account is kept on a cash basis. Transactions are recorded when moneys are received or paid. The Statement of Assets and Liabilities does not include fixed assets, loans, investments other than those made under section 26 of the Public Finance Ordinance, and debtors and creditors other than those covered by sections 20, 21, 22, 23, 24, 27 and 30 of the Public Finance Ordinance.
- (ii) For the purposes of these financial statements, a contingent liability is defined as:
 - (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Government; or
 - (b) a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.
- (iii) Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Foreign currency balances are translated into Hong Kong dollars at weighted average cost.

3. Investments with the Exchange Fund

- (i) These are investments and deposits held under section 26 of the Public Finance Ordinance:

	2017 \$'000	2016 \$'000
Investments (Notes (ii) to (iv) below)	572,368,301	516,978,886
Deposits	12,640	13,471
	<u>572,380,941</u>	<u>516,992,357</u>

General Revenue Account

3. Investments with the Exchange Fund *(Continued)*

- (ii) The investments represent the cost of investments together with the investment income received in the year being reported.
- (iii) Pursuant to the Financial Secretary's decision announced in the 2016-17 Budget, as from 1 July 2016, \$4.8 billion of the General Revenue Account placement with the Exchange Fund is held as the Future Fund placement as top-up to the Future Fund. The Future Fund was established on 1 January 2016 as a notional savings account within the fiscal reserves and was placed with the Exchange Fund for securing higher investment returns over a ten-year investment period in accordance with an arrangement entered into with the Hong Kong Monetary Authority in December 2015. Investment income on the Future Fund placement is determined annually based on a composite rate (4.5% for the calendar year 2016) computed on a weighted average basis with reference to the agreed rate under the Investment Portfolio (Note (iv) below) and the annual rate of return linked with the performance of the Long-Term Growth Portfolio. The Future Fund, together with investment income (\$0.08 billion up to 31 December 2016 in respect of General Revenue Account portion of \$4.8 billion) not received and compounded on an annual basis, is retained within the Exchange Fund until 31 December 2025 or upon decision of the Financial Secretary for withdrawal, whichever is the earlier.
- (iv) The part of the fiscal reserves outside the Future Fund (Note (iii) above) is referred to as Operating and Capital Reserves. Investment income on the Operating and Capital Reserves placement with the Exchange Fund is calculated, in accordance with an arrangement entered into with the Hong Kong Monetary Authority in 2007, on the basis of the average annual investment return of the Exchange Fund's Investment Portfolio for the past six years or the average annual yield of three-year Exchange Fund Notes (replaced by three-year government bond with effect from 1 January 2016) for the previous year subject to a minimum of zero percent, whichever is the higher. The rate of return for the calendar year 2016 was 3.3% (2015: 5.5%). The annual investment income is receivable on 31 December each year.

4. Deposits with Banks

These are Hong Kong dollar and foreign currency deposits placed with licensed banks in Hong Kong for investment under section 26 of the Public Finance Ordinance:

	2017 \$'000	2016 \$'000
Hong Kong dollar	91,784	93,236
Foreign currency	450,529	1,165,748
	<u>542,313</u>	<u>1,258,984</u>

5. Cash and Bank Balances

These balances cover cash in hand, in transit, with banks and agents, and with public officers for operating standing or special imprest accounts as provided under section 22 of the Public Finance Ordinance.

General Revenue Account

6. Advances

Advances are paid under the authority of warrants issued under section 20 of the Public Finance Ordinance for a variety of reasons and are either recoverable or chargeable to expenditure upon authority being given:

	2017 \$'000	2016 \$'000
Expenditure on Vietnamese migrants (Note (i) below)	1,161,991	1,161,991
Advances to Government officers	1,074,846	1,050,923
Payments on behalf of non-departmental public bodies, trading funds and non-statutory corporations wholly-owned by Government	412,483	400,314
Others	347,312	428,762
	<u>2,996,632</u>	<u>3,041,990</u>

- (i) The sum of \$1,161.991 million is the outstanding balance of expenditure on Vietnamese migrants recoverable from the United Nations High Commissioner for Refugees (UNHCR). The last repayment, amounting to \$3.865 million, was received in February 1998. In January 1998, the High Commissioner for Refugees informed the Government of the Hong Kong Special Administrative Region (HKSAR) that in the absence of further funding prospects, the repayment in February 1998 was the last reimbursement that the UNHCR could realistically foresee. If the UNHCR defaults on repayment of the outstanding advances, the Government of the HKSAR will not be able to enforce repayment through legal means as the UNHCR is immune from suit under the International Organizations and Diplomatic Privileges Ordinance (Cap. 190). Consequently, the full recovery of the amount due is doubtful.

During the financial year 2016-17, the Government of the HKSAR continued to pursue the repayment of the outstanding advances from the UNHCR and to urge it to make renewed efforts to look for donations with a view to settling the amount. So far, the Government of the HKSAR has not received any further repayments.

Efforts to press the UNHCR for early settlement of the outstanding advances will continue.

7. Deposits

These are moneys received from time to time from individuals or organisations under sections 23 and 24 of the Public Finance Ordinance for a variety of reasons and are in due course either repayable or transferable to General Revenue:

	2017 \$'000	2016 \$'000
Tax reserve certificates	9,121,127	8,515,928
Water deposits	1,789,674	1,741,895
Tenancy deposits	1,746,603	1,741,352
Legal aid deposits	872,882	844,047
Tax overpayments	737,410	703,166
Private works	382,667	307,030
Others	2,165,642	2,179,438
	<u>16,816,005</u>	<u>16,032,856</u>

General Revenue Account

8. Suspense Accounts

These Suspense Accounts are established under Resolutions passed by the Legislative Council under section 30 of the Public Finance Ordinance:

	2017	2016
	\$'000	\$'000
Correctional Services Industries (Note (i) below)	31,470	29,441
Government Logistics Department — Unallocated Stores (Note (i) below)	7,755	7,628
The Special Coin (Note (ii) below)	(89,879)	(91,372)
The Financial Secretary Incorporated (Note (iii) below)	249	87
	(50,405)	(54,216)

- (i) The balances on the Correctional Services Industries Suspense Account and the Government Logistics Department — Unallocated Stores Suspense Account represent the cost of stocks in hand.
- (ii) The balance on The Special Coin Suspense Account represents the unutilised balance of net proceeds arising from issuing and dealing with special and commemorative coins.
- (iii) The balance on The Financial Secretary Incorporated Suspense Account represents the net amount arising from dealing with the regrant or renewal of Government Leases and managing the properties comprised therein.

9. Contingent Liabilities

As at 31 March 2017, the Government had the following contingent liabilities:

- (i) guarantee to the Hong Kong Export Credit Insurance Corporation for liabilities under contracts of insurance amounting to \$36,799 million (2016: \$33,453 million);
- (ii) legal claims, disputes and proceedings amounting to \$26,474 million (2016: \$8,147 million);
- (iii) guarantees provided under the SME Financing Guarantee Scheme — Special Concessionary Measures amounting to \$20,811 million (2016: \$24,079 million);
- (iv) guarantees provided under the SME Loan Guarantee Scheme amounting to \$4,544 million (2016: \$5,253 million); and
- (v) guarantees provided under the Special Loan Guarantee Scheme amounting to \$899 million (2016: \$3,504 million).

10. Commitments

The balances of capital and non-recurrent funding approvals that were unspent were as follows:

	2017	2016
	\$'000	\$'000
Non-recurrent expenditure	29,013,864	27,856,507
Plant, vehicles and equipment	7,232,944	5,767,644
Capital works	117,248	126,667
Capital subventions	1,788,195	1,246,294
	38,152,251	34,997,112

General Revenue Account

11. Revenue

Analysis of total revenue by Head:

Head	2017				2016
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
1 Duties	10,938,819	10,254,359	(684,460)	(6.3)	10,711,592
2 General Rates	19,824,000	21,250,102	1,426,102	7.2	22,733,427
3 Internal Revenue					
Profits tax	138,080,000	139,238,084	1,158,084	0.8	140,226,643
Salaries tax	60,540,000	59,077,484	(1,462,516)	(2.4)	57,867,772
Stamp duties	50,000,000	61,898,965	11,898,965	23.8	62,680,307
Other internal revenue	30,572,752	32,327,417	1,754,665	5.7	30,461,525
	279,192,752	292,541,950	13,349,198	4.8	291,236,247
4 Motor Vehicle Taxes	9,864,577	7,813,679	(2,050,898)	(20.8)	9,311,023
5 Fines, Forfeitures and Penalties	1,229,125	1,496,411	267,286	21.7	1,408,967
6 Royalties and Concessions	10,670,684	10,686,400	15,716	0.1	2,954,947
7 Properties and Investments					
Income from Investments with the Exchange Fund (Note (i) below)	-	16,629,501	-	-	-
Others	-	30,334,667	-	-	20,014,709
	45,914,727	46,964,168	1,049,441	2.3	20,014,709
9 Loans, Reimbursements, Contributions and Other Receipts	27,637,877	28,044,154	406,277	1.5	6,491,391
10 Utilities	4,121,446	4,256,150	134,704	3.3	4,009,293
11 Fees and Charges	12,618,917	12,719,120	100,203	0.8	15,149,360
Total	422,012,924	436,026,493	14,013,569	3.3	384,020,956

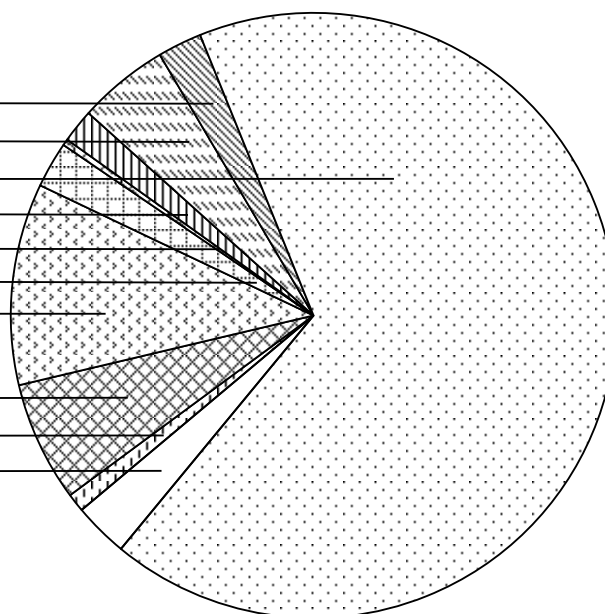
- (i) Pursuant to the Financial Secretary's directives, the investment incomes of the General Revenue Account for the calendar years 2014 and 2015 totalling \$40.99 billion (comprising \$14.84 billion for 2014 and \$26.15 billion for 2015), along with the investment incomes on other parts of the fiscal reserves for the two years, were set aside and retained within the Exchange Fund for the Housing Reserve, and not received in the respective financial years 2014-15 and 2015-16. The Housing Reserve was established in December 2014. As explained in the 2015-16 Budget Speech, the Housing Reserve is to provide financial resources to meet the ten-year public housing supply target. The investment income retained within the Exchange Fund earns the same rate of investment return as stipulated in Note 3(iv) and shall be received on a date as determined by the Financial Secretary. Together with the annual investment returns, including the investment return for the calendar year 2016 amounting to \$1.38 billion (2015: \$0.82 billion), the sums set aside from the General Revenue Account and earmarked as Housing Reserve totalled \$43.19 billion (2015: \$41.81 billion).

Further analysis of revenue appears on pages 116 to 124 of the Supporting Statements.

General Revenue Account

Analysis of Revenue for the year ended 31 March 2017

Duties	\$10.3 Billion	2%
General Rates	\$21.2 Billion	5%
Internal Revenue	\$292.5 Billion	67%
Motor Vehicle Taxes	\$7.8 Billion	2%
Fines, Forfeitures and Penalties	\$1.5 Billion	1%
Royalties and Concessions	\$10.7 Billion	2%
Properties and Investments	\$47.0 Billion	11%
Loans, Reimbursements, Contributions and Other Receipts (Including Transfers from Funds)	\$28.0 Billion	6%
Utilities	\$4.3 Billion	1%
Fees and Charges	\$12.7 Billion	3%



**Total Revenue
\$436.0 Billion**

12. Expenditure

Analysis of total expenditure by Head:

Head	2017				2016
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
21 Chief Executive's Office	110,502	110,498	(4)	-	106,245
22 Agriculture, Fisheries and Conservation Department	1,318,098	1,250,175	(67,923)	(5.2)	1,164,528
25 Architectural Services Department	1,975,984	2,032,677	56,693	2.9	1,944,607
24 Audit Commission	161,137	164,357	3,220	2.0	158,413
23 Auxiliary Medical Service	99,060	96,385	(2,675)	(2.7)	84,761
82 Buildings Department	1,308,654	1,359,915	51,261	3.9	1,251,817
26 Census and Statistics Department	768,519	777,868	9,349	1.2	668,960
27 Civil Aid Service	106,387	106,138	(249)	(0.2)	99,390
28 Civil Aviation Department	945,666	950,005	4,339	0.5	909,849
33 Civil Engineering and Development Department	2,607,215	2,636,662	29,447	1.1	2,273,572
30 Correctional Services Department	3,655,769	3,775,767	119,998	3.3	3,623,644
31 Customs and Excise Department	3,432,065	3,497,997	65,932	1.9	3,292,382
37 Department of Health	7,790,054	7,304,813	(485,241)	(6.2)	6,619,063
92 Department of Justice	2,240,887	1,531,123	(709,764)	(31.7)	1,509,258
39 Drainage Services Department	2,570,653	2,594,150	23,497	0.9	2,393,374

General Revenue Account

12. Expenditure (Continued)

Head	2017				2016
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
42 Electrical and Mechanical Services Department	489,448	477,032	(12,416)	(2.5)	450,554
44 Environmental Protection Department	5,487,145	4,956,727	(530,418)	(9.7)	5,565,097
45 Fire Services Department	5,597,598	5,563,723	(33,875)	(0.6)	5,464,973
49 Food and Environmental Hygiene Department	6,401,904	6,511,923	110,019	1.7	6,036,130
46 General Expenses of the Civil Service	3,507,673	3,261,294	(246,379)	(7.0)	3,104,023
166 Government Flying Service	577,612	536,119	(41,493)	(7.2)	1,023,012
48 Government Laboratory	464,970	473,487	8,517	1.8	451,624
59 Government Logistics Department	602,467	602,465	(2)	-	549,695
51 Government Property Agency	1,942,685	1,936,934	(5,751)	(0.3)	1,901,407
143 Government Secretariat: Civil Service Bureau	578,897	569,040	(9,857)	(1.7)	544,261
152 Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	2,081,992	1,884,689	(197,303)	(9.5)	2,173,288
55 Government Secretariat: Commerce and Economic Development Bureau (Communications and Creative Industries Branch)	414,369	367,022	(47,347)	(11.4)	282,943
144 Government Secretariat: Constitutional and Mainland Affairs Bureau	607,974	608,814	840	0.1	584,572
138 Government Secretariat: Development Bureau (Planning and Lands Branch)	318,303	307,301	(11,002)	(3.5)	305,491
159 Government Secretariat: Development Bureau (Works Branch)	416,940	408,782	(8,158)	(2.0)	437,867
156 Government Secretariat: Education Bureau	53,184,149	54,815,376	1,631,227	3.1	52,286,462
137 Government Secretariat: Environment Bureau	77,841	77,626	(215)	(0.3)	76,808
148 Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)	765,513	764,942	(571)	(0.1)	241,082

General Revenue Account

12. Expenditure (Continued)

Head	2017				2016
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
147 Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	373,588	342,091	(31,497)	(8.4)	425,891
139 Government Secretariat: Food and Health Bureau (Food Branch)	147,914	131,095	(16,819)	(11.4)	74,779
140 Government Secretariat: Food and Health Bureau (Health Branch)	52,238,020	54,049,368	1,811,348	3.5	62,053,414
53 Government Secretariat: Home Affairs Bureau	1,841,596	1,808,372	(33,224)	(1.8)	1,693,601
135 Government Secretariat: Innovation and Technology Bureau	43,379	38,837	(4,542)	(10.5)	10,959
155 Government Secretariat: Innovation and Technology Commission	588,346	590,739	2,393	0.4	617,752
141 Government Secretariat: Labour and Welfare Bureau	807,521	782,636	(24,885)	(3.1)	755,297
47 Government Secretariat: Office of the Government Chief Information Officer	743,371	735,443	(7,928)	(1.1)	719,330
142 Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary	957,957	911,989	(45,968)	(4.8)	846,702
96 Government Secretariat: Overseas Economic and Trade Offices	391,552	337,878	(53,674)	(13.7)	314,386
151 Government Secretariat: Security Bureau	480,555	371,884	(108,671)	(22.6)	335,475
158 Government Secretariat: Transport and Housing Bureau (Transport Branch)	278,824	231,057	(47,767)	(17.1)	206,169
60 Highways Department	2,915,194	2,810,029	(105,165)	(3.6)	2,647,348
63 Home Affairs Department	2,393,355	2,425,682	32,327	1.4	2,397,197
168 Hong Kong Observatory	292,276	298,044	5,768	2.0	281,467
122 Hong Kong Police Force	17,303,546	17,855,006	551,460	3.2	17,064,732
62 Housing Department	287,616	287,593	(23)	-	1,416,806
70 Immigration Department	4,268,122	4,275,049	6,927	0.2	4,027,151
72 Independent Commission Against Corruption	1,011,622	1,044,691	33,069	3.3	1,006,621
121 Independent Police Complaints Council	62,263	64,215	1,952	3.1	58,903

General Revenue Account

12. Expenditure (Continued)

Head	2017				2016
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
74 Information Services Department	457,589	466,367	8,778	1.9	447,532
76 Inland Revenue Department	1,506,385	1,503,710	(2,675)	(0.2)	1,453,411
78 Intellectual Property Department	147,456	145,793	(1,663)	(1.1)	137,649
79 Invest Hong Kong	128,235	125,539	(2,696)	(2.1)	115,681
174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	29,211	30,410	1,199	4.1	30,712
80 Judiciary	1,587,460	1,521,355	(66,105)	(4.2)	1,382,772
90 Labour Department	1,947,292	1,851,634	(95,658)	(4.9)	1,815,895
91 Lands Department	2,357,013	2,402,600	45,587	1.9	2,323,574
94 Legal Aid Department	1,007,656	1,023,633	15,977	1.6	860,536
112 Legislative Council Commission	850,107	874,052	23,945	2.8	776,867
95 Leisure and Cultural Services Department	8,372,380	8,431,164	58,784	0.7	7,580,770
100 Marine Department	1,310,704	1,307,032	(3,672)	(0.3)	1,195,756
106 Miscellaneous Services	25,092,749	115,825	(24,976,924)	(99.5)	129,601
180 Office for Film, Newspaper and Article Administration	46,865	46,222	(643)	(1.4)	44,102
114 Office of The Ombudsman	110,820	115,095	4,275	3.9	111,296
116 Official Receiver's Office	190,582	188,998	(1,584)	(0.8)	156,898
120 Pensions	33,046,690	31,948,165	(1,098,525)	(3.3)	29,432,807
118 Planning Department	657,196	662,442	5,246	0.8	636,909
136 Public Service Commission Secretariat	25,016	24,871	(145)	(0.6)	22,575
160 Radio Television Hong Kong	978,448	985,439	6,991	0.7	840,937
162 Rating and Valuation Department	513,650	512,928	(722)	(0.1)	495,537
163 Registration and Electoral Office	1,114,285	920,958	(193,327)	(17.3)	479,939
169 Secretariat, Commissioner on Interception of Communications and Surveillance	20,126	19,146	(980)	(4.9)	20,419
170 Social Welfare Department	61,631,797	64,434,066	2,802,269	4.5	62,482,922
181 Trade and Industry Department	773,651	728,440	(45,211)	(5.8)	719,041
186 Transport Department	2,858,507	2,652,148	(206,359)	(7.2)	2,507,943
188 Treasury	376,380	382,883	6,503	1.7	377,218
190 University Grants Committee	17,966,125	18,610,482	644,357	3.6	17,581,142

General Revenue Account

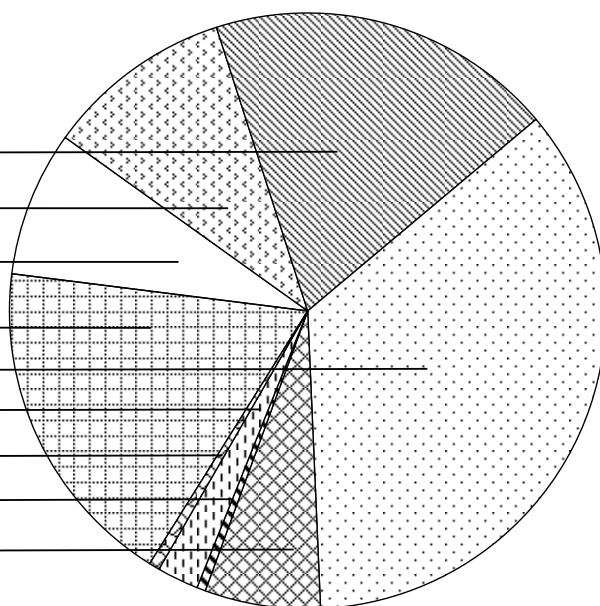
12. Expenditure (Continued)

Head	2017				2016
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
194 Water Supplies Department	7,923,917	8,001,067	77,150	1.0	7,658,947
173 Working Family and Student Financial Assistance Agency	8,270,472	5,517,793	(2,752,679)	(33.3)	4,857,908
	<u>381,333,511</u>	<u>357,253,781</u>	<u>(24,079,730)</u>	<u>(6.3)</u>	<u>351,210,428</u>
184 Transfers to Funds	44,864,000	23,864,000	(21,000,000)	(46.8)	3,180,000
Total	<u>426,197,511</u>	<u>381,117,781</u>	<u>(45,079,730)</u>	<u>(10.6)</u>	<u>354,390,428</u>

Further analyses of expenditure appear on pages 125 to 148 of the Supporting Statements.

Analysis of Expenditure for the year ended 31 March 2017

Personal Emoluments	\$71.8 Billion	19%
Personnel Related Expenses	\$38.7 Billion	10%
Departmental Expenses	\$30.1 Billion	8%
Other Charges	\$69.0 Billion	18%
Recurrent Subventions	\$135.0 Billion	35%
Non-Recurrent Expenditure	\$8.6 Billion	2%
Plant, Equipment and Works	\$2.2 Billion	1%
Capital Subventions	\$1.8 Billion	1%
Transfers to Funds	\$23.9 Billion	6%



**Total Expenditure
\$381.1 Billion**

General Revenue Account

13. Other Cash Movements

These are cash movements arising from changes in other assets and liabilities:

	2017 \$'000	2016 \$'000
(Increase)/Reduction in Assets		
Investments with the Exchange Fund	(55,388,584)	(29,933,827)
Deposits with banks	716,671	(48,585)
Advances	45,358	(164,615)
	(54,626,555)	(30,147,027)
Increase/(Reduction) in Liabilities		
Deposits	783,149	682,222
Suspense Accounts	(3,811)	7,572
	779,338	689,794
	(53,847,217)	(29,457,233)

Revenue, Expenditure and General Revenue Balance for the years ended 31 March 2008 to 2017

\$Billion

