

**Notes of the Port Welfare Committee Meeting**  
**held on 10 April 2000 at 3:30 p.m.**  
**in Conference Room A, Marine Department HQs**  
**24<sup>th</sup> Floor, Harbour Building, 38 Pier Road, Central, Hong Kong**

**Present**

|                   |           |                                       |
|-------------------|-----------|---------------------------------------|
| Mr. George CHAO   | Chairman  | Hong Kong Shipowners' Association     |
| Mr. Bill CHANG    | Member    | Hong Kong General Chamber of Commerce |
| Mr. WONG Woon-yin | Member    | Hong Kong General Chamber of Commerce |
| Mr. TING Kam-yuen | Member    | Hong Kong Seamen's Union              |
| Miss Mabel LI     | Member    | Labour Department (ex-officio)        |
| Dr. P. L. MA      | Member    | Department of Health (ex-officio)     |
| Mr. K. L. LEE     | Member    | Marine Department (ex-officio)        |
| Mrs. Sophia WONG  | Secretary | Marine Department (ex-officio)        |

**Absent with apologies**

|                      |        |                               |
|----------------------|--------|-------------------------------|
| Capt. TSAI Chuck-kin | Member | Merchant Navy Officers' Guild |
|----------------------|--------|-------------------------------|

**In attendance**

|                  |  |                               |
|------------------|--|-------------------------------|
| Capt. IP Ting-on |  | Merchant Navy Officers' Guild |
| Mrs. Agnes WONG  |  | Marine Department             |
| Mr. Victor CHAN  |  | Marine Department             |

The Chairman welcomed all present and introduced :

- (a) Miss Mabel LI, representing the Commissioner for Labour vice Mrs. SIU HO Kar-yuk;
- (b) Capt. IP Ting-on, attending the meeting on behalf of Capt. TSAI Chuck-kin of Merchant Navy Officers' Guild; and
- (c) Mrs. Agnes WONG who would replace Mr. Victor CHAN of Marine Department.

**II. Confirmation of the minutes of the last meeting**

2. The minutes of the last meeting held on 28 September 1999 were confirmed without amendment through circulation in October 1999.

**III. Matters arising**

**Financial Position of the Committee**

3. The Chairman briefed members on the financial position of the Committee as at 31 March 2000 as provided by Messrs. Price Waterhouse:-

|                       |                   |
|-----------------------|-------------------|
|                       | \$                |
| Savings Account       | 117,119.59        |
| Current Account       | 79.13             |
| Fixed Deposit Account | <u>161,874.59</u> |
| Balance :             | <u>279,073.31</u> |

#### **IV. Donations received by the Committee in 1999/2000**

4. The Secretary reported that, in response to the Committee's appeal for donations, a total of \$123,300.00 was received from 64 donors in 1999/2000. The list of donors and their donations was circulated to members before the meeting.

#### **V. Review of income and expenditure account**

5. The Secretary introduced PWC Paper 1/00. As reflected from the Committee's annual account, the expenditure on accountancy and audit services amounted to over 10% of the yearly average income of about \$120,000. In fact, the Director of Marine had received feedback from the shipping community that the Committee should try to explore cheaper means to provide the necessary services. In order to reduce the related costs, the Marine Department had conducted a review and proposed to :

- (a) appoint an officer of the Marine Department to take up the book keeping and accounting duties of the Committee; and
- (b) invite quotations for the appointment of a certified public accountant as the auditor of the Committee's accounts.

As the Committee's accounts was relatively simple and the amount involved limited, the proposed changes should not have any adverse effect on its functions and operation.

6. The Chairman said that considering the leading position of the existing Accountants and Auditors of the Committee, i.e. Messrs. Price Waterhouse and KPMG Peat Marwick in their fields, the fees charged by them were not unrcasonable. Since Marine Department is prepared to take up the accounting work, the Committee would be able to maximize usage of the donations received. The Chairman also opined that it should be taken as an honour to be able to serve such charitable organization as the Port Welfare Committee and the appointed audit firm should be willing to provide the service at a nominal fee. He suggested an audit fee in the region of \$1,000 - \$2,000 should suffice and that Messrs Price Waterhouse should be requested to reduce by half the accountancy fee for 1999/2000. The meeting unanimously supported the cost reduction measures and agreed that the service of Messrs Price Waterhouse should be terminated from 2000/01 and that of KPMG from 1999/2000. The Chairman and Mr. Bill CHANG undertook to introduce some audit firms through their business contact to offer quotations for the auditing work.

Secretary

Chairman  
Mr. Bill  
CHANG

**VI. Allocation of grants to agencies**

7. Taking into account the donations received in 1999/2000 and the expected decrease in future expenditure of the Committee as mentioned above, the Chairman proposed and the meeting agreed to the following grants this year :-

|  |               |
|--|---------------|
|  | \$            |
| The Sailor's Home and Missions to Seamen<br>& Apostleship of the Sea | 90,000        |
| Danish Seamen's Church   | <u>9,000</u>  |
| Total :  | <u>99,000</u> |

**VII. Date of Next Meeting**

8. The next meeting would be held in September 2000. Members would be advised separately.

**Port Welfare Committee  
Review on Income and Expenditure Account**

**Background**

In an attempt to review the annual income and expenditure account of the Port Welfare Committee in the past five years, the Marine Department proposes to implement some cost reduction measures in order to maximize the usage of the donations received for the welfare of all serving seamen. A summary statement of the income and expenditure account of the Committee from 1995-96 to 1999-2000 is provided at Annex for members' reference.

**Observation**

2. As reflected from the annual account, the Committee has maintained an average income of about \$120,000 per year from donations received. As regards expenditure, there has been a moderate increase from about \$21,800 to \$24,000 (i.e. about 10%) during the last five years, mainly attributable to the increase in the accountancy and audit fees. Although the increase is considered reasonable, the fact that the annual expenditure on accountancy and audit fees has amounted to over 10% of the Committee's yearly income has become a matter of concern and suggestions were received from the shipping community that the Committee should try to explore cheaper means to provide the necessary service.

**Proposal**

3. Since the Committee's accounts is relatively simple and the money involved limited, the Marine Department can appoint a departmental staff to provide the service required. In order to reduce the Committee's expenditure on accounting and auditing services, the Marine Department proposes to :-

- (a) appoint an officer of the Marine Department to take up the book keeping and accounting duties of the Committee; and
- (b) invite quotations for the appointment of a certified public accountant as the auditor of the Committee's accounts.

4. Taking into account of the simple and straight forward nature of the accounts of the Committee, it is considered that the proposed changes would not have any adverse effect on its functions and operation.

**Advice sought**

5. Members' advice is sought on the proposal set out in para. 3 above.

Port Welfare Committee Secretariat  
April 2000

**PORT WELFARE COMMITTEE**  
**Summary of Income and Expenditure**

|  | <b>1999-2000</b> |                  | <b>1998-99</b>   |                  | <b>1997-98</b>   |                  | <b>1996-97</b>   |                  | <b>1995-96</b>   |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|  | <b>Breakdown</b> | <b>Sub-total</b> | <b>Breakdown</b> | <b>Sub-total</b> | <b>Breakdown</b> | <b>Sub-total</b> | <b>Breakdown</b> | <b>Sub-total</b> | <b>Breakdown</b> | <b>Sub-total</b> |
| <b><u>INCOME</u></b>                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Donations                              | 123,300          |                  | 111,295          |                  | 125,200          |                  | 117,570          |                  | 144,380          |                  |
| Interest Received                      | 8,103 *          |                  | 10,202           |                  | 10,938           |                  | 6,436            |                  | 2,998            |                  |
|  |                  | <b>131,403</b>   |                  | <b>121,497</b>   |                  | <b>136,138</b>   |                  | <b>124,006</b>   |                  | <b>147,378</b>   |
| <b>Less : <u>GRANT TO</u></b>          |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| The Sailors' Home & Missions to Seamen | 80,000 #         |                  | 80,000           |                  | 80,000           |                  | 70,000           |                  | 60,000           |                  |
| The Danish Seamen's Church             | 8,000 #          |                  | 8,000            |                  | 8,000            |                  | 7,000            |                  | 6,000            |                  |
|  |                  | <b>88,000</b>    |                  | <b>88,000</b>    |                  | <b>88,000</b>    |                  | <b>77,000</b>    |                  | <b>66,000</b>    |
| <b>Less : <u>EXPENDITURE</u></b>       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Audit fee                              | 6,400 #          |                  | 6,400            |                  | 6,000            |                  | 5,600            |                  | 5,200            |                  |
| Accountancy fee                        | 11,400 #         |                  | 11,400           |                  | 10,950           |                  | 9,900            |                  | 8,700            |                  |
| General expenses                       | 5,968 ^          |                  | 6,353            |                  | 6,362            |                  | 6,664            |                  | 5,859            |                  |
| Donation                               | -                |                  | -                |                  | -                |                  | -                |                  | 2,000            |                  |
|  |                  | <b>23,768</b>    |                  | <b>24,153</b>    |                  | <b>23,312</b>    |                  | <b>22,164</b>    |                  | <b>21,759</b>    |
|  |                  | <b>19,635</b>    |                  | <b>9,344</b>     |                  | <b>24,826</b>    |                  | <b>24,842</b>    |                  | <b>59,619</b>    |
| Balance brought forward                |                  | <b>164,089</b>   |                  | <b>154,745</b>   |                  | <b>129,919</b>   |                  | <b>105,077</b>   |                  | <b>45,458</b>    |
| Balance carried forward                |                  | <b>183,724</b>   |                  | <b>164,089</b>   |                  | <b>154,745</b>   |                  | <b>129,919</b>   |                  | <b>105,077</b>   |

\* Fixed Deposit Interest as at 21.3.2000

# Provisional figures

^ Printing \$5,700 – Sundries \$268