

THE SIXTY - SECOND
ANNUAL REPORT
OF THE

PORT
WELFARE
COMMITTEE

HONG KONG
2010 – 2011

Port Welfare Committee
(1 April 2010 – 31 March 2011)

- Chairman :** Mr. Kenneth KOO Chee-kong - Hong Kong Shipowners Association
- Members :** Capt. Gur-Prasad Kohli - Hong Kong General Chamber of Commerce
- Mr. Simon Frank Doughty - Hong Kong General Chamber of Commerce
- Capt. YUEN Pong-kit - Merchant Navy Officers' Guild Hong Kong
- Mr. TSANG Man-ngai - Hong Kong Seamen's Union
- Dr. Thomas CHUNG Wai-hung - Department of Health (ex-officio)
- Mr. Ernest IP Yee-cheung (to 14 September 2010) - Labour Department (ex-officio)
- Mr. Charles HUI Pak-kwan (to 30 November 2010)
- Ms. Melody LUK Wai-ling (from 1 December 2010)
- Mr. CHICK King-fai - Marine Department (ex-officio)
- Secretary :** Miss Shirley LEUNG - Marine Department (ex-officio)

HONORARY AUDITOR

Internal Auditor, Marine Department

TERMS OF REFERENCE

1. To co-ordinate on behalf of Government arrangements in Hong Kong for the social and recreational welfare of all serving seamen, with the exception of those who are residing in Hong Kong. The term “serving seamen” is construed to mean “those seamen visiting the port and those temporarily residing here, consequent upon discharge for health or other reasons, awaiting re-engagement or repatriation”.
2. To allocate any grants or monies which the Committee may receive from all sources for the social and recreational welfare of seamen.
3. To obtain information on developments and facilities in connection with seamen’s welfare in other ports, and to take appropriate action in the light of this information.
4. To take such other action as it may see fit to promote the welfare of visiting seamen, including action in conjunction with other social and recreational bodies.
5. To publish an annual report and audited accounts.

REPORT

Introduction

The membership of the Port Welfare Committee is drawn from representatives of the local shipping community and Government departments which are concerned with the welfare of visiting seafarers on board ships calling at Hong Kong.

Objectives and Subventions

2. The purpose of the Committee is to ensure that proper arrangements are made to safeguard the welfare of and provide recreational facilities for visiting seafarers of all nationalities. This is achieved by providing financial support to The Sailors' Home and Missions to Seamen and the Danish Seamen's Church, Hong Kong. These organisations derive their income from the services they offer, such as restaurant facilities. In addition, the Committee's subventions are one of the sources of funds for them.

Finance

3. The Committee relies upon donations from the shipping and commercial community for its financial resources. The total amount of donations collected in 2010 – 2011 was \$582,700. In the same year, a subvention of \$500,000 was granted to The Sailors' Home and Missions to Seamen and \$50,000 to the Danish Seamen's Church, Hong Kong.

Shipping

4. The Port of Hong Kong is the undisputed world leader in container handling. It is the premier gateway for trade with the territory of Hong Kong and Southern China as well as a key transportation hub for Asia as a whole. In 2010, about 65 600 ocean-going vessels entered and cleared the Port of Hong Kong and 23.7 million TEUs (20-foot containers) were handled in Hong Kong, representing a rise of 12.6 % over 2009. The percentage of ships staying in the Port for less than two days dropped from 83% in 2009 to 80% in 2010.

Employment

5. The shortage of manpower is a subject of concern to the maritime industry in Hong Kong. The government and the industry have joined hands to train up local persons to help alleviate this shortage. A Seagoing Training Incentive Scheme was set up in 2004. An initial funding of \$9,000,000 was allocated to fund the Scheme. As this funding was exhausted in 2009, an additional amount of \$19,200,000 was granted by the government to continue its operation for another four years. As there is still an acute shortage of local marine professionals, the Transport and Housing Bureau and the Marine Department are currently reviewing the funding arrangement to the Scheme and hope to find a long-term financing mechanism for the Scheme. Since the launching of the Scheme in 2004, 167 young persons had joined the Scheme as at 31 March 2011. A total of 58 and 9 cadets had obtained their Class 3 and Class 2 Certificate of Competency respectively. The result was encouraging.

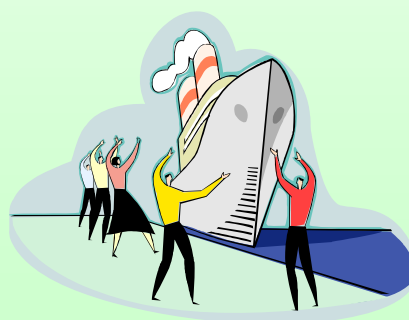
The Sailors' Home and Missions to Seamen

6. In 2010, it was pleasing to note that the number of vessels using the port increased which meant that there were more seafarers to care for. The chaplains of the Sailors' Home and Missions to Seamen (the Mission) visited 4,205 vessels providing pastoral and welfare support and contact for those seafarers aboard. The visits took place in the anchorage by using the Mariners' Club launch and by way of shore visits in the Kwai Chung terminals. The number of vessels visited was slightly lower than that of 2009 due to a required overhaul of the Mariners' Club launch which saw it out of action for over a month. The Mission conducted 418 hospital visits in 2010 visiting 89 seafarers from 25 different countries. This represents a dramatic increase from 2009 and highlights the way in which Hong Kong has become a port of choice for shipowners to place injured or sick crew. Hospital visits are a vital part of the ministry for the seafarers when in time of need. It is difficult enough to be sick and in hospital when at home, but to be away from home with no one to visit highlights a seafarer's isolation. Visits from the Mission provide a link with home, making sure the seafarer has all he/she needs and providing help to keep up the contact with the seafarer's family who will be concerned and worried about the condition of their loved one. Prison visiting figures were thankfully roughly the same as that of 2009. When one takes into consideration the million plus sea seafarers who visit the port annually, it shows that seafarer's are very law abiding people which is contrary to the blinkered image that many have of those who go to sea.

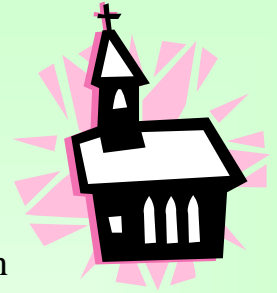
7. The Mission operates two Mariners' Clubs, one in Tsim Sha Tsui which is in the heart of the tourist area of Kowloon and the other in the centre of the "container port city" of Kwai Chung. The Kwai Chung facility is very accessible for those seafarers whose vessels are often only in the port for a matter of hours while the Tsim Sha Tsui Club is an ideal location for those seafarers who are leaving or joining their vessels who require accommodation. The building is close to the shopping malls, the night markets and the downtown activity of the tourist nightlife. The largest numbers of seafarers by nationality using the

facilities at Tsim Sha Tsui in 2010 were Filipinos (8,899), Indian (4,693), Chinese (4,179) Myanmar (1,061), Russian and Ukrainian (1,477), Indonesian (755) and Kiribati (549). The total number of seafarers staying in 2010 was 27,453 which was an increase of 11,526 over 2009. In part the increase has been because the Mariners' Club has kept room rates low compared with other low cost accommodation available in Hong Kong. Even so, the operation of the Mariners' Club continues to run at a deficit. Despite all attempts at cost saving, the high maintenance costs of an ageing building at Tsim Sha Tsui continue to eat into the Mission's reserves. The valued support of the Port Welfare Committee and other donors means that this valued support to the seafarers who come to Hong Kong can continue to be maintained, and with further support can be increased in the future.

8. The future challenge for the Mission is to maintain the daily ship visiting and provision of care for seafarers regardless of race, creed or colour. The Mission will continue to seek sufficient funding for shipboard visits and maintain and update their facilities on shore to be relevant to the needs of seafarers in the coming years. In particular the Mission needs to address the growing tension between seafarers who require shore leave and the ever increasing turn-around times in Kwai Chung which prevent seafarers from leaving their vessels and seeking rest in the shore-based facility of the Mariners' Club. To help seafarers who wish to communicate with their families, who do not have internet aboard their vessels (over 80% of seafarers still do not have adequate access to broadband on board the ship), there is a need to look into the provision of WiFi across the terminals in Kwai Chung. Although this would require setting up cost, it would provide a way forward to help those seafarers in the Port of Hong Kong who are unable to step down from the ship to get the communication they seek whilst remaining aboard. Details are still being worked out, but the Mission would be seeking help from all interested parties to make this facility possible for seafarers.



The Danish Seamen's Church, Hong Kong



9. The Danish Seamen's Church in Hong Kong (the Church) operates on various levels. First and foremost it is a church in which the Danish community, either visiting or living in Hong Kong, are always welcome. It provides spiritual guidance and whatever practical assistance is needed. The practical assistance is especially valued by the Danish seafarers and other nationalities on board Danish ships, who nowadays do not have the time to go ashore. The last couple of years have made life difficult for all seafarers because they seldom have time to go shopping or have leisure time in Hong Kong anymore given the short amount of time in the port. Practicalities such as buying electronics and presents, which typically would have been a task for the seafarers to perform, are now being taken over by the Church. For the typical seafarers who are forced to enjoy their day off onboard when they are in Hong Kong, this tiny yet immensely important task gives them an idea of freedom, even though they do not leave the ship. It separates their daily work schedule from their leisure time because the Church provides the leisure time activities needed. In order to fully understand its mission, the Church has chosen this quote from one of its visitors from its Face Book Wall:

Danish: *En hjemboning kan næppe sætte sig ind i hvilken forskeld sømandskirkerne gør for den manglende psykiske trivsel man lever under ombord på nytidens handelsflåde, og specielt vores kolleger fra lavtløns lande. Der er tale om både tradition og højaktuel virke. Min opbakning vil være os mine rødder - de søfarende*

English: *People back home would have a hard time understanding what kind of difference the seaman's churches do for the lack of positive psychological living standards on today's modern ships, and especially for our colleagues from lower wage countries. It is both a tradition and an important current action. My support will go to my roots – the sailors.*

10. To enable the Church to maintain a good relationship with the seamen on board Danish ships, the port chaplain and his assistants visit every ship in the port and deliver whatever is needed; a typical thing to deliver would be newspapers, but the main objective is to share a talk. The Church performs its daily practicalities in the Danish Room at Kwai Chung Mariners' Club which is an open living room for any Danish or other nationalities to visit. Coffee, Danish and other nationalities newspapers and books, free internet service and Wi-Fi are provided there.

11. The Church is a private organization. The salary of the port chaplain and his assistants is paid by the Danish Government. All other funds raised in order to maintain a standard is given by private investors, such as Danish ships, the Danish community and Scandinavian companies in Hong Kong. The annual Danish Christmas Bazaar is a way for private donors to sponsor the Church. This event takes a lot of preparation and uses a lot of the resources available to the Church.

12. The Church provides a meeting point for the Danish community, either being seamen, Danes living in Hong Kong or tourists, to gather together. The Church wants this to continue, especially now with the Danish Consulate closing. The Church wants to continue to visit and offer its service to everybody on board Danish flagged ships as well as visit seafarers from all nationalities on Danish ships during their hospitalization. But this is only possible with the right means necessary. With fewer Danes visiting its Christmas Bazaar in 2010, it is going to be more difficult for the Church to find the finances needed to keep its mission functioning.

Cheque Presentation Ceremony cum Drinks Reception on 16 April 2010

13. A total of HK\$809,183 donations was made to the Port Welfare Committee in 2009-10 to support the cause of the committee. A cheque presentation ceremony cum drinks reception was held on 16 April 2010 at the Mariners' Club, Tsim Sha Tsui. Speaking at the ceremony, the Chairman of the Port Welfare Committee, Mr. Kenneth KOO, underlined port welfare's importance to the maritime industry and seafarers who made globalisation a reality. He expressed appreciation to the donors for their generosity in contributing greatly to Hong Kong's port welfare endeavours through their continued donations to the Committee.

14. Mr. Anthony Nightingale, the Chairman of the General Committee of the Sailors' Home and Missions to Seamen, expressed his deepest gratitude to the Port Welfare Committee and the donors for their generous support in the past years and the record amount of the donation of HK\$800,000 in 2009 - 10.



A representative of the K. H. Koo Charitable Foundation (left) presents a cheque of \$250,000 to Mr. Kenneth KOO (right), the Chairman of the Port Welfare Committee.



A representative of the Tai Chong Cheang Steamship Co. (HK) Ltd. (left) presents a cheque of \$250,000 to Mr. Kenneth KOO (right), the Chairman of the Port Welfare Committee.

Charity Dinner with Auction on 28 October 2010

15. The International Maritime Organization had designated 2010 as the Year of the Seafarer. The Port Welfare Committee organized a Charity Dinner with Auction on 28 October 2010 at the Mariners' Club in Tsim Sha Tsui during the Maritime Awareness Week from 25 to 31 October 2010 to commemorate the Year of the Seafarer and show its appreciation of the contributions of seafarers. The Charity Dinner with Auction was held successfully. In the Charity Dinner, 10 companies sponsored 12 tables and all items of 12 memorabilia were auctioned off. The net proceeds were HK\$58,400.



All guests are invited to be seated and enjoy their meals.



Dr. Stephen Davies, Director of the Hong Kong Maritime Museum, gives a brief account of the maritime history of Hong Kong and hosts the charity auction.

- End -

List of donors who made donations to the Port Welfare Committee in 2010 -2011

DONORS

- 1 Asia Maritime Pacific (Hong Kong) Limited
- 2 Bernhard Schulte Shipmanagement (Hong Kong) Limited Partnership
- 3 Bureau Veritas Hong Kong Limited
- 4 Chellaram Shipping (Hong Kong) Ltd
- 5 Cheoy Lee Shipyards Limited
- 6 China United Shipbuilding Company Limited
- 7 Chugoku Marine Paints (HK) Ltd
- 8 COSCO (Hong Kong) Group Limited
- 9 COSCO (Hong Kong) Insurance Brokers Limited
- 10 Det Norske Veritas AS
- 11 Foremost (Hong Kong) Company Limited
- 12 Genting Hong Kong Limited
- 13 Germanischer Lloyd Hong Kong Limited
- 14 Gold Bridge Shipping Limited
- 15 Hong Kong Ming Wah Shipping Co., Ltd.
- 16 Hong Kong Pilots Association Ltd
- 17 Hongkong International Terminals Limited
- 18 Hongkong United Dockyards Limited
- 19 Houlder Insurance Brokers Far East Limited
- 20 Island Navigation Corporation International Ltd
- 21 Jardine Shipping Services
- 22 Jinhui Holdings Company Limited
- 23 K. M. Tam International Limited
- 24 KC Maritime Limited
- 25 Keesal, Young & Logan, LLP
- 26 KOO Chee Kong, Kenneth
- 27 Modern Terminals Limited
- 28 New Asian Shipping Company, Limited

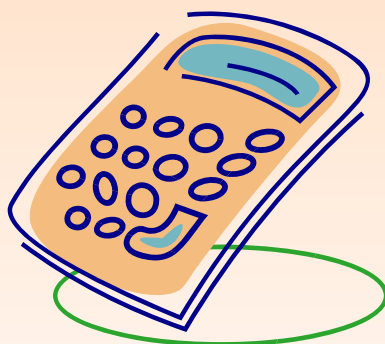
DONORS

- 29 Noble Group Limited
- 30 NS United Shipping (H.K.) Co., Limited
- 31 Orient Overseas Container Line Limited
- 32 Parakou Shipping Limited
- 33 Patt Manfield & Co., Ltd.
- 34 Richards Hogg Lindley
- 35 River Trade Terminal Co. Ltd.
- 36 Ruttonjee Estates Continuation Limited
- 37 Santana Shipping Services Limited
- 38 Simpson, Spence & Young Hong Kong Ltd
- 39 Sinotrans Ship Management Limited
- 40 Skuld (Far East) Ltd.
- 41 Steamship Mutual Management (HK) Ltd
- 42 Tai Chong Cheang Steamship Co (HK) Ltd
- 43 Taiship Company Limited
- 44 Teh-Hu Cargocean Management Co Ltd
- 45 The Hongkong and Shanghai Banking Corporation Limited
- 46 The K. H. Koo Charitable Foundation
- 47 TONG King Yan, Anthony
- 48 Tsao Wen King, Frank
- 49 Unique Shipping (H.K.) Limited
- 50 Valles Steamship Company, Limited
- 51 Wallem Shipmanagement Ltd
- 52 Willis Hong Kong Limited

Total donations received in 2010 – 2011 : \$524,300



PORT WELFARE COMMITTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011



HONORARY AUDITOR'S REPORT

TO THE MEMBERS OF PORT WELFARE COMMITTEE (the 'Committee')

(Operated by Marine Department of the Hong Kong Special Administrative Region ('HKSAR'))

In accordance with your appointment of the Internal Auditor of the Marine Department as the Honorary Auditor of the Committee under the Standing Accounting Instruction ('SAI') 1975 (6) of the Government of HKSAR with effect from June 2007, I have audited the attached financial statements of the Committee set out on pages 2 to 4, which comprise the balance sheet as at 31 March 2011, and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The financial statements were prepared by the Committee Secretariat, which managed the fund of the Committee. Under the SAI 1975 (4), the public officer responsible for the management of a non-Government fund shall cause a statement of receipts and payments to be prepared for the fund for each of its accounting periods and at least once a year.

As a public officer independent of the management of the fund of the Committee, I have carried out reviews and tests of the receipts and payments of the fund of the Committee for the year ended 31 March 2011 to ensure that it was managed with adequate internal control and, in particular, I have verified and ensured that :-

- a. separate bank accounts have been kept for the fund of the Committee,
- b. proper records were maintained for the receipts and payments of the fund, and the bank balances as at 31 March 2011 as recorded agreed to the statements from the bank, and
- c. the payment items were reasonable and appropriate taking into account the nature of the fund.

In my opinion, the financial statements were properly prepared from the books and records maintained, and reflected fairly the receipts and payments of the fund of the Committee for the year ended 31 March 2011.



K M Chung

Internal Auditor

Marine Department

Date : 20 September 2011

**PORT WELFARE COMMITTEE
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2011**

	<u>2011</u> HK\$	<u>2010</u> HK\$
INCOME		
Annual Donations	524,300	809,183
Donation received from the Charity Dinner 2010	91,400	-
Bank interest income	5	29
	<u>615,705</u>	<u>809,212</u>
EXPENDITURE		
Expenses for Charity Dinner 2010	33,000	-
Grant to The Sailors' Home and Missions to Seamen	500,000	800,000
Grant to The Danish Seamen's Church	50,000	80,000
	<u>583,000</u>	<u>880,000</u>
SURPLUS / (DEFICIT) FOR THE YEAR	32,705	(70,788)
RETAINED SURPLUSES IN THE BEGINNING OF THE YEAR	159,107	229,895
RETAINED SURPLUSES AT THE END OF THE YEAR	<u>191,812</u>	<u>159,107</u>


The annexed notes form an integral part of these financial statements.

PORT WELFARE COMMITTEE
BALANCE SHEET
AS AT 31 MARCH 2011

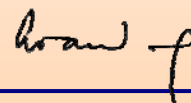
	<u>2011</u> HK\$	<u>2010</u> HK\$
CURRENT ASSETS		
Interest receivable	-	1
Cash at bank	741,812	1,039,106
	<u>741,812</u>	<u>1,039,107</u>
CURRENT LIABILITIES		
Provision for grants	550,000	880,000
NET CURRENT ASSETS	<u>191,812</u>	<u>159,107</u>
<i>Representing:</i>		
RETAINED SURPLUSES	<u>191,812</u>	<u>159,107</u>

The annexed notes form an integral part of these financial statements.

Approved by the Committee on 20 September 2011



 Chairman
 (Mr. Timothy Scott Huxley)



 Treasurer
 (Ms. WONG Wai-ming)

PORT WELFARE COMMITTEE
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

Reporting entity

Port Welfare Committee is a committee operated by the Marine Department of the Hong Kong Special Administrative Region. The Committee's registered office is located at 21/F, Harbour Building, 38 Pier Road, Hong Kong.

The Committee is a non-profit making body and its principal activity is to ensure that proper arrangements are made to safeguard the welfare of and provide recreational facilities for visiting seafarers of all nationalities.

1. Basis of preparation and accounting policies

These financial statements have been prepared under the historical cost convention and the accrual basis of accounting and on the basis that the Committee is a going concern.

2. Taxation

No provision for taxation is necessary as the Committee is exempted as a charitable body.

3. Committee Members' emoluments

The Committee Members did not receive any emoluments from the Committee.

4. Honorary Auditor

This set of financial statements has been audited by the Internal Auditor of the Marine Department who retires, and being eligible, offers himself for re-appointment.