

**ANNUAL FINANCIAL REPORT
NGO: MOTHER'S CHOICE LIMITED**

1 APRIL 2022 TO 31 MARCH 2023

	Notes	Total 2022-2023 \$	Total 2021-2022 \$
A. INCOME			
1. Lump Sum Grant ("LSG")		11,882,407	11,717,655
a. LSG (excluding Provident Fund)	1b	11,217,031	11,061,951
b. Provident Fund	1c	665,376	655,704
2. Fee Income	2	-	-
3. Central Items	3	8,998,730	8,919,196
4. Rent and Rates	4	-	-
5. Other Income	5	-	-
6. Interest Received		-	-
TOTAL INCOME	8	20,881,137	20,636,851
B. EXPENDITURE			
1. Personal Emoluments	6		
a. Salaries		10,062,261	10,507,428
b. Provident Fund	1c	455,710	454,878
c. Allowances		-	-
Subtotal		10,517,971	10,962,306
2. Other Charges	7	1,975,048	1,734,269
3. Central Items	3	7,860,751	7,449,754
4. Rent and Rates	4	-	-
TOTAL EXPENDITURE	8	20,353,770	20,146,329
C. SURPLUS FOR THE YEAR		527,367	490,522

The Annual Financial Report from pages 4 to 12 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE

CHAIRMAN

DATE: 07 DEC 2023

SIGNATURE

NGO HEAD/HEAD OF SOCIAL WELFARE SERVICES

DATE: 07 DEC 2023

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.

The Provident Fund received and contributed for staff under the Central Items have been shown under 3.

Details are analysed below:

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u> \$	<u>6.8% and other posts</u> \$	<u>Total</u> \$
Subvention Received	-	665,376	665,376
Less: Provident Fund Contribution Paid during the Year	-	(455,710)	(455,710)
Surplus for the year	-	209,666	209,666
Add: Surplus b/f	-	1,204,876	1,204,876
Additional subvention received for previous year(s)	-	-	-
Less: Refund to Government	-	-	-
Surplus c/f	-	1,414,542	1,414,542

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 Central Items have been separately included as part of the income and expenditure of the relevant items (paragraph 3.14 of LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

		2022-23	2021-22
		\$	\$
a	Income		
	Foster Care Allowance	8,306,520	8,233,104
	Day Foster Care Allowance	692,210	686,092
	Special Allowance for Staff of Subvented Residential Care Service Units in respect of COVID-19	-	-
	Subsidy for Enhanced Support for Ethnic Minority Children in Early Education and Training Centres	-	-
	Total	8,998,730	8,919,196
b	Expenditure		
	Foster Care Allowance	7,256,078	6,876,696
	Day Foster Care Allowance	604,673	573,058
	Total	7,860,751	7,449,754

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

These include all 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 Others Income is as follows:

	2022-23 \$	2021-22 \$
(a) Fees and charges for services incidental to the operation of subvented services	-	-
(b) Others	-	-
Total	-	-

6. Personal Emoluments Personal Emoluments include salary, provident fund and salary-related allowances. The analysis on number of posts with annual Personal Employment 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.	nil	-
HK\$800,001 - HK\$900,000 p.a.	nil	-
HK\$900,001 - HK\$1,000,000 p.a.	nil	-
HK\$1,000,001 - HK\$1,100,000 p.a.	nil	-
HK\$1,100,001 - HK\$1,200,000 p.a.	nil	-
>HK\$1,200,000 p.a.	nil	-

7. Other Charges

The breakdown of Other Charges is as follows:

	2022-23 \$	2021-22 \$
Other Charges		
(a) Utilities	417,985	410,392
(b) Food	224,502	220,295
(c) Administration Expenses	232,469	109,180
(d) Stores and Equipment	9,360	48,617
(e) Repair and Maintenance	193,067	204,763
(f) Special Allowances	-	-
(g) Programme Expenses	595,969	501,927
(h) Transportation & Travelling	67,448	60,304
(i) Insurance	234,248	178,791
(j) Miscellaneous	-	-
Total	1,975,048	1,734,269

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

2022-2023 FIGURES

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG) \$	Special One-off Grant (SOG) \$	Rent and Rates \$	Central Items \$	Total \$
Income					
Lump Sum Grant	11,882,407	-	-	-	11,882,407
Fee Income	-	-	-	-	-
Other Income	-	-	-	-	-
Interest Received (Note (1))	-	-	-	-	-
Rent and Rates	-	-	-	-	-
Central Items	-	-	-	8,998,730	8,998,730
Total Income (a)	11,882,407	-	-	8,998,730	20,881,137
Expenditure					
Personal Emoluments	10,517,971	-	-	-	10,517,971
Other Charges	1,975,048	-	-	-	1,975,048
Rent and Rates	-	-	-	-	-
Central Items	-	-	-	7,860,751	7,860,751
Total Expenditure (b)	12,493,019	-	-	7,860,751	20,353,770
(Deficit)/Surplus for the Year (a) - (b)	(610,612)	-	-	1,137,979	527,367
Less: Deficit absorbed by own resources	820,278	-	-	-	820,278
Less: Surplus of Provident Fund	(209,666)	-	-	-	(209,666)
	-	-	-	1,137,979	1,137,979
Surplus/(Deficit) b/f (Note (2))	-	-	-	1,711,505	1,711,505
Less: Refund to the government	-	-	-	(1,611,505)	(1,611,505)
	-	-	-	1,237,979	1,237,979
Surplus c/f (Note (3))	-	-	-	1,237,979	1,237,979

Notes:

- (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items are included as one item under LSG; and the item is considered as part of LSG reserve.
- (2) Accumulated balance LSG 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) 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.