

# General Revenue Account

## REPORT OF THE DIRECTOR OF AUDIT



**Audit Commission**

The Government of the Hong Kong Special Administrative Region

### **Independent Audit Report To the President of the Legislative Council**

I certify that I have examined and audited the financial statements of the General Revenue Account set out on pages 20 to 31, which comprise the statement of assets and liabilities as at 31 March 2014, and the statement of receipts and payments for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Director of Accounting Services' responsibility for the financial statements**

In accordance with section 16(1) of the Public Finance Ordinance (Cap. 2), 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 responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with section 12(1) of the Audit Ordinance (Cap. 122) and the Audit Commission auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used by the Director of Accounting Services, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinion**

In my opinion, the financial statements of the General Revenue Account for the year ended 31 March 2014 are prepared, in all material respects, in accordance with the Public Finance Ordinance and section 11(1) of the Audit Ordinance.

David Sun  
Director of Audit

28 October 2014

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

# General Revenue Account

## STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2014

|                                    | Note | 2014<br>HK\$'000   | 2013<br>HK\$'000   |
|------------------------------------|------|--------------------|--------------------|
| <b>Assets</b>                      |      |                    |                    |
| Investments with the Exchange Fund | 3    | 412,725,827        | 415,738,275        |
| Deposits with banks                | 4    | 435,603            | 379,494            |
| Cash and bank balances             | 5    | 3,582,332          | 3,273,636          |
| Advances                           | 6    | 2,674,114          | 2,519,239          |
|                                    |      | 419,417,876        | 421,910,644        |
| <b>Liabilities</b>                 |      |                    |                    |
| Deposits                           | 7    | (16,557,997)       | (17,110,200)       |
| Suspense Accounts                  | 8    | (74,431)           | (80,410)           |
|                                    |      | (16,632,428)       | (17,190,610)       |
|                                    |      | <u>402,785,448</u> | <u>404,720,034</u> |
| <b>Representing:</b>               |      |                    |                    |
| <b>General Revenue Balance</b>     |      |                    |                    |
| Balance at beginning of year       |      | 404,720,034        | 360,659,538        |
| (Deficit)/Surplus for the year     |      | (1,934,586)        | 44,060,496         |
| Balance at end of year             | 9    | <u>402,785,448</u> | <u>404,720,034</u> |

Notes 1 to 12 form part of these financial statements.

**Martin SIU**  
Director of Accounting Services  
15 August 2014



# General Revenue Account

## STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2014

|   | Note | 2014<br>HK\$'000 | 2013<br>HK\$'000 |
|---|------|------------------|------------------|
| Cash and bank balances at beginning of year |      | 3,273,636        | 3,228,912        |
| Revenue                                     | 10   | 349,233,774      | 350,200,032      |
| Expenditure                                 | 11   | (351,168,360)    | (306,139,536)    |
| (Deficit)/Surplus for the year              |      | (1,934,586)      | 44,060,496       |
| Other cash movements                        | 12   | 2,243,282        | (44,015,772)     |
| Cash and bank balances at end of year       |      | 3,582,332        | 3,273,636        |

Notes 1 to 12 form part of these financial statements.

**Martin SIU**  
Director of Accounting Services  
15 August 2014



# General Revenue Account

## NOTES TO THE FINANCIAL STATEMENTS

### 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:

|                                  | <b>2014</b>        | 2013        |
|----------------------------------|--------------------|-------------|
|                                  | <b>HK\$'000</b>    | HK\$'000    |
| Investments<br>(Note (ii) below) | <b>412,705,816</b> | 415,471,751 |
| Deposits                         | <b>20,011</b>      | 266,524     |
|                                  | <b>412,725,827</b> | 415,738,275 |

# 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. Effective from 1 April 2007, the investment income is calculated 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 for the previous year subject to a minimum of zero percent, whichever is the higher. The investment income for the year ended 31 March 2014 was HK\$19.45 billion (2013: HK\$19.78 billion).

## 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:

|                  | 2014<br>HK\$'000 | 2013<br>HK\$'000 |
|------------------|------------------|------------------|
| Hong Kong dollar | 97,736           | 97,925           |
| Foreign currency | 337,867          | 281,569          |
|                  | <u>435,603</u>   | <u>379,494</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.

## 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:

|   | 2014<br>HK\$'000 | 2013<br>HK\$'000 |
|---|------------------|------------------|
| Expenditure on Vietnamese migrants (Note (i) below)   | 1,161,991        | 1,161,991        |
| Advances to Government officers   | 784,376          | 718,249          |
| Payments on behalf of non-departmental public bodies,<br>trading funds and non-statutory corporations wholly-owned<br>by Government | 375,246          | 370,797          |
| Others  | 352,501          | 268,202          |
|   | <u>2,674,114</u> | <u>2,519,239</u> |

- (i) The sum of HK\$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 HK\$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 2013-14, 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.

# General Revenue Account

## 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:

|                          | 2014<br>HK\$'000  | 2013<br>HK\$'000  |
|--------------------------|-------------------|-------------------|
| Tax reserve certificates | 9,790,248         | 10,559,825        |
| Water deposits           | 1,654,754         | 1,602,738         |
| Tenancy deposits         | 1,499,403         | 1,264,486         |
| Tax overpayments         | 681,649           | 842,653           |
| Legal aid deposits       | 673,446           | 578,235           |
| Private works            | 238,432           | 242,452           |
| Others                   | 2,020,065         | 2,019,811         |
|                          | <u>16,557,997</u> | <u>17,110,200</u> |

## 8. Suspense Accounts

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

|  | 2014<br>HK\$'000 | 2013<br>HK\$'000 |
|--|------------------|------------------|
| Correctional Services Industries (Note (i) below)                        | 17,898           | 14,281           |
| Government Logistics Department — Unallocated Stores<br>(Note (i) below) | 10,534           | 9,195            |
| The Special Coin (Note (ii) below)                                       | (96,101)         | (96,041)         |
| The Financial Secretary Incorporated (Note (iii) below)                  | (6,762)          | (7,845)          |
|  | <u>(74,431)</u>  | <u>(80,410)</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.
- (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.

# General Revenue Account

## 9. Contingent Liabilities

As at 31 March 2014, 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 HK\$31,397 million (2013: HK\$29,475 million);
- (ii) guarantees provided under the SME Loan Guarantee Scheme amounting to HK\$7,610 million (2013: HK\$7,452 million);
- (iii) guarantees provided under the Special Loan Guarantee Scheme amounting to HK\$41,689 million (2013: HK\$50,955 million);
- (iv) guarantees provided under the SME Financing Guarantee Scheme — Special Concessionary Measures amounting to HK\$26,531 million (2013: HK\$20,924 million); and
- (v) legal claims, disputes and proceedings amounting to HK\$4,170 million (2013: HK\$4,009 million).

## 10. Revenue

Analysis of total revenue by Head:

| Head  | 2014               |                           |                           |          | 2013               |
|---|--------------------|---------------------------|---------------------------|----------|--------------------|
|   | Original Estimate  | Actual                    | Over/(Under) the Estimate | Variance | Actual             |
|   | HK\$'000           | HK\$'000                  | HK\$'000                  | %        | HK\$'000           |
| 1 Duties  | 8,795,794          | <b>9,720,205</b>          | 924,411                   | 10.5     | 8,976,510          |
| 2 General Rates   | 12,971,000         | <b>14,911,481</b>         | 1,940,481                 | 15.0     | 11,204,421         |
| 3 Internal Revenue  |                    |                           |                           |          |                    |
| Profits tax   | 131,000,000        | <b>120,881,813</b>        | (10,118,187)              | (7.7)    | 125,638,364        |
| Salaries tax  | 51,000,000         | <b>55,620,272</b>         | 4,620,272                 | 9.1      | 50,466,999         |
| Stamp duties  | 40,000,000         | <b>41,514,691</b>         | 1,514,691                 | 3.8      | 42,879,744         |
| Other internal revenue                                    | 25,975,970         | <b>27,702,750</b>         | 1,726,780                 | 6.6      | 25,068,003         |
|   | 247,975,970        | <b>245,719,526</b>        | (2,256,444)               | (0.9)    | 244,053,110        |
| 4 Motor Vehicle Taxes                                     | 7,651,649          | <b>8,338,007</b>          | 686,358                   | 9.0      | 7,466,089          |
| 5 Fines, Forfeitures and Penalties                        | 1,057,466          | <b>1,956,821</b>          | 899,355                   | 85.0     | 1,208,474          |
| 6 Royalties and Concessions                               | 3,532,472          | <b>4,426,309</b>          | 893,837                   | 25.3     | 2,736,265          |
| 7 Properties and Investments                              |                    |                           |                           |          |                    |
| Income from Investments with the Exchange Fund            | -                  | <b>19,452,290</b>         | -                         | -        | 19,782,999         |
| Others  | -                  | <b>21,147,290</b>         | -                         | -        | 19,738,660         |
|   | 38,525,298         | <b>40,599,580</b>         | 2,074,282                 | 5.4      | 39,521,659         |
| 9 Loans, Reimbursements, Contributions and Other Receipts | 9,594,676          | <b>7,713,160</b>          | (1,881,516)               | (19.6)   | 19,756,500         |
| 10 Utilities  | 3,821,967          | <b>3,885,123</b>          | 63,156                    | 1.7      | 3,686,858          |
| 11 Fees and Charges                                       | 11,435,631         | <b>11,963,562</b>         | 527,931                   | 4.6      | 11,590,146         |
| Total   | <u>345,361,923</u> | <u><b>349,233,774</b></u> | <u>3,871,851</u>          | 1.1      | <u>350,200,032</u> |

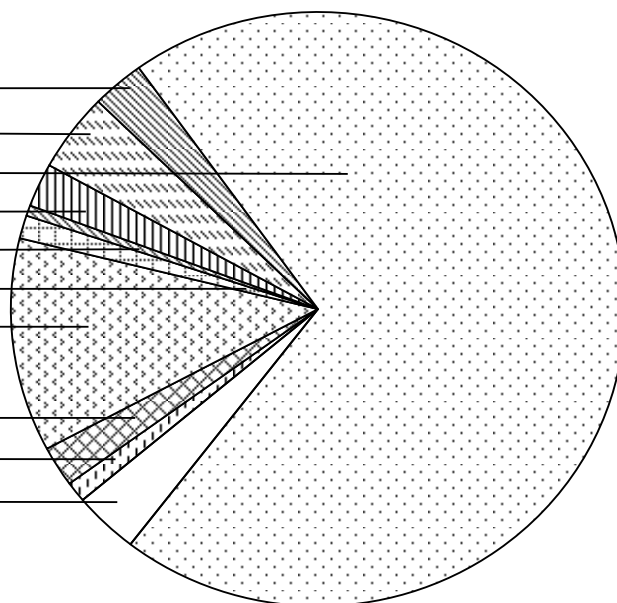
Further analysis of revenue appears on pages 108 to 116 of the Supporting Statements.



# General Revenue Account

## Analysis of Revenue for the year ended 31 March 2014

|  |                   |     |
|--|-------------------|-----|
| Duties   | HK\$9.7 Billion   | 3%  |
| General Rates  | HK\$14.9 Billion  | 4%  |
| Internal Revenue   | HK\$245.7 Billion | 70% |
| Motor Vehicle Taxes  | HK\$8.3 Billion   | 2%  |
| Fines, Forfeitures and Penalties   | HK\$2.0 Billion   | 1%  |
| Royalties and Concessions  | HK\$4.4 Billion   | 1%  |
| Properties and Investments   | HK\$40.6 Billion  | 12% |
| Loans, Reimbursements,<br>Contributions and Other Receipts<br>(Including Transfers from Funds) | HK\$7.7 Billion   | 2%  |
| Utilities  | HK\$3.9 Billion   | 1%  |
| Fees and Charges   | HK\$12.0 Billion  | 4%  |



**Total Revenue  
HK\$349.2 Billion**

## 11. Expenditure

Analysis of total expenditure by Head:

| Head  | 2014                          |                    |  |               | 2013               |
|---|-------------------------------|--------------------|--|---------------|--------------------|
|   | Original Estimate<br>HK\$'000 | Actual<br>HK\$'000 | Over/(Under)<br>the Estimate<br>HK\$'000 | Variance<br>% | Actual<br>HK\$'000 |
| 21 Chief Executive's Office                           | 94,481                        | <b>94,464</b>      | (17)                                     | -             | 92,388             |
| 22 Agriculture, Fisheries and Conservation Department | 1,579,239                     | <b>1,149,867</b>   | (429,372)                                | (27.2)        | 1,964,540          |
| 25 Architectural Services Department                  | 1,733,990                     | <b>1,760,510</b>   | 26,520                                   | 1.5           | 1,673,413          |
| 24 Audit Commission                                   | 137,368                       | <b>138,253</b>     | 885                                      | 0.6           | 132,968            |
| 23 Auxiliary Medical Service                          | 75,158                        | <b>74,287</b>      | (871)                                    | (1.2)         | 71,961             |
| 82 Buildings Department                               | 1,124,935                     | <b>1,106,303</b>   | (18,632)                                 | (1.7)         | 1,029,782          |
| 26 Census and Statistics Department                   | 590,713                       | <b>557,047</b>     | (33,666)                                 | (5.7)         | 550,625            |
| 27 Civil Aid Service                                  | 96,253                        | <b>96,196</b>      | (57)                                     | (0.1)         | 88,351             |
| 28 Civil Aviation Department                          | 853,813                       | <b>855,633</b>     | 1,820                                    | 0.2           | 832,351            |
| 33 Civil Engineering and Development Department       | 2,029,341                     | <b>1,845,860</b>   | (183,481)                                | (9.0)         | 1,799,825          |
| 30 Correctional Services Department                   | 3,235,902                     | <b>3,278,777</b>   | 42,875                                   | 1.3           | 3,140,130          |
| 31 Customs and Excise Department                      | 3,107,689                     | <b>2,960,851</b>   | (146,838)                                | (4.7)         | 2,768,626          |
| 37 Department of Health                               | 5,580,318                     | <b>5,606,137</b>   | 25,819                                   | 0.5           | 4,991,733          |
| 92 Department of Justice                              | 1,401,718                     | <b>1,351,778</b>   | (49,940)                                 | (3.6)         | 1,272,067          |
| 39 Drainage Services Department                       | 1,996,348                     | <b>2,000,981</b>   | 4,633                                    | 0.2           | 1,939,166          |

# General Revenue Account

## 11. Expenditure (Continued)

| Head   | 2014                          |                    |  |               | 2013               |
|--|-------------------------------|--------------------|--|---------------|--------------------|
|  | Original Estimate<br>HK\$'000 | Actual<br>HK\$'000 | Over/(Under)<br>the Estimate<br>HK\$'000 | Variance<br>% | Actual<br>HK\$'000 |
| 42 Electrical and Mechanical Services Department   | 509,032                       | <b>502,948</b>     | (6,084)                                  | (1.2)         | 379,035            |
| 44 Environmental Protection Department   | 3,132,891                     | <b>7,961,302</b>   | 4,828,411                                | 154.1         | 2,732,201          |
| 45 Fire Services Department  | 4,691,796                     | <b>4,676,837</b>   | (14,959)                                 | (0.3)         | 4,482,731          |
| 49 Food and Environmental Hygiene Department   | 5,200,542                     | <b>5,329,353</b>   | 128,811                                  | 2.5           | 5,004,521          |
| 46 General Expenses of the Civil Service   | 3,044,324                     | <b>2,809,903</b>   | (234,421)                                | (7.7)         | 2,699,636          |
| 166 Government Flying Service  | 515,835                       | <b>312,188</b>     | (203,647)                                | (39.5)        | 641,940            |
| 48 Government Laboratory   | 411,240                       | <b>409,531</b>     | (1,709)                                  | (0.4)         | 380,116            |
| 59 Government Logistics Department   | 526,171                       | <b>511,954</b>     | (14,217)                                 | (2.7)         | 504,657            |
| 51 Government Property Agency  | 1,889,157                     | <b>1,866,265</b>   | (22,892)                                 | (1.2)         | 1,735,985          |
| 143 Government Secretariat: Civil Service Bureau   | 499,173                       | <b>484,380</b>     | (14,793)                                 | (3.0)         | 464,775            |
| 152 Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) | 1,539,475                     | <b>1,480,694</b>   | (58,781)                                 | (3.8)         | 1,326,011          |
| 55 Government Secretariat: Commerce and Economic Development Bureau (Communications and Technology Branch)   | 326,031                       | <b>296,821</b>     | (29,210)                                 | (9.0)         | 307,486            |
| 144 Government Secretariat: Constitutional and Mainland Affairs Bureau                                       | 500,086                       | <b>497,496</b>     | (2,590)                                  | (0.5)         | 451,033            |
| 138 Government Secretariat: Development Bureau (Planning and Lands Branch)                                   | 763,645                       | <b>537,452</b>     | (226,193)                                | (29.6)        | 622,041            |
| 159 Government Secretariat: Development Bureau (Works Branch)  | 472,729                       | <b>396,795</b>     | (75,934)                                 | (16.1)        | 329,303            |
| 156 Government Secretariat: Education Bureau   | 44,478,419                    | <b>49,731,487</b>  | 5,253,068                                | 11.8          | 50,534,721         |
| 137 Government Secretariat: Environment Bureau   | 72,755                        | <b>68,572</b>      | (4,183)                                  | (5.7)         | 58,580             |
| 148 Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)           | 239,173                       | <b>230,951</b>     | (8,222)                                  | (3.4)         | 216,852            |

# General Revenue Account

## 11. Expenditure (Continued)

| Head  | 2014                          |                    |  |               | 2013               |
|---|-------------------------------|--------------------|--|---------------|--------------------|
|   | Original Estimate<br>HK\$'000 | Actual<br>HK\$'000 | Over/(Under)<br>the Estimate<br>HK\$'000 | Variance<br>% | Actual<br>HK\$'000 |
| 147 Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)              | 1,812,850                     | <b>4,531,500</b>   | 2,718,650                                | 150.0         | 14,486,536         |
| 139 Government Secretariat: Food and Health Bureau (Food Branch)  | 80,496                        | <b>74,809</b>      | (5,687)                                  | (7.1)         | 58,414             |
| 140 Government Secretariat: Food and Health Bureau (Health Branch)  | 45,568,939                    | <b>46,692,450</b>  | 1,123,511                                | 2.5           | 53,249,857         |
| 53 Government Secretariat: Home Affairs Bureau  | 1,393,644                     | <b>16,388,205</b>  | 14,994,561                               | 1,075.9       | 1,302,385          |
| 155 Government Secretariat: Innovation and Technology Commission  | 559,228                       | <b>550,979</b>     | (8,249)                                  | (1.5)         | 533,963            |
| 141 Government Secretariat: Labour and Welfare Bureau   | 717,785                       | <b>15,713,109</b>  | 14,995,324                               | 2,089.1       | 619,977            |
| 47 Government Secretariat: Office of the Government Chief Information Officer                             | 671,357                       | <b>670,825</b>     | (532)                                    | (0.1)         | 627,154            |
| 142 Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary | 739,840                       | <b>701,076</b>     | (38,764)                                 | (5.2)         | 669,577            |
| 96 Government Secretariat: Overseas Economic and Trade Offices  | 324,678                       | <b>314,183</b>     | (10,495)                                 | (3.2)         | 306,355            |
| 151 Government Secretariat: Security Bureau   | 313,589                       | <b>276,674</b>     | (36,915)                                 | (11.8)        | 251,931            |
| 158 Government Secretariat: Transport and Housing Bureau (Transport Branch)                               | 169,179                       | <b>179,998</b>     | 10,819                                   | 6.4           | 146,961            |
| 60 Highways Department  | 2,475,061                     | <b>2,485,815</b>   | 10,754                                   | 0.4           | 2,361,588          |
| 63 Home Affairs Department  | 2,022,532                     | <b>1,970,358</b>   | (52,174)                                 | (2.6)         | 1,865,952          |
| 168 Hong Kong Observatory   | 247,367                       | <b>245,768</b>     | (1,599)                                  | (0.6)         | 239,103            |
| 122 Hong Kong Police Force  | 14,776,454                    | <b>15,144,195</b>  | 367,741                                  | 2.5           | 14,598,280         |
| 62 Housing Department   | 210,178                       | <b>2,356,518</b>   | 2,146,340                                | 1,021.2       | 2,074,459          |
| 70 Immigration Department   | 3,546,855                     | <b>3,602,630</b>   | 55,775                                   | 1.6           | 3,380,067          |
| 72 Independent Commission Against Corruption  | 927,340                       | <b>909,050</b>     | (18,290)                                 | (2.0)         | 861,921            |
| 121 Independent Police Complaints Council   | 49,833                        | <b>50,916</b>      | 1,083                                    | 2.2           | 46,685             |

# General Revenue Account

## 11. Expenditure (Continued)

| Head   | 2014                          |                    |  |               | 2013               |
|--|-------------------------------|--------------------|--|---------------|--------------------|
|  | Original Estimate<br>HK\$'000 | Actual<br>HK\$'000 | Over/(Under)<br>the Estimate<br>HK\$'000 | Variance<br>% | Actual<br>HK\$'000 |
| 74 Information Services Department   | 405,986                       | <b>391,215</b>     | (14,771)                                 | (3.6)         | 382,516            |
| 76 Inland Revenue Department   | 1,431,999                     | <b>1,331,804</b>   | (100,195)                                | (7.0)         | 1,265,192          |
| 78 Intellectual Property Department  | 121,505                       | <b>121,601</b>     | 96                                       | 0.1           | 113,448            |
| 79 Invest Hong Kong  | 116,913                       | <b>116,135</b>     | (778)                                    | (0.7)         | 113,675            |
| 174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service | 30,070                        | <b>30,251</b>      | 181                                      | 0.6           | 27,537             |
| 80 Judiciary   | 1,272,125                     | <b>1,198,624</b>   | (73,501)                                 | (5.8)         | 1,147,414          |
| 90 Labour Department   | 2,040,432                     | <b>1,641,286</b>   | (399,146)                                | (19.6)        | 1,436,590          |
| 91 Lands Department  | 2,071,602                     | <b>2,087,882</b>   | 16,280                                   | 0.8           | 1,992,005          |
| 94 Legal Aid Department  | 842,163                       | <b>841,508</b>     | (655)                                    | (0.1)         | 870,972            |
| 112 Legislative Council Commission   | 664,384                       | <b>679,728</b>     | 15,344                                   | 2.3           | 642,090            |
| 95 Leisure and Cultural Services Department  | 6,538,016                     | <b>6,587,022</b>   | 49,006                                   | 0.7           | 6,240,150          |
| 100 Marine Department  | 1,045,050                     | <b>1,060,721</b>   | 15,671                                   | 1.5           | 1,017,935          |
| 106 Miscellaneous Services   | 57,272,497                    | <b>198,821</b>     | (57,073,676)                             | (99.7)        | 107,451            |
| 180 Office for Film, Newspaper and Article Administration  | 43,627                        | <b>39,941</b>      | (3,686)                                  | (8.4)         | 41,251             |
| 114 Office of The Ombudsman  | 99,540                        | <b>102,461</b>     | 2,921                                    | 2.9           | 99,085             |
| 116 Official Receiver's Office   | 155,159                       | <b>139,798</b>     | (15,361)                                 | (9.9)         | 133,875            |
| 120 Pensions   | 25,509,500                    | <b>23,913,477</b>  | (1,596,023)                              | (6.3)         | 21,843,494         |
| 118 Planning Department  | 574,397                       | <b>545,906</b>     | (28,491)                                 | (5.0)         | 523,549            |
| 136 Public Service Commission Secretariat  | 20,059                        | <b>20,434</b>      | 375                                      | 1.9           | 18,329             |
| 160 Radio Television Hong Kong   | 754,288                       | <b>723,177</b>     | (31,111)                                 | (4.1)         | 615,328            |
| 162 Rating and Valuation Department  | 484,270                       | <b>459,786</b>     | (24,484)                                 | (5.1)         | 434,085            |
| 163 Registration and Electoral Office  | 94,315                        | <b>81,784</b>      | (12,531)                                 | (13.3)        | 548,589            |
| 169 Secretariat, Commissioner on Interception of Communications and Surveillance                               | 18,014                        | <b>16,855</b>      | (1,159)                                  | (6.4)         | 15,928             |
| 170 Social Welfare Department  | 54,722,835                    | <b>53,658,843</b>  | (1,063,992)                              | (1.9)         | 44,476,987         |
| 173 Student Financial Assistance Agency  | 5,016,294                     | <b>4,917,424</b>   | (98,870)                                 | (2.0)         | 4,589,213          |
| 181 Trade and Industry Department  | 770,088                       | <b>803,082</b>     | 32,994                                   | 4.3           | 707,043            |
| 186 Transport Department   | 2,035,872                     | <b>1,852,711</b>   | (183,161)                                | (9.0)         | 1,558,120          |
| 188 Treasury   | 363,460                       | <b>341,911</b>     | (21,549)                                 | (5.9)         | 338,614            |

# General Revenue Account

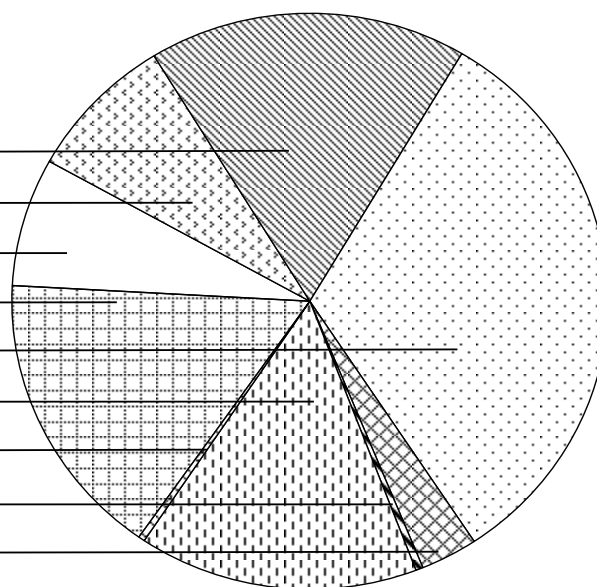
## 11. Expenditure (Continued)

| Head                            | 2014                          |                    |  |               | 2013               |
|---------------------------------|-------------------------------|--------------------|--|---------------|--------------------|
|                                 | Original Estimate<br>HK\$'000 | Actual<br>HK\$'000 | Over/(Under)<br>the Estimate<br>HK\$'000 | Variance<br>% | Actual<br>HK\$'000 |
| 190 University Grants Committee | 15,015,579                    | <b>15,656,765</b>  | 641,186                                  | 4.3           | 15,315,776         |
| 194 Water Supplies Department   | 6,810,214                     | <b>6,873,476</b>   | 63,262                                   | 0.9           | 6,570,580          |
|                                 | 355,397,198                   | <b>340,275,360</b> | (15,121,838)                             | (4.3)         | 306,087,536        |
| 184 Transfers to Funds          | 743,000                       | <b>10,893,000</b>  | 10,150,000                               | 1,366.1       | 52,000             |
| Total                           | 356,140,198                   | <b>351,168,360</b> | (4,971,838)                              | (1.4)         | 306,139,536        |

Further analyses of expenditure appear on pages 117 to 140 of the Supporting Statements.

## Analysis of Expenditure for the year ended 31 March 2014

|                                   |                          |            |
|-----------------------------------|--------------------------|------------|
| <b>Personal Emoluments</b>        | <b>HK\$60.7 Billion</b>  | <b>17%</b> |
| <b>Personnel Related Expenses</b> | <b>HK\$28.7 Billion</b>  | <b>8%</b>  |
| <b>Departmental Expenses</b>      | <b>HK\$25.3 Billion</b>  | <b>7%</b>  |
| <b>Other Charges</b>              | <b>HK\$56.7 Billion</b>  | <b>16%</b> |
| <b>Recurrent Subventions</b>      | <b>HK\$113.0 Billion</b> | <b>32%</b> |
| <b>Non-Recurrent Expenditure</b>  | <b>HK\$53.3 Billion</b>  | <b>15%</b> |
| <b>Plant, Equipment and Works</b> | <b>HK\$1.2 Billion</b>   | <b>1%</b>  |
| <b>Capital Subventions</b>        | <b>HK\$1.4 Billion</b>   | <b>1%</b>  |
| <b>Transfers to Funds</b>         | <b>HK\$10.9 Billion</b>  | <b>3%</b>  |



**Total Expenditure  
HK\$351.2 Billion**

# General Revenue Account

## 12. Other Cash Movements

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

|                                       | 2014<br>HK\$'000 | 2013<br>HK\$'000    |
|---------------------------------------|------------------|---------------------|
| <b>Reduction/(Increase) in Assets</b> |                  |                     |
| Investments with the Exchange Fund    | 3,012,448        | (43,033,935)        |
| Deposits with banks                   | (56,109)         | (96,337)            |
| Advances                              | (154,875)        | (104,062)           |
|                                       | <b>2,801,464</b> | <b>(43,234,334)</b> |
| <b>Reduction in Liabilities</b>       |                  |                     |
| Deposits                              | (552,203)        | (737,386)           |
| Suspense Accounts                     | (5,979)          | (44,052)            |
|                                       | <b>(558,182)</b> | <b>(781,438)</b>    |
|                                       | <b>2,243,282</b> | <b>(44,015,772)</b> |

## Revenue, Expenditure and General Revenue Balance for the years ended 31 March 2005 to 2014

HK\$Billion

