

Annex 2**ANNUAL FINANCIAL REPORT****NGO: _____****(1 April 2016 to 31 March 2017)**

	Notes	2016-17	2015-16
		\$	\$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	A	
b. Provident Fund	1c	B	
2. Special One-off Grant		C	
3. Fee Income	2	D	
4. Central Items	3	E	
5. Rent and Rates	4	F	
6. Other Income	5	G	
7. Interest Received		H	
TOTAL INCOME		I	
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		J	
b. Provident Fund	1c	K	
c. Allowances		L	
Sub-total	6	M	
2. Other Charges	7	N	
3. Central Items	3	O	
4. Rent and Rates	4	P	
5. Special One-off Grant Payments	7a	Q	
TOTAL EXPENDITURE		T	
C. SURPLUS/ (DEFICIT) FOR THE YEAR	8	U	

The Annual Financial Report from pages [x] to [x] has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE

CHAIRMAN

DATE:

SIGNATURE

NGO HEAD/ HEAD OF SOCIAL WELFARE
SERVICES

DATE:

NOTES ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant (LSG)

- 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 **are not included** in the AFR.
- b. Lump Sum Grant (excluding Provident Fund)** This represents LSG (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 Provident Fund received and contributed for staff under the Central Items should be shown under 3. In other words, such Provident Fund should **not** be included here (paragraph 3.13).^{Remark}*
- Details are analysed below :

	Snapshot	6.8% and Other	
<u>Provident Fund Contribution</u>	Staff	Posts	Total
	\$	\$	\$
Subvention Received	X	X	B
Provident Fund Contribution	(X)	(X)	(K)
Paid during the Year			
Surplus/ (Deficit) for the Year	X	X	R
<u>Add</u> : Surplus/ (Deficit) b/f	X	X	X
Surplus/ (Deficit) c/f	X	X	X

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 LSG Manual.

Remark : The words in italic are for NGOs' information and should not be included in the AFR.

- 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 should be separately included as part of the income and expenditure of the relevant items (paragraph 3.14).^{Remark}

The income and expenditure of each of the Central Items are as follows:

	2016-17	2015-16
a. Income	\$	\$
<i>Please list the Central Items individually, for example:^{Remark}</i>		
Dementia Supplement for Elderly with Disabilities		
Infirmity Care Supplement for the Aged Blind Person		
Dementia Supplement for Residential Elderly Services		
Total	<u>E</u>	<u></u>
	2016-17	2015-16
b. Expenditure	\$	\$
<i>Please list the Central Items individually, for example:^{Remark}</i>		
Dementia Supplement for Elderly with Disabilities		
Infirmity Care Supplement for the Aged Blind Person		
Dementia Supplement for Residential Elderly Services		
Total	<u>O</u>	<u></u>

- 4. Rent and Rates** This represents the amount paid by SWD in respect of premises recognised by SWD. *Expenditure on rent and rates in respect of premises not recognised by SWD should not be included in AFR.* *Remark*
- 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 need not be included as Other Income in AFR. In this respect, donations should be included if it is used to finance expenditure reflected in the AFR. However, treatment of fees and charges as specified under paragraphs 2.28 to 2.29 of the Manual remains unchanged (paragraph 3.9).

The breakdown on Other Income (paragraph 2.29) is as follows:

	2016-17	2015-16
Other Income	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services		
(b) Others		
Total	<u><u>G</u></u>	<u><u></u></u>

- 6. Personal Emoluments** Personal Emoluments include salary, provident fund and 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 paid under LSG	No of Posts	\$
HK\$700,001 - HK\$800,000 p.a.		
HK\$800,001 - HK\$900,000 p.a.		
HK\$900,001 - HK\$1,000,000 p.a.		
HK\$1,000,001 - HK\$1,100,000 p.a.		
HK\$1,100,001 - HK\$1,200,000 p.a.		
>HK\$1,200,000 p.a.		

7. Other Charges

The breakdown on Other Charges is as follows:

	2016-17	2015-16
Other Charges	\$	\$
(a) Utilities		
(b) Food		
(c) Administrative Expenses		
(d) Stores and Equipment		
(e) Repair and Maintenance		
(f) Special Allowances		
(g) Programme Expenses		
(h) Transportation and Travelling		
(i) Insurance		
(j) Miscellaneous		
Total	<u><u>N</u></u>	<u><u></u></u>

7a. Special One-off Grant Payments

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

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

8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	A+B	-	-	-	A+B
Special One-off Grant	-	C	-	-	C
Fee Income	D	-	-	-	D
Other Income	G	-	-	-	G
Interest Received (Note (1))	H	-	-	-	H
Rent and Rates	-	-	F	-	F
Central Items	-	-	-	E	E
Total Income (a)	x	x	x	x	I
Expenditure					
Personal Emoluments	M	-	-	-	M
Other Charges	N	-	-	-	N
Rent and Rates	-	-	P	-	P
Central Items	-	-	-	O	O
Special One-off Grant	-	Q	-	-	Q
Payments	-	-	-	-	-
Total Expenditure (b)	x	x	x	x	T
Surplus/(Deficit) for the Year (a) - (b)	x	x	x	x	U
<u>Less</u> : Surplus/ (Deficit) of Provident Fund	R	-	-	-	R
	x	x	x	x	X
Surplus/ (Deficit) b/f (Note (2))	x	x	x	x	X
	x	x	x	x	X
<u>Less</u> : Refund to Government	(x)	(x)	(x)	(x)	(X)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))	(x)	-	-	x	-
Surplus/ (Deficit) c/f (Note (4))	S	x	x	x	X

Notes:

- (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant should all be included as one item under LSG; and the

item is considered as part of LSG reserve.

- (2) Accumulated balance Lump Sum Grant Surplus b/f from previous years (including holding account) and all interest received in previous years should be 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 **Annex 6**.
- (4) The level of LSG cumulative reserve (i.e. S), less LSG Reserve kept in the holding account, will be capped at 25% of the NGO's **operating expenditure** (excluding Provident Fund expenditure) for the year.