

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 35, which comprise the statement of assets and liabilities as at 31 March 2021, 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 2021 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.

John Chu
Director of Audit

8 September 2021

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

General Revenue Account

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2021

(Expressed in Hong Kong dollars)

	Note	2021 \$'000	2020 \$'000
Assets			
Investments with the Exchange Fund	3	480,984,754	683,611,646
Deposits with banks	4	588,729	549,788
Cash and bank balances	5	2,972,862	3,206,426
Advances	6	4,083,163	4,668,832
Suspense Accounts	7	48,900	122,368
		488,678,408	692,159,060
Liabilities			
Deposits	8	(23,881,280)	(23,985,718)
Suspense Accounts	7	(68,591)	(69,476)
		(23,949,871)	(24,055,194)
		464,728,537	668,103,866
Representing:			
General Revenue Balance			
Balance at beginning of year		668,103,866	712,454,089
Deficit for the year		(203,375,329)	(44,350,223)
Balance at end of year	9, 10	464,728,537	668,103,866

Notes 1 to 13 form part of these financial statements.

Charlix WONG
Director of Accounting Services
19 July 2021



General Revenue Account

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2021

(Expressed in Hong Kong dollars)

	Note	2021 \$'000	2020 \$'000
Cash and bank balances at beginning of year		3,206,426	4,509,675
Revenue	11	547,133,688	491,338,328
Expenditure	12	(750,509,017)	(535,688,551)
Deficit for the year		(203,375,329)	(44,350,223)
Other cash movements	13	203,141,765	43,046,974
Cash and bank balances at end of year		2,972,862	3,206,426

Notes 1 to 13 form part of these financial statements.

Charlix WONG
Director of Accounting Services
19 July 2021



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:

	2021 \$'000	2020 \$'000
Investments (Notes (ii) to (iv) below)	480,979,710	683,604,149
Deposits	5,044	7,497
	<u>480,984,754</u>	<u>683,611,646</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, a top-up allocation of \$4.8 billion was made from the General Revenue Account to the Future Fund. The Future Fund was established on 1 January 2016 as a notional savings account within the fiscal reserves. Together with the top-up allocation, it 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 return on the Future Fund placement is determined annually based on a composite rate (12.3% and 8.7% for the calendar years 2020 and 2019 respectively) 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 return 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. In respect of the General Revenue Account portion of \$4.8 billion, such accumulated investment return not received as revenue amounted to \$2.53 billion as at 31 December 2020 (2019: \$1.7 billion), including the investment return for the calendar year 2020 of \$0.83 billion (2019: \$0.55 billion). As announced in the 2021-22 Budget Speech, the accumulated investment return on the Future Fund would be brought back to the Government's accounts and recorded as investment income on a progressive basis starting from 2021-22.
- (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 government bond (replacing the three-year Exchange Fund Notes 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 2020 was 3.7% (2019: 2.9%). 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:

	2021 \$'000	2020 \$'000
Hong Kong dollar	70,584	71,450
Foreign currency	518,145	478,338
	<u>588,729</u>	<u>549,788</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:

	2021 \$'000	2020 \$'000
Advances to Government officers	1,965,218	2,144,719
Expenditure on Vietnamese migrants (Note (i) below)	1,161,991	1,161,991
Payments on behalf of non-departmental public bodies, trading funds and non-statutory corporations wholly-owned by Government	403,100	690,403
Others	552,854	671,719
	<u>4,083,163</u>	<u>4,668,832</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). 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 of \$3.865 million 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 2020-21, 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. The Government of the HKSAR takes note of the Public Accounts Committee's suggestion to the Panel on Security in March 2020 that the Government of the HKSAR should re-consider writing off the outstanding payment, and will carefully consider the suggestion.

7. Suspense Accounts

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

	2021 \$'000	2020 \$'000
Assets:		
Correctional Services Industries (Note (i) below)	43,188	26,857
Government Logistics Department — Unallocated Stores (Note (i) below)	5,188	95,432
The Financial Secretary Incorporated (Note (ii) below)	524	79
	<u>48,900</u>	<u>122,368</u>
Liabilities:		
The Special Coin (Note (iii) below)	(68,591)	(69,476)
Net balance	<u>(19,691)</u>	<u>52,892</u>

- (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.

General Revenue Account

7. Suspense Accounts *(Continued)*

- (ii) 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.
- (iii) 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.

8. 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:

	2021 \$'000	2020 \$'000
Tax reserve certificates	14,915,700	14,794,836
Water deposits	1,970,235	1,929,726
Tenancy deposits	1,831,991	1,822,191
Legal aid deposits	1,118,906	1,072,622
Tax overpayments	1,038,327	1,365,665
Private works	406,556	383,273
Others	2,599,565	2,617,405
	<u>23,881,280</u>	<u>23,985,718</u>

9. Contingent Liabilities

As at 31 March 2021, the Government had the following contingent liabilities:

- (i) guarantees provided under the SME Financing Guarantee Scheme — 100% Guarantee Product amounting to \$45,413 million (2020: Nil);
- (ii) guarantee to the Hong Kong Export Credit Insurance Corporation for liabilities under contracts of insurance amounting to \$37,468 million (2020: \$36,726 million);
- (iii) guarantees provided under the SME Financing Guarantee Scheme — Special Concessionary Measures amounting to \$27,546 million (2020: \$24,018 million);
- (iv) guarantees provided under the SME Financing Guarantee Scheme — 90% Guarantee Product amounting to \$5,312 million (2020: \$817 million);
- (v) legal claims, disputes and proceedings amounting to \$4,019 million (2020: \$5,249 million);
- (vi) guarantees provided under the SME Loan Guarantee Scheme amounting to \$3,141 million (2020: \$3,877 million); and
- (vii) guarantees provided under the Special Loan Guarantee Scheme amounting to \$230 million (2020: \$329 million).

General Revenue Account

10. Commitments

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

	2021	2020
	\$'000	\$'000
Non-recurrent expenditure	120,361,952	77,021,523
Plant, vehicles and equipment	13,396,416	11,650,245
Capital subventions	1,902,187	2,733,934
Capital works	301,096	311,119
	<u>135,961,651</u>	<u>91,716,821</u>

11. Revenue

Analysis of total revenue by Head:

Head	2021				2020
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
1 Duties	10,927,249	11,851,956	924,707	8.5	11,390,578
2 General Rates	19,483,000	19,043,683	(439,317)	(2.3)	20,980,582
3 Internal Revenue					
Profits tax	130,900,000	135,539,666	4,639,666	3.5	155,900,322
Salaries tax	59,910,000	75,027,324	15,117,324	25.2	50,412,460
Stamp duties	75,000,000	89,044,620	14,044,620	18.7	67,197,968
Other internal revenue	35,984,000	31,235,884	(4,748,116)	(13.2)	32,218,384
	301,794,000	330,847,494	29,053,494	9.6	305,729,134
4 Motor Vehicle Taxes	7,382,000	6,594,409	(787,591)	(10.7)	7,218,830
5 Fines, Forfeitures and Penalties	1,578,567	4,771,540	3,192,973	202.3	1,800,770
6 Royalties and Concessions	3,567,376	3,529,402	(37,974)	(1.1)	3,202,674
7 Properties and Investments					
Income from Investments with the Exchange Fund (Note (i) below)	-	41,689,275	-	-	39,954,835
Others	-	24,622,393	-	-	25,050,403
	71,724,078	66,311,668	(5,412,410)	(7.5)	65,005,238
9 Loans, Reimbursements, Contributions and Other Receipts	89,227,230	90,224,793	997,563	1.1	59,982,409
10 Utilities	3,834,511	3,496,168	(338,343)	(8.8)	3,905,742
11 Fees and Charges	12,977,668	10,462,575	(2,515,093)	(19.4)	12,122,371
Total	<u>522,495,679</u>	<u>547,133,688</u>	<u>24,638,009</u>	4.7	<u>491,338,328</u>

General Revenue Account

11. Revenue (Continued)

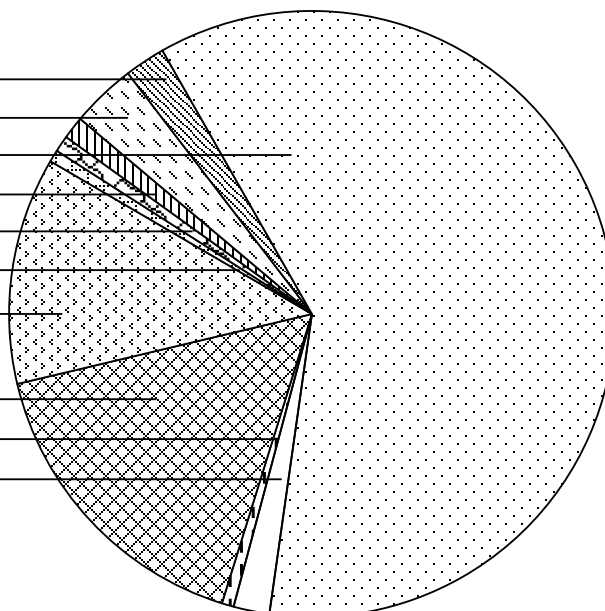
- (i) Pursuant to the Financial Secretary's directives, the investment incomes of the General Revenue Account for the calendar years 2014 and 2015 totalling \$40.99 billion (comprising \$14.84 billion for 2014 and \$26.15 billion for 2015), along with the investment incomes on other parts of the fiscal 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). The accumulated investment return was \$7.78 billion up to 31 December 2020 (2019: \$6.8 billion), including the investment return for the calendar year 2020 amounting to \$0.98 billion (2019: \$1.35 billion). As announced in the 2019-20 Budget Speech, the Housing Reserve would be brought back to the Government's accounts and recorded as investment income over four financial years from 2019-20 to 2022-23. At the same time, \$82.37 billion (the balance of the Housing Reserve as at 31 December 2018 which included \$46.44 billion from the General Revenue Account) was earmarked for public housing development.

During the financial year 2020-21, \$21.98 billion (2020: \$21.19 billion) was brought back from the Housing Reserve to the General Revenue Account and recorded as investment income. As at 31 March 2021, the investment incomes and the accumulated investment return (i.e. up to calendar year 2020) not received and recorded by the General Revenue Account and retained for the Housing Reserve totalled \$5.6 billion (2020: \$26.6 billion).

Further analysis of revenue appears on pages 120 to 128 of the Supporting Statements.

Analysis of Revenue for the year ended 31 March 2021

Duties	\$11.9 Billion	2%
General Rates	\$19.0 Billion	3%
Internal Revenue	\$330.8 Billion	60%
Motor Vehicle Taxes	\$6.6 Billion	1%
Fines, Forfeitures and Penalties	\$4.8 Billion	1%
Royalties and Concessions	\$3.5 Billion	1%
Properties and Investments	\$66.3 Billion	12%
Loans, Reimbursements, Contributions and Other Receipts (Including Transfers from Funds)	\$90.2 Billion	17%
Utilities	\$3.5 Billion	1%
Fees and Charges	\$10.5 Billion	2%



**Total Revenue
\$547.1 Billion**

General Revenue Account

12. Expenditure

Analysis of total expenditure by Head:

Head	2021				2020
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
21 Chief Executive's Office	125,491	115,213	(10,278)	(8.2)	122,428
22 Agriculture, Fisheries and Conservation Department	1,978,618	1,879,469	(99,149)	(5.0)	1,698,910
25 Architectural Services Department	2,616,756	2,611,833	(4,923)	(0.2)	2,404,391
24 Audit Commission	192,707	189,490	(3,217)	(1.7)	186,468
23 Auxiliary Medical Service	120,951	91,340	(29,611)	(24.5)	98,110
82 Buildings Department	1,870,366	1,824,275	(46,091)	(2.5)	1,674,239
26 Census and Statistics Department	921,701	829,441	(92,260)	(10.0)	753,284
27 Civil Aid Service	141,218	100,540	(40,678)	(28.8)	115,194
28 Civil Aviation Department	1,285,967	1,172,079	(113,888)	(8.9)	1,146,785
33 Civil Engineering and Development Department	3,248,677	3,074,330	(174,347)	(5.4)	3,022,825
30 Correctional Services Department	4,586,386	4,439,290	(147,096)	(3.2)	4,308,750
31 Customs and Excise Department	5,375,131	4,810,920	(564,211)	(10.5)	4,559,470
37 Department of Health	13,632,538	13,478,605	(153,933)	(1.1)	12,005,663
92 Department of Justice	2,447,668	1,915,284	(532,384)	(21.8)	1,797,306
39 Drainage Services Department	3,117,301	3,130,881	13,580	0.4	2,959,561
42 Electrical and Mechanical Services Department	1,518,386	1,305,483	(212,903)	(14.0)	1,082,143
44 Environmental Protection Department	7,514,549	6,523,617	(990,932)	(13.2)	6,114,974
45 Fire Services Department	7,711,041	7,321,373	(389,668)	(5.1)	6,943,582
49 Food and Environmental Hygiene Department	9,594,974	9,395,900	(199,074)	(2.1)	8,424,324
46 General Expenses of the Civil Service	4,312,534	3,848,534	(464,000)	(10.8)	3,729,492
166 Government Flying Service	616,083	549,732	(66,351)	(10.8)	553,727
48 Government Laboratory	566,010	562,474	(3,536)	(0.6)	552,249
59 Government Logistics Department	582,695	573,812	(8,883)	(1.5)	565,127

General Revenue Account

12. Expenditure (Continued)

Head	2021				2020
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
51 Government Property Agency	2,651,412	2,360,209	(291,203)	(11.0)	1,987,288
143 Government Secretariat: Civil Service Bureau	787,054	648,151	(138,903)	(17.6)	653,488
152 Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	3,432,635	11,188,085	7,755,450	225.9	3,108,084
55 Government Secretariat: Commerce and Economic Development Bureau (Communications and Creative Industries Branch)	807,414	461,444	(345,970)	(42.8)	553,296
144 Government Secretariat: Constitutional and Mainland Affairs Bureau	845,713	778,408	(67,305)	(8.0)	736,891
138 Government Secretariat: Development Bureau (Planning and Lands Branch)	1,622,309	1,194,224	(428,085)	(26.4)	945,749
159 Government Secretariat: Development Bureau (Works Branch)	871,370	813,035	(58,335)	(6.7)	707,778
156 Government Secretariat: Education Bureau	76,882,730	74,963,628	(1,919,102)	(2.5)	69,898,677
137 Government Secretariat: Environment Bureau	6,781,654	5,755,763	(1,025,891)	(15.1)	1,751,085
148 Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)	1,165,415	9,020,092	7,854,677	674.0	749,915
147 Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	75,159,090	69,029,544	(6,129,546)	(8.2)	1,046,061
139 Government Secretariat: Food and Health Bureau (Food Branch)	193,908	170,218	(23,690)	(12.2)	170,128
140 Government Secretariat: Food and Health Bureau (Health Branch)	78,433,213	80,082,546	1,649,333	2.1	73,558,265

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12. Expenditure (Continued)

Head	2021				2020
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
53 Government Secretariat: Home Affairs Bureau	2,480,313	2,331,938	(148,375)	(6.0)	2,173,751
135 Government Secretariat: Innovation and Technology Bureau	699,211	526,684	(172,527)	(24.7)	501,667
155 Government Secretariat: Innovation and Technology Commission	826,487	767,809	(58,678)	(7.1)	725,068
141 Government Secretariat: Labour and Welfare Bureau	3,513,932	3,464,538	(49,394)	(1.4)	929,079
47 Government Secretariat: Office of the Government Chief Information Officer	881,583	894,408	12,825	1.5	838,089
142 Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary	1,131,273	133,263,915	132,132,642	11,680.0	30,957,106
96 Government Secretariat: Overseas Economic and Trade Offices	653,822	326,850	(326,972)	(50.0)	415,388
151 Government Secretariat: Security Bureau	1,045,049	927,370	(117,679)	(11.3)	815,471
158 Government Secretariat: Transport and Housing Bureau (Transport Branch)	446,970	386,678	(60,292)	(13.5)	335,452
60 Highways Department	4,082,017	3,892,110	(189,907)	(4.7)	3,839,784
63 Home Affairs Department	3,368,507	2,940,277	(428,230)	(12.7)	3,088,116
168 Hong Kong Observatory	412,912	408,418	(4,494)	(1.1)	378,386
122 Hong Kong Police Force	25,789,328	23,406,758	(2,382,570)	(9.2)	23,701,359
62 Housing Department	2,292,097	1,906,249	(385,848)	(16.8)	1,787,793
70 Immigration Department	6,635,577	6,136,657	(498,920)	(7.5)	6,080,854
72 Independent Commission Against Corruption	1,245,116	1,208,654	(36,462)	(2.9)	1,193,841
121 Independent Police Complaints Council	100,929	100,929	-	-	105,459
74 Information Services Department	683,621	681,425	(2,196)	(0.3)	565,681
76 Inland Revenue Department	1,811,682	1,756,260	(55,422)	(3.1)	1,701,845
78 Intellectual Property Department	195,933	195,360	(573)	(0.3)	189,824

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12. Expenditure (Continued)

Head	2021				2020
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
79 Invest Hong Kong	161,178	160,997	(181)	(0.1)	144,629
174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	55,044	47,972	(7,072)	(12.8)	47,506
80 Judiciary	2,264,028	2,118,153	(145,875)	(6.4)	1,936,161
90 Labour Department	2,192,386	1,982,016	(210,370)	(9.6)	1,940,063
91 Lands Department	3,298,837	3,224,697	(74,140)	(2.2)	3,104,740
94 Legal Aid Department	1,721,172	1,313,589	(407,583)	(23.7)	1,481,258
112 Legislative Council Commission	1,021,652	972,040	(49,612)	(4.9)	952,447
95 Leisure and Cultural Services Department	10,700,397	9,959,337	(741,060)	(6.9)	9,829,672
100 Marine Department	1,729,622	1,635,077	(94,545)	(5.5)	1,608,184
106 Miscellaneous Services	28,499,802	558,523	(27,941,279)	(98.0)	375,686
180 Office for Film, Newspaper and Article Administration	53,635	48,622	(5,013)	(9.3)	48,667
114 Office of The Ombudsman	127,856	127,856	-	-	127,419
116 Official Receiver's Office	237,712	226,319	(11,393)	(4.8)	216,915
120 Pensions	42,660,595	42,689,433	28,838	0.1	38,648,249
118 Planning Department	839,934	775,733	(64,201)	(7.6)	770,517
136 Public Service Commission Secretariat	31,948	31,848	(100)	(0.3)	28,469
160 Radio Television Hong Kong	1,046,340	1,040,974	(5,366)	(0.5)	1,041,651
162 Rating and Valuation Department	740,388	606,989	(133,399)	(18.0)	587,760
163 Registration and Electoral Office	1,491,634	730,665	(760,969)	(51.0)	738,093
169 Secretariat, Commissioner on Interception of Communications and Surveillance	24,395	23,097	(1,298)	(5.3)	22,146
170 Social Welfare Department	94,496,841	90,520,215	(3,976,626)	(4.2)	86,158,486
181 Trade and Industry Department	1,648,055	1,328,129	(319,926)	(19.4)	963,520
186 Transport Department	8,614,118	6,306,159	(2,307,959)	(26.8)	5,592,416

General Revenue Account

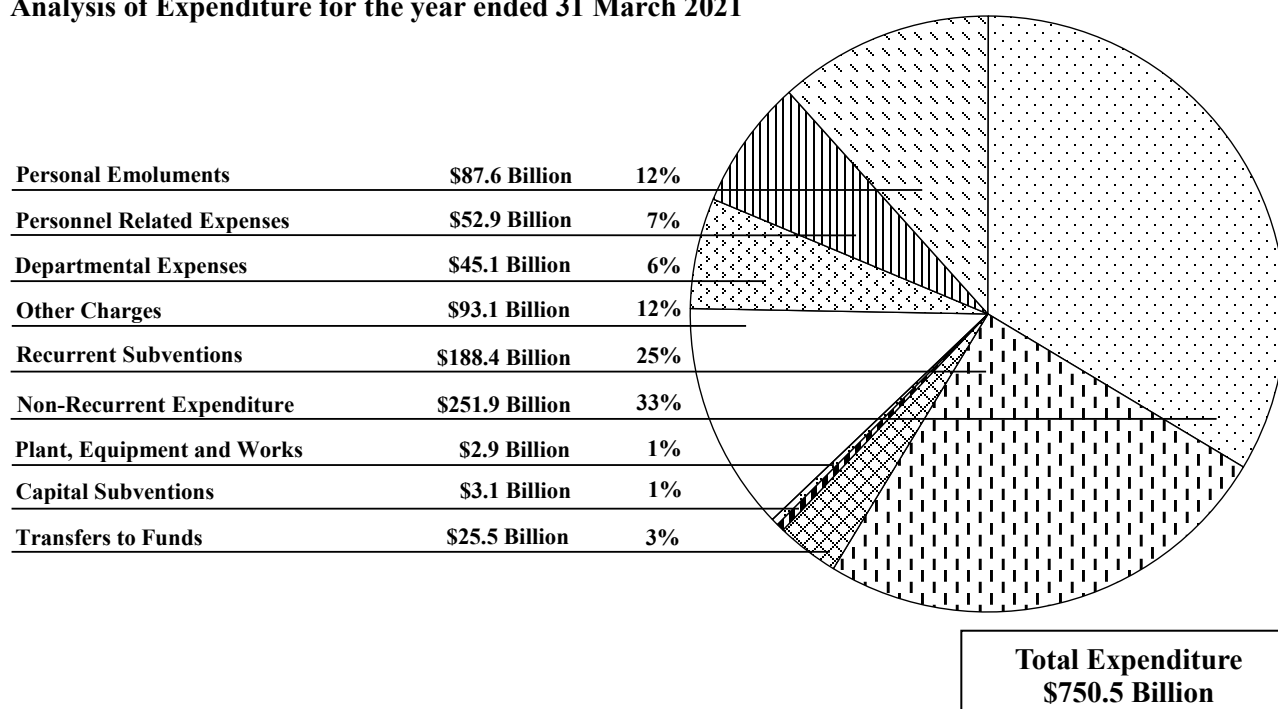
12. Expenditure (Continued)

Head	2021				2020
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
188 Treasury	509,246	499,628	(9,618)	(1.9)	444,082
190 University Grants Committee	22,791,608	22,508,375	(283,233)	(1.2)	44,102,745
194 Water Supplies Department	9,293,414	9,156,681	(136,733)	(1.5)	8,763,553
173 Working Family and Student Financial Assistance Agency	7,075,040	6,705,894	(369,146)	(5.2)	17,929,797
	625,334,901	717,031,567	91,696,666	14.7	528,614,551
184 Transfers to Funds	1,899,000	25,477,450	23,578,450	1,241.6	7,074,000
Non-recurrent appropriation to a special fund to meet the expenditure for safeguarding national security (Note (i) below)	-	8,000,000	8,000,000	-	-
Total	627,233,901	750,509,017	123,275,116	19.7	535,688,551

- (i) The Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region provides that the Financial Secretary of the Hong Kong Special Administrative Region shall, upon approval of the Chief Executive, appropriate from the general revenue a special fund to meet the expenditure for safeguarding national security and approve the establishment of relevant posts, which are not subject to any restrictions in the relevant provisions of the laws in force in the Region. This \$8 billion provision is the above-mentioned special fund for meeting the expenditure for safeguarding national security in the coming years.

Further analyses of expenditure appear on pages 129 to 153 of the Supporting Statements.

Analysis of Expenditure for the year ended 31 March 2021



General Revenue Account

13. Other Cash Movements

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

	2021 \$'000	2020 \$'000
Reduction/(Increase) in Assets		
Investments with the Exchange Fund	202,626,892	44,057,614
Deposits with banks	(38,941)	(57,962)
Advances	585,669	(1,413,807)
Suspense Accounts	73,468	(86,315)
	203,247,088	42,499,530
(Reduction)/Increase in Liabilities		
Deposits	(104,438)	566,445
Suspense Accounts	(885)	(19,001)
	(105,323)	547,444
	203,141,765	43,046,974

Revenue, Expenditure and General Revenue Balance for the years ended 31 March 2012 to 2021

\$Billion

