

ANNUAL FINANCIAL REPORT
NGO: MOTHER'S CHOICE LIMITED
1 APRIL 2021 TO 31 MARCH 2022

	Notes	Total 2021-2022 \$	Total 2020-2021 \$
A. INCOME			
1. Lump Sum Grant ("LSG")		11,717,655	12,458,141
a. LSG (excluding Provident Fund)	1b	11,061,951	11,755,190
b. Provident Fund	1c	655,704	702,951
2. Fee Income	2	-	-
3. Central Items	3	8,919,196	9,002,874
4. Rent and Rates	4	-	-
5. Other Income	5	-	2,361
6. Interest Received		-	862
TOTAL INCOME	8	20,636,851	21,464,238
B. EXPENDITURE			
1. Personal Emoluments	6		
a. Salaries		10,507,428	9,414,955
b. Provident Fund	1c	454,878	451,464
c. Allowances		-	-
Subtotal		10,962,306	9,866,419
2. Other Charges	7	1,734,269	1,358,188
3. Central Items	3	7,449,754	6,748,446
4. Rent and Rates	4	-	-
TOTAL EXPENDITURE	8	20,146,329	17,973,053
C. SURPLUS FOR THE YEAR		490,522	3,491,185

The Annual Financial Report from pages 56 to 63 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE



CHAIRMAN

DATE: **26 SEP 2022**

SIGNATURE



NGO HEAD/HEAD OF SOCIAL WELFARE SERVICES

DATE: **26 SEP 2022**

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	-	655,704	655,704
Less: Provident Fund Contribution Paid during the Year	-	454,878	454,878
Surplus for the year	-	200,826	200,826
Add: Surplus b/f Additional subvention received for previous year(s)	-	1,004,050	1,004,050
Less: Refund to Government	-	-	-
Surplus c/f	-	1,204,876	1,204,876

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:

		2021-22	2020-21
		\$	\$
a	Income		
	Foster Care Allowance	8,233,104	8,143,704
	Day Foster Care Allowance	686,092	678,642
	Special Allowance for Staff of Subvented Residential Care Service Units in respect of COVID-19	-	80,528
	Subsidy for Enhanced Support for Ethnic Minority Children in Early Education and Training Centres	-	100,000
	Total	8,919,196	9,002,874
b	Expenditure		
	Foster Care Allowance	6,876,696	6,229,335
	Day Foster Care Allowance	573,058	519,111
	Total	7,449,754	6,748,446

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:

	2021-22 \$	2020-21 \$
(a) Fees and charges for services incidental to the operation of subvented services	-	2,361
(b) Others	-	-
Total	-	2,361

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:

		2021-22 \$	2020-21 \$
	Other Charges		
(a)	Utilities	410,392	297,806
(b)	Food	220,295	212,908
(c)	Administration Expenses	109,180	81,100
(d)	Stores and Equipment	48,617	28,014
(e)	Repair and Maintenance	204,763	206,234
(f)	Special Allowances	-	-
(g)	Programme Expenses	501,927	302,678
(h)	Transportation & Travelling	60,304	51,928
(i)	Insurance	178,791	177,413
(j)	Miscellaneous	-	107
	Total	1,734,269	1,358,188

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

2021-2022 FIGURES

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG) \$	Special One-off Grant (SOG) \$	Rent and Rates \$	Central Items \$	Total \$
Income					
Lump Sum Grant	11,717,655	-	-	-	11,717,655
Fee Income	-	-	-	-	-
Other Income	-	-	-	-	-
Interest Received (Note (1))	-	-	-	-	-
Rent and Rates	-	-	-	-	-
Central Items	-	-	-	8,919,196	8,919,196
Total Income (a)	11,717,655	-	-	8,919,196	20,636,851
Expenditure					
Personal Emoluments	10,962,306	-	-	-	10,962,306
Other Charges	1,734,269	-	-	-	1,734,269
Rent and Rates	-	-	-	-	-
Central Items	-	-	-	7,449,754	7,449,754
Total Expenditure (b)	12,696,575	-	-	7,449,754	20,146,329
(Deficit)/Surplus for the Year (a) - (b)	(978,920)	-	-	1,469,442	490,522
Less: Surplus of Provident Fund	200,826	-	-	-	200,826
	(778,094)	-	-	1,469,442	691,348
(Deficit)/Surplus b/f (Note (2))	-	-	-	2,396,491	2,396,491
Less: Refund to the government	-	-	-	(2,154,428)	(2,154,428)
	(778,094)	-	-	1,711,505	933,411
Surplus c/f (Note (3))	(778,094)	-	-	1,711,505	933,411

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.