

## ANNUAL FINANCIAL REPORT

NGO: Light and Love Kwai Fong Neighbourhood Elderly Centre

(1 April 2016 to 31 March 2017)

	Notes	2016-17	2015-16
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum	1b	3,287,282.00	3,141,842.00
b. Provident Fund	1c	193,693.00	177,945.00
2. Special One-off		0.00	0.00
3. Fee Income	2	339,291.92	318,707.80
4. Central Items	3	0.00	0.00
5. Rent and Rates	4	144,341.00	148,796.00
6. Other Income	5	923.60	1,085.20
7. Interest Received		45.33	39.10
<b>TOTAL INCOME</b>		<u>3,965,576.85</u>	<u>3,788,415.10</u>
<b>B. EXPENDITURE</b>			
1. Personal			
a. Salaries		2,728,485.89	2,590,755.89
b. Provident Fund	1c	135,650.80	121,858.34
c. Allowances		0.00	0.00
Sub-total	6	<u>2,864,136.69</u>	<u>2,712,614.23</u>
2. Other Charges	7	774,055.35	806,467.11
3. Central Items	3	0.00	0.00
4. Rent and Rates	4	146,420.00	129,976.00
5. Special One-off	7a	0.00	0.00
<b>TOTAL</b>		<u>3,784,612.04</u>	<u>3,649,057.34</u>
<b>C. SURPLUS</b>	8	<u>180,964.81</u>	<u>139,357.76</u>

The Annual Financial Report from pages 1 to 8 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

## 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 have not been 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. The Provident Fund received and contributed for staff under the Central Items have been shown under 3. Details are analysed below :

	Snapshot Staff	6.8% and Other Posts	Total
<u>Provident Fund Contribution</u>	\$	\$	\$
Subvention Received	(4,694.00)	198,387.00	193,693.00
Provident Fund Contribution	(9,952.20)	(125,698.6	(135,650.8
Paid during the Year		0)	0)
Surplus/ (Deficit) for the Year	(14,646.20)	72,688.40	58,042.20
<u>Add</u> : Surplus/ (Deficit) b/f	16,416.50	59,942.45	76,358.95
Adjustment per SWD's letter of 30 March 2017	0.00	(3.00)	(3.00)
<u>Less</u> : Refund to Government			
<b>Surplus/ (Deficit) c/f</b>	<b><u>1,770.30</u></b>	<b><u>132,627.85</u></b>	<b><u>134,398.15</u></b>

- 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.
- 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:

	2016-17	2015-16
<b>a. Income</b>	\$	\$
Dementia Supplement for Elderly with Disabilities		
Infirmary Care Supplement for the Aged Blind Persons		
Dementia Supplement for Residential Elderly Services		
Infirmary Care Supplement for Residential Elderly Services		
Dementia Supplement for Day Care Centres/units for the Elderly		
Foster Care Allowance/Emergency Foster Care Allowance		
After School Care Programme		
Temporary Financial Aid		
Emergency Fund		
Time-defined Subsidy Scheme for Extended Hours Service Users		
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services		
Short-term Rental Assistance		
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)		
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy		
NSCCP – Subsidy for Fee Reduction/waiving		
NSCCP – Rent and Rates		
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes		
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services		
Financial Incentive Scheme for Mentors of Employees		

with Disabilities		
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities		
Time-defined Subsidy Scheme for Occasional Child Care Service		
Enhanced After School Care Programme		
Navigation Scheme for Young Persons in Care Services - Operating Expenses		
Navigation Scheme for Young Persons in Care Services - Training Cost		
<b>Total</b>	<u>0.00</u>	<u>0.00</u>
	<b>2016-17</b>	<b>2015-16</b>
<b>b. Expenditure</b>	<b>\$</b>	<b>\$</b>
Dementia Supplement for Elderly with Disabilities		
Infirmity Care Supplement for the Aged Blind Persons		
Dementia Supplement for Residential Elderly Services		
Infirmity Care Supplement for Residential Elderly Services		
Dementia Supplement for Day Care Centres/units for the Elderly		
Foster Care Allowance/Emergency Foster Care Allowance		
After School Care Programme		
Temporary Financial Aid		
Emergency Fund		
Time-defined Subsidy Scheme for Extended Hours Service Users		
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services		
Short-term Rental Assistance		
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)		
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy		
NSCCP – Subsidy for Fee Reduction/waiving		
NSCCP – Rent and Rates		
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes		
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services		
Financial Incentive Scheme for Mentors of Employees with Disabilities		
Cash Subsidy for Integrated Support Services for Persons		

with Severe Physical Disabilities		
Time-defined Subsidy Scheme for Occasional Child Care Service		
Enhanced After School Care Programme		
Navigation Scheme for Young Persons in Care Services - Operating Expenses		
Navigation Scheme for Young Persons in Care Services - Training Cost		
<b>Total</b>	<u><u>0.00</u></u>	<u><u>0.00</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 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. In this respect, donations have been included if it is used to finance expenditure reflected in the AFR.

The breakdown on Other Income (paragraph 2.29 of LSG Manual (October 2016)) is as follows:

	2016-17	2015-16
<b>Other Income</b>	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	923.60	1,085.20
(b) Others		
<b>Total</b>	<u><u>923.60</u></u>	<u><u>1,085.20</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.

&gt;HK\$1,200,000 p.a.

**7. Other Charges**

The breakdown on Other Charges is as follows:

	2016-17	2015-16
<b>Other Charges</b>	<b>\$</b>	<b>\$</b>
(a) Utilities	56,729.46	40,621.90
(b) Food	0.00	0.00
(c) Administrative Expenses	176,762.70	167,992.02
(d) Stores and Equipment	89,703.99	109,106.84
(e) Repair and Maintenance	2,739.50	2,526.00
(f) Special Allowances	19,200.00	41,267.00
(g) Programme Expenses	355,583.00	380,397.90
(h) Transportation and Travelling	6,458.80	12,897.90
(i) Insurance	23,575.70	14,970.25
(j) Miscellaneous	43,302.20	36,687.30
<b>Total</b>	<b><u>774,055.35</u></b>	<b><u>806,467.11</u></b>

**7a. Special One-off Grant Payments**

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

	2016-17	2015-16
<b>Special One-off Grant Payments</b>	<b>\$</b>	<b>\$</b>
(a) Voluntary Retirement Scheme		
(b) Compensation Scheme		
(c) Staff Training and Development		
(d) Other Staff-related Initiatives		
<b>Total</b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>

## 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
	\$	\$	\$	\$	\$
<b>Income</b>					
Lump Sum Grant	3,480,975.00	-	-	-	3,480,975.00
Special One-off Grant	-	-	-	-	0.00
Fee Income	339,291.92	-	-	-	339,291.92
Other Income	923.60	-	-	-	923.60
Interest Received (Note 1)	45.33	-	-	-	45.33
Rent and Rates	-	-	144,341.00	-	144,341.00
Central Items	-	-	-	-	0.00
<b>Total Income (a)</b>	<b>3,821,235.85</b>	<b>0.00</b>	<b>144,341.00</b>	<b>0.00</b>	<b>3,965,576.85</b>
<b>Expenditure</b>					
Personal Emoluments	2,864,136.69	-	-	-	2,864,136.69
Other Charges	774,055.35	-	-	-	774,055.35
Rent and Rates	-	-	146,420.00	-	146,420.00
Central Items	-	-	-	-	0.00
Special One-off Grant Payments	-	-	-	-	0.00
<b>Total Expenditure (b)</b>	<b>3,638,192.04</b>	<b>0.00</b>	<b>146,420.00</b>	<b>0.00</b>	<b>3,784,612.04</b>
<b>Surplus/(Deficit) for the Year (a) - (b)</b>	<b>183,043.81</b>	<b>0.00</b>	<b>(2,079.00)</b>	<b>0.00</b>	<b>180,964.81</b>
<u>Less</u> : Surplus/ (Deficit) of Provident Fund	58,042.20	-	-	-	58,042.20
	<b>125,001.61</b>	<b>0.00</b>	<b>(2,079.00)</b>	<b>0.00</b>	<b>122,922.61</b>
<b>Surplus/ (Deficit) b/f (Note 2)</b>	<b>510,252.98</b>	<b>-</b>	<b>8,674.00</b>	<b>-</b>	<b>518,926.98</b>
	635,254.59	0.00	6,595.00	0.00	641,849.59
<u>Less</u> : Refund to Government Adjustments per SWD's letter of 30 March 2017 (Notes 4 & 5)	(19,959.64)	-	(9,696.00)	-	(29,655.64)
Adjustments for AFR 2015-16 (Notes 6 & 7)	(112,173.32)	-	-	-	(112,173.32)
	1,500	-	-	-	1,500
<b>Surplus/ (Deficit) c/f (Note 8)</b>	<b>504,621.63</b>	<b>0.00</b>	<b>(3,101.00)</b>	<b>0.00</b>	<b>501,520.63</b>

**Notes:**

- (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant are 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 Schedule of Central Items.
- (4) Per SWD's letter of 30 March 2017, Surplus b/f of LSG as at 31 March 2015 were overstated by HK\$19,959.64 (i.e. HK\$344,920.16 – HK\$324,960.52). Adjustment should be made in AFR 2016-17.
- (5) Per SWD's letter of 30 March 2017, b/f of Rent and Rates as at 31 March 2015 should be HK\$19,842 and hence adjustment of HK\$9,696 (i.e. HK\$10,146 – HK\$19,842) should be made in AFR 2016-17 .
- (6) In note 8, Analysis of Reserve Fund in AFR 2015-16, Surplus of Provident Fund HK\$56,086.66 was wrongly added into LSG and therefore the Surplus b/f of LSG were increased accordingly by HK\$112,173.32 (i.e. HK\$56,086.66 x 2). Now, adjustment is made in AFR 2016-17.
- (7) In note 7, Other Charges in AFR 2015-16, Audit fee of HK\$1,500 under the heading of Administrative Expenses was provided on an accrual basis. Adjustment is therefore made in AFR 2016-17.
- (8) 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.



Schedule for Rent and RatesAnalysis of Subvention and Expenditure for the period from 1/4/2016 to 31/3/2017Name of Agency: Light and Love Home Limited

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
470		\$	\$	\$	\$
Light and Love Kwai Fong Neighbourhood Elderly Centre	Rent (Note 3) Rates	133,320.00	133,320.00	0.00	0.00
		11,021.00	13,100.00	0.00	(2,079.00)
	Total	144,341.00	146,420.00	0.00	(2,079.00)
	Rent (Note 3) Rates				
	Total				
	Rent (Note 3) Rates				
	Total				
	Rent (Note 3) Rates				
	Total				
	Rent (Note 3) Rates				
	Total				
	Grand Total	144,341.00	146,420.00	0.00	(2,079.00)

Notes:

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year.
2. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
3. Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.