

HONG KONG PLAYGROUND ASSOCIATION

香港遊樂場協會

**AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2011**

CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1 - 2
INCOME AND EXPENDITURE ACCOUNT	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF CHANGES IN RESERVES AND FUNDS	5 - 6
STATEMENT OF CASH FLOW	7
NOTES TO THE FINANCIAL STATEMENTS	8 - 21

范 陳 會 計 師 行
FAN, CHAN & CO.
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

INDEPENDENT AUDITOR'S REPORT
TO THE EXECUTIVE COMMITTEE OF HONG KONG PLAYGROUND ASSOCIATION
香港遊樂場協會

(incorporated in Hong Kong under Hong Kong Playground Association Ordinance)

We have audited the financial statements of Hong Kong Playground Association set out on pages 3 to 21, which comprise the statement of financial position as at 31 March, 2011, and the income and expenditure account, statement of cash flow and statement of changes in reserves and funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Executive Committee's Responsibility for the Financial Statements

The executive committee of Association is responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Association's Constitution, and for such internal control as the executive committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit, and to report our opinion solely to you, as a body, in accordance with section 11 of the Association's Constitution, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
TO THE EXECUTIVE COMMITTEE OF HONG KONG PLAYGROUND ASSOCIATION
香港遊樂場協會

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Association's affairs as at 31 March, 2011, and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Association's Constitution.

Fan, Chan & Co.

Fan, Chan & Co.
Certified Public Accountants
Hong Kong, 2 June, 2011

Rooms 1007-1012, 10/F., K. Wah Centre, 191 Java Road, North Point, Hong Kong
香港北角渣華道191號嘉華國際中心10樓1007-1012室

Tel: (852) 2816 3188 Fax: (852) 2590 6500, (852) 2891 5103 Email: fanchan@fanchan.com

Fan, Chan & Co. is a member firm of Nexia International, a worldwide network of independent accounting and consulting firms.

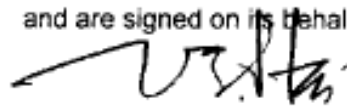
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH, 2011

	Note	2011 HK\$	2010 HK\$
Income			
Hong Kong Government subventions	18	77,423,716	78,702,038
Campaign events	19	1,242,697	1,281,620
Donations	20	3,347,924	3,531,515
Rates refund		461,565	409,398
Rent refund		1,983,709	2,045,224
Programmes income		13,887,977	10,766,044
Other income		4,686,734	4,162,425
Recreation and class income		12,515,990	11,782,544
Camping fee received		2,992,796	2,787,571
Surplus on gate receipts		5,515,134	5,081,938
Lotteries fund grant (net)		3,878,860	930,970
Sir David Trench fund		14,714	68,970
Mortgage interest subsidy income		449	1,965
		127,952,265	121,552,222
Deduct:			
Expenditures			
Personnel emoluments		87,006,846	85,412,858
Administrative expenses		1,402,265	1,236,357
Utilities expenses		2,815,016	2,828,025
Stores and equipment		8,554,977	6,915,658
Programme expenses		14,438,263	11,653,637
Transportation and traveling		296,394	313,812
Insurance		80,872	86,929
Employees' compensation insurance		335,392	294,119
Food		673,470	599,064
Honorarium to instructors		8,116,871	7,691,090
Rent and rates		2,921,823	2,822,628
Management fee		694,141	665,993
Miscellaneous		128,153	259,212
Total expenditures		127,464,483	120,779,382
Surplus for the year		487,782	772,840
(Surplus refundable to) / deficit recoverable from funding bodies		(19,645)	469,111
Transfer from F&E replenishment and minor works block grant reserve		-	45,556
Net surplus for the year	22	468,137	1,287,507

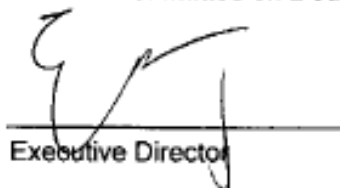
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2011

	Note	2011 HK\$	2010 HK\$
Non-current assets			
Property, plant and equipment	5	7,530,979	3,364,386
Current assets			
Cash and bank balances		34,143,775	34,577,456
Accounts receivable and prepayments	6	4,734,024	4,273,086
Lotteries fund receivable	7	1,445,921	1,283,568
Sir David Trench Fund	8	24,424	-
		40,348,144	40,134,110
Current liabilities			
Accounts payable	10	5,451,373	5,368,747
Deferred grants income		3,082,718	1,578,263
Sir Robert Ho Tung fund	9	24,791	24,791
		8,558,882	6,971,801
Net current assets		31,789,262	33,162,309
Total assets less current liabilities		39,320,241	36,526,695
Non-current liabilities			
Deferred grants income		3,312,841	387,696
Net assets		36,007,400	36,138,999
Representing :-			
General and accumulated fund		(2,419,638)	(2,937,717)
Special project reserve fund		3,833,789	3,833,789
SWD Lump sum grant reserve	11	16,285,099	17,620,319
SWD Provident fund reserve	12	4,210,124	3,009,980
F & E replenishment and minor works block grant	13	907,911	429,845
In-service training fund		71,305	61,285
Staff welfare fund		78,179	69,328
Hui Chun Fui staff scholarship		111,345	111,345
Camp service accumulated fund		812	812
One-off subsidy	14	-	424,150
Special reserve fund	15	13,159,839	13,745,566
Central items		326,361	268,099
Rent and rates		(837,916)	(693,117)
Strengthening cleansing service subsidy	16	-	195,315
Social Welfare Development fund	17	280,190	-
		36,007,400	36,138,999

The financial statements were approved by the Executive Committee on 2 June, 2011 and are signed on its behalf by:



Chairman



Executive Director

HONG KONG PLAYGROUND ASSOCIATION

香港遊樂場協會

STATEMENT OF CHANGES IN RESERVES AND FUNDS

FOR THE YEAR ENDED 31 MARCH, 2011

	General and project reserve fund accumulated fund HK\$	Special project reserve fund HK\$	SWD Lump sum grant reserve fund HK\$	SWD Provident fund reserve HK\$	Replenishment and minor works block grant HK\$	In-service training fund HK\$	Staff welfare fund HK\$	Hui Chun Ful scholar-ship HK\$	Camp service fund accumulated HK\$	One-off subsidy HK\$	Special reserve fund HK\$	Central items HK\$	Rent and rates block grant HK\$	Special one-off grant HK\$	Cleansing subsidy HK\$	Strengthening cleansing service subsidy HK\$	Social welfare development fund HK\$	Total HK\$
Balance at 1 April, 2009	(4,391,687)	3,833,789	18,413,973	2,454,027	12,751	51,527	60,481	135,345	812	1,088,117	14,321,139	370,597	(831,453)	-	-	-	-	35,519,216
Surplus for the year	1,287,507	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,287,507
Other comprehensive income	50,514	-	-	-	-	-	-	-	-	-	-	268,099	(318,613)	-	-	-	-	-
Surplus refundable to SWD	563,332	-	(563,332)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deficit attributable from SWD lump sum grant reserve	(447,183)	-	(230,322)	555,953	(42,805)	53,000	65,800	-	-	-	-	-	-	45,557	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	89	23,427	-	-	23	-	-	-	23,539
Fund received	-	-	-	-	1,157,100	4,650	44,000	-	-	-	-	-	456,949	771,400	360,000	66,000	-	2,860,099
Expenditure for the year	-	-	-	-	(697,201)	(47,802)	(100,953)	(24,000)	-	(384,056)	(599,000)	(370,597)	-	(816,880)	(66,000)	(184,685)	-	(3,551,364)
Subtotal	166,683	-	(793,654)	555,953	417,094	9,758	8,847	(24,000)	-	(603,967)	(575,573)	(102,498)	138,336	-	-	195,315	-	(607,726)
Balance at 31 March, 2010	(2,937,717)	3,833,789	17,820,319	3,006,980	429,845	61,285	89,328	111,345	812	424,150	13,745,566	268,099	(683,117)	-	-	195,315	-	36,138,999

HONG KONG PLAYGROUND ASSOCIATION

香港遊樂場協會

STATEMENT OF CHANGES IN RESERVES AND FUNDS
FOR THE YEAR ENDED 31 MARCH, 2011

	General and accumulated fund HK\$	Special project reserve fund HK\$	SWD Lump sum grant reserve fund HK\$	SWD Provident fund reserve fund HK\$	SWD Project fund reserve fund HK\$	Replish- ment and minor works grant fund HK\$	In- service training fund HK\$	Staff welfare fund HK\$	Hui Chun Fu staff scholar- ship fund HK\$	Camp service accumulated fund HK\$	One-off subsidy fund HK\$	Special reserve fund HK\$	Central Items HK\$	Rent and rates block grant HK\$	Cleansing subsidy fund HK\$	Strengthen- ing cleansing service subsidy fund HK\$	Social welfare develop- ment fund HK\$	Total HK\$
Balance at 1 April, 2010	(2,937,717)	3,933,789	17,620,319	3,009,980	429,845	61,285	69,328	111,345	812	424,160	13,745,566	266,099	(693,117)	185,315	-	-	36,138,989	
Surplus for the year	466,137	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	466,137
Other comprehensive income	50,853	-	-	-	-	-	-	-	-	-	-	326,361	(377,214)	-	-	-	-	-
Surplus refundable to SWD	348,481	-	(348,481)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deficit attributable from SWD lump sum grant reserve	(348,402)	-	(981,729)	1,200,144	(2,313)	67,400	65,900	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	30	-	-	-	-	-	25	21,464	-	-	-	-	180	21,699
Fund received	-	-	-	-	1,156,500	-	52,609	-	-	-	-	-	-	232,415	-	-	280,000	1,721,524
Expenditure for the year	-	-	(5,000)	-	(676,151)	(57,380)	(109,058)	-	-	(424,175)	(607,181)	(286,089)	-	-	(195,315)	-	(2,342,959)	
Subtotal	49,942	-	(1,335,220)	1,200,144	478,066	10,020	8,851	-	-	(424,150)	(585,727)	58,282	(144,789)	(195,315)	280,190	(589,736)	-	
Balance at 31 March, 2011	(2,419,536)	3,833,789	16,265,099	4,210,124	907,911	71,305	78,179	111,345	812	13,199,839	328,361	(837,916)	-	-	-	-	280,190	36,007,400

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH, 2011

	2011 HK\$	2010 HK\$
Operating activities		
Surplus for the year	468,137	1,287,507
Net payment of SWD provident fund reserve	(5,000)	-
Net receipt on F & E replenishment and minor works block grant	480,379	459,899
Net payment on in-service training fund	(57,380)	(43,242)
Net payment on staff welfare fund	(57,049)	(56,953)
Net payment on Hui Chun Fui staff scholarship	-	(24,000)
Net payment on one-off subsidy	(424,150)	(663,967)
Net payment on Special reserve fund	(585,727)	(575,573)
Net payment on central items	(268,099)	(370,597)
Net receipt on rent and rates	232,415	456,949
Net payment on special one-off block grant	-	(45,557)
Net (payment) / receipt on strengthening cleansing service subsidy	(195,315)	195,315
Net receipt on Social Welfare Development fund	280,190	-
Adjustment for:		
Depreciation	5,895,516	3,809,066
Interest income	(23,623)	(34,305)
Loss on disposal of plant and equipment	24,240	1,567
Operating surplus before changes in operating capital	5,764,534	4,396,109
(Increase) / decrease in receivables	(460,938)	155,511
Increase in lotteries fund receivable	(162,353)	(699,241)
(Increase) / decrease in Sir David Trench Fund	(24,424)	32,107
Increase / (decrease) in payables	82,626	(1,114,757)
Increase / (decrease) in deferred grants income	4,429,600	(1,989,609)
Cash flow from operating activities	9,629,045	780,120
Investing activities		
Interest income	23,623	34,305
Purchase of plant and equipment	(10,086,349)	(2,131,791)
Cash flow used in investing activities	(10,062,726)	(2,097,486)
Net increase in cash and cash equivalents	(433,681)	(1,317,366)
Cash and cash equivalents at the beginning of the year	34,577,456	35,894,822
Cash and cash equivalents at the end of the year	34,143,775	34,577,456

HONG KONG PLAYGROUND ASSOCIATION

THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH, 2011

CONTENTS

	PAGE
REVIEW REPORT	1
INCOME AND EXPENDITURE ACCOUNT	2
NOTES TO THE ANNUAL FINANCIAL REPORT	3 - 6

范 陳 會 計 師 行
FAN, CHAN & CO.

CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

**REVIEW REPORT ON THE ANNUAL FINANCIAL REPORT
TO THE EXECUTIVE COMMITTEE OF
HONG KONG PLAYGROUND ASSOCIATION**
(Incorporated in Hong Kong under Hong Kong Playground Association Ordinance)

We have audited the financial statements of Hong Kong Playground Association ("the Association") for the year ended 31 March, 2011 and have issued an unqualified auditors' report thereon dated 2 June, 2011.

We conducted our review of the attached Annual Financial Report on pages 2 to 6 of the Association for the year ended 31 March, 2011 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organisations" issued by the Hong Kong Institute of Certified Public Accountants. The review includes considering the procedures and records relevant to the preparation of the Annual Financial Report and performing procedures to satisfy ourselves that the Annual Financial Report has been properly prepared from the books and records of the Association, on which the above audited financial statements of the Association are based.

Review conclusions

On the basis of the results of our review and having regard to the audit procedures performed by us in relation to the audit of the financial statements of the Association for the year ended 31 March, 2011.

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Association; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Association has not:
 - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund, Special One-off Grant and other social welfare subventions and expenditure in respect of Funding and Services Agreement activities and support services;
 - ii. kept separate Operating Income and Expenditure Account for each subvented service unit as required by the Lump Sum Grant Manual (LSG Manual) published by the Social Welfare Department of the Government of the HKSAR; and
 - iii. prepared the Annual Financial Report in accordance with the format and requirements set out in LSG Manual.

This report is intended for filing with the Social Welfare Department of the Government of the HKSAR and should not be used for any other purpose.



Fan, Chan & Co.
Certified Public Accountants
Hong Kong, 2 June, 2011

ANNUAL FINANCIAL REPORT
HONG KONG PLAYGROUND ASSOCIATION
1 APRIL 2010 TO 31 MARCH 2011

	Notes	2010-11 \$	2009-10 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	58,255,641	56,505,756
b. Provident Fund	1c	7,805,951	6,956,563
3. Fee Income	2	261,610	286,470
4. Central Items	3	10,730,189	10,730,189
5. Rent & Rates	4	2,426,794	2,358,994
6. Other Income	5	17,393,741	15,553,704
7. Interest Received		23,563	34,161
TOTAL INCOME		<u>94,897,489</u>	<u>92,405,837</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		58,407,681	57,712,421
b. Provident Fund	1c	6,605,807	6,400,563
Sub-total	6	<u>65,013,488</u>	<u>64,112,984</u>
2. Other Charges	7	17,075,509	15,767,002
3. Central Items	3	10,403,828	10,462,090
4. Rent & Rates	4	2,804,008	2,677,607
TOTAL EXPENDITURE		<u>95,296,833</u>	<u>93,019,683</u>
C. (DEFICIT) FOR THE YEAR	8	<u>(399,344)</u>	<u>(613,846)</u>

Approved by the Executive Committee on 2 June, 2011



 Chairman



 Executive Director

NOTES ON THE ANNUAL FINANCIAL REPORT
HONG KONG PLAYGROUND ASSOCIATION
1 APRIL 2010 TO 31 MARCH 2011

1. Lump Sum Grant

- a. Basis of preparation (i) The Annual Financial Report (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 like depreciation, provisions and accruals should not be 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 PF received and contributed for staff under the Central Item should be shown under 3. In other words, such PF should not be included here (LSG Circular No.1/2001). Details are analysed below:

<u>Provident Fund Contribution</u>	Snapshot Staff \$	6.8% and Other Posts \$	Total \$
Subvention Received	5,888,866	1,917,085	7,805,951
Provident Fund Contribution Paid during the Year	(5,690,959)	(914,848)	(6,605,807)
Surplus/(Deficit) for the Year	197,907	1,002,237	1,200,144
Add : Surplus/(Deficit) b/f	1,585,757	1,424,223	3,009,980
Surplus/(Deficit) c/f	1,783,664	2,426,460	4,210,124

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.

**NOTES ON THE ANNUAL FINANCIAL REPORT
HONG KONG PLAYGROUND ASSOCIATION
1 APRIL 2010 TO 31 MARCH 2011**

- 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 PF received and contributed for staff under the Central Items should be separately included as part of the income and expenditure of the relevant items (LSG Circular No.1/2001). The income and expenditure of each of the Central Items are as follows:

	2010-11	2009-10
	\$	\$
a. <u>Income</u>		
Programme Work posts for 3 years from 2008-09 to 2010-11	9,432,576	9,432,576
Programme Assistant (PA)/Care Assistants (CA) allocated vide management letter ref.(17) in SWD/S/203/1 Pt.8 dated 17 March 2007	1,297,613	1,297,613
Total	<u>10,730,189</u>	<u>10,730,189</u>
b. <u>Expenditure</u>		
Programme Work posts for 3 years from 2008-09 to 2010-11	9,164,384	9,212,294
Programme Assistant (PA)/Care Assistants (CA) allocated vide management letter ref.(17) in SWD/S/203/1 Pt.8 dated 17 March 2007	1,239,444	1,249,796
Total	<u>10,403,828</u>	<u>10,462,090</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.
- 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. However, treatment of fees and charges as specified under para.2.29 to 2.30 of the Manual remains unchanged (LSG Circular No.1/2001).

NOTES ON THE ANNUAL FINANCIAL REPORT
HONG KONG PLAYGROUND ASSOCIATION
1 APRIL 2010 TO 31 MARCH 2011

6. **Personal Emoluments** Personal Emoluments include salary, provident fund and salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over \$500,000 each is appended below:

Analysis of Personal Emoluments	No of Posts	\$
HK\$500,001 - HK\$600,000 p.a.	6	3,260,526
HK\$600,001 - HK\$700,000 p.a.	22	14,480,684
HK\$700,001 - HK\$800,000 p.a.	1	796,356
HK\$800,001 - HK\$900,000 p.a.	6	4,995,324
HK\$900,001 - HK\$1,000,000 p.a.	0	-
>HK\$1,000,000 p.a.	1	1,112,958
	<u>1</u>	<u>1,112,958</u>

7. **Other Charges**

The breakdown on Other Charges is as follows

Other Charges	2010-11 \$	2009-10 \$
(a) Utilities	1,300,788	1,317,555
(b) Food	-	-
(c) Administrative Expenses	679,058	604,692
(d) Stores and Equipment	1,117,750	942,764
(e) Repairs & Maintenance	323,286	360,520
(f) Special Allowances	-	-
(g) Programme Expenses	6,383,541	5,716,756
(h) Transportation and Travelling	244,021	239,497
(i) Insurance	346,835	316,008
(j) Miscellaneous	6,680,230	6,269,210
Total	<u>17,075,509</u>	<u>15,767,002</u>

NOTES ON THE ANNUAL FINANCIAL REPORT
HONG KONG PLAYGROUND ASSOCIATION
1 APRIL 2010 TO 31 MARCH 2011

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	64,061,592	-	-	-	64,061,592
Fee Income	261,610	-	-	-	261,610
Other Income	17,393,741	-	-	-	17,393,741
Interest Received (Note (1))	23,563	-	-	-	23,563
Rent and Rates	-	-	2,426,794	-	2,426,794
Central Items	-	-	-	10,730,189	10,730,189
Total Income (a)	81,740,506	-	2,426,794	10,730,189	94,897,489
Expenditure					
Personal Emoluments	65,013,488	-	-	-	65,013,488
Other Charges	17,075,509	-	-	-	17,075,509
Rent and Rates	-	-	2,804,008	-	2,804,008
Central Items	-	-	-	10,403,828	10,403,828
Total Expenditure (b)	82,088,997	-	2,804,008	10,403,828	95,296,833
Surplus/(Deficit) for the year (a) - (b)	(348,491)	-	(377,214)	326,361	(399,344)
<u>Less</u> Surplus/(Deficit) of Provident Fund	<u>(1,200,144)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,200,144)</u>
Surplus/(Deficit) for the year	(1,548,635)	-	(377,214)	326,361	(1,599,488)
<u>Add:</u> Surplus/(Deficit) b/f	<u>17,720,030</u>	<u>(99,711)</u>	<u>(693,117)</u>	<u>268,099</u>	<u>17,195,301</u>
	16,171,395	(99,711)	(1,070,331)	594,460	15,595,813
<u>Add:</u> Backpayment for 2009/10 from SWD	-	-	271,264	-	271,264
Refund of Annual Surplus over-clawback of 2008/09 by SWD	-	-	9,861	-	9,861
Adjustment for interest income for prior years to be transferred to F&E Replenishment BG	2,313	-	-	-	2,313
Adjustment for Depreciation effect I.T. System Enhancement	216,102	-	-	-	216,102
	(5,000)	-	-	-	(5,000)
<u>Less</u> Refund to Government	<u>-</u>	<u>-</u>	<u>(48,712)</u>	<u>(268,099)</u>	<u>(316,811)</u>
Surplus/(Deficit) c/f (Note (3))	16,384,810	(99,711)	(837,918)	326,361	15,773,542

Notes:

- (1) Interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant should 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 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 Programme Assistants, Care Assistants, Dementia Supplement and Infirmary Care Supplement, if any, as per **Annex 2**.
- (4) The level of LSG cumulative reserve (i.e. S) will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.