

**ANNUAL FINANCIAL REPORT
NGO : EVANGEL CHILDREN'S HOME**

1 APRIL 2016 TO 31 MARCH 2017

	Notes	Total 2016-17 \$	Total 2015-16 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	10,185,324.00	9,744,556.00
b. Provident Fund	1c	850,905.00	832,951.00
2. Special One-off Grant		-	-
3. Fee Income	2	-	-
4. Central Items	3	304,083.00	302,418.00
5. Rent and Rates	4	130,075.00	127,091.00
6. Other Income	5	252,746.62	220,627.00
7. Interest Received		44.61	44.61
TOTAL INCOME		11,723,178.23	11,227,687.61
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		8,837,077.36	8,006,010.50
b. Provident Fund	1b	721,377.42	651,073.48
c. Allowances		215,697.16	318,346.78
Sub-total	6	9,774,151.94	8,975,430.76
2. Other Charges	7	2,024,385.73	1,916,247.61
3. Central Items	3	304,083.00	302,418.00
4. Rent and Rates	4	210,040.00	249,400.00
5. Special One-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		12,312,660.67	11,443,496.37
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	(589,482.44)	(215,808.76)

The Annual Financial Report from pages 1 to 5 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual

SIGNATURE

CHAIRMAN

DATE : 26 SEP 2017

SIGNATURE

NGO HEAD/HEAD OF SOCIAL WELFARE SERVICES

DATE : 26 SEP 2017

NOTES ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant

a. Basis of preparation

The Annual Financial Report (AFR) is prepared in respect of all Funding and Service Agreement (FSA) activities (including support services to FSA activities) funded by the Social Welfare Department under the Lump Sum Grant Subvention System. AFR is prepared **on cash basis**, that is, income is recognised upon receipt of cash and expenditure is recognised when expenses are paid. **Non-cash items** such as depreciation, provisions and accruals **have not been included** in the AFR.

b. Lump Sum Grant (excluding Provident Fund)

This represents Lump Sum Grant (excluding Provident Fund) received for the year.

c. Provident Fund

This is Provident Fund received and contributed during the year.

Snapshot staff are defined as those staff occupying recognised or holding against subvented posts as at 1 April 2000.

6.8% and other posts represent those staff that are employed after 1 April 2000.

Please note that the PF received and contributed for staff under the Central Items have been shown under **3**.

(LSG Circular No. 1/2001).

Details are analysed below :

<u>Provident Fund Contribution</u>	<u>Existing Staff</u>	<u>6.8% Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	374,189.00	476,716.00	850,905.00
Provident Fund Contribution Paid	373,545.00	347,832.42	721,377.42
during the year			
Surplus/(Deficit) for the year	644.00	128,883.58	129,527.58
Add : Surplus/(Deficit) b/f	68,701.12	1,234,227.86	1,302,928.98
Fund Transfer per letter dated 17 Mar 17	(1,741.50)	1,741.50	-
Less : Government claw back			-
Surplus/(Deficit) c/f	67,603.62	1,364,852.94	1,432,456.56

2. Fee Income

This represents social welfare fee income received for the year in respect of the fees and charges recognised for the purpose of subvention as set out in the Lump Sum Grant Manual.

3. Central Items

These are subvented service activities which are not included in LSG and are subject to their own procedures as set out in other SWD's papers and correspondence with the NGOs. The Provident Fund received and contributed for staff under the Central Items have been separately included as part of the income and expenditure of the relevant items (paragraph 3.14 of the LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	<u>2016-17</u>	<u>2015-16</u>
<u>a. Income</u>	\$	\$
Overnight On-site-on-call Allowance	304,083.00	302,418.00
Total	<u>304,083.00</u>	<u>302,418.00</u>
<u>b. Expenditure</u>		
Overnight On-site-on-call Allowance	304,083.00	302,418.00
Total	<u>304,083.00</u>	<u>302,418.00</u>

4. Rent and Rates

This represents the amount paid by Social Welfare Department in respect of premises recognised by SWD. Expenditure on rent and rates in respect of premises not recognised by SWD have not been included in AFR.

5. Other Income

This includes programme income and all income other than recognised social welfare fee income received during the year. Non-SWD subventions and donations received have not been included as Other Income in AFR.

6. Personal Emoluments

Personal Emoluments include salary, provident fund, salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over \$700,000 each paid under LSG is appended below:

Analysis of Personal Emoluments

	No of Posts	\$
HK\$700,001 - HK\$800,000 p.a.	N/A	
HK\$800,001 - HK\$900,000 p.a.	1.00	899,070.00
HK\$900,001 - HK\$1,000,000 p.a.	N/A	
HK\$1,000,000 - HK\$1,100,000 p.a.	N/A	
HK\$1,100,000 - HK\$1,200,000 p.a.	N/A	
>HK\$1,200,000 p.a.	N/A	

7. Other Charges

Other Charges	2016-17 \$	2015-16 \$
a. Utilities	341,748.40	347,855.80
b. Food	704,912.60	651,015.80
c. Administrative Expenses	258,508.37	232,059.80
d. Stores and Equipment *	207,224.60	252,869.57
e. Repair and Maintenance	258,638.00	202,191.50
f. Special Allowances	-	-
g. Programme Expenses	111,288.80	111,671.30
h. Transportation and Travelling	7,608.90	4,244.30
i. Insurance	87,325.06	72,455.94
j. Miscellaneous	47,131.00	41,883.60
Total	2,024,385.73	1,916,247.61

* Furniture & Equipment included

7a. Special One-off Grant Payments

Details of Special One-off Grant Payments are as follows:

Special one-off Grant Payments	2016-17 \$	2015-16 \$
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total	-	-

8. Analysis of Reserve Fund

	Analysis of Reserve Fund				
	Lump Sum Grant & (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
Income					
Lump Sum Grant	11,036,229.00				11,036,229.00
Special One-off Grant	-				-
Fee Income	-				-
Other Income	252,746.62				252,746.62
Interest Received (Note(1))	44.61				44.61
Rent and Rates			130,075.00		130,075.00
Central Items				304,083.00	304,083.00
Total Income (a)	11,289,020.23	-	130,075.00	304,083.00	11,723,178.23
Expenditure					
Personal emoluments	9,774,151.94	-			9,774,151.94
Other Charges	2,024,385.73				2,024,385.73
Rent and Rates			210,040.00		210,040.00
Central Items				304,083.00	304,083.00
Total Expenditure (b)	11,798,537.67	-	210,040.00	304,083.00	12,312,660.67
Surplus/(Deficit) for the Year (a) - (b)	(509,517.44)	-	(79,965.00)	-	(589,482.44)
Less : Surplus/(Deficit) of Provident Fund	129,527.58	-	-	-	129,527.58
	(639,045.02)	-	(79,965.00)	-	(719,010.02)
Surplus/(Deficit) b/f (Note (2))	1,302,074.51	-	(255,772.00)	-	1,046,302.51
	663,029.49	-	(335,737.00)	-	327,292.49
Add: Backpayment on Rent 2015/16			29,232.00		29,232.00
Add: Backpayment on Rates 2015/16			41,502.00		41,502.00
Surplus/(Deficit) c/f (Note (3))	663,029.49	-	(265,003.00)	-	398,026.49

Notes:

- (1) All the interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant is included as one item under LSG; and the items is considered as part of LSG reserve.
- (2) Accumulated balance Lump Sum Grant Surplus b/f from previous years and all interest received in previous years are included in the surplus b/f under LSG.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule of Central Items.
- (4) The Level of LSG cumulative reserves will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for that year.