



Question No. 2 – Financial Status Reporting (Cont'd)

NOTES TO ASSESSORS

A2.1 Candidates should demonstrate their knowledge of preparing a project financial report which should include the following:

- (a) Cover page: with (i) project name, (ii) Employer's name and (iii) date of preparation of the report, etc.
- (b) Contents page:
- (c) Contents covering the following (example provided is for demonstration purposes, Candidates can use different template to address the following contents):
 - (i) Project Financial Summary
 - (ii) Summary of Financial Statement for Main Contract
 - (iii) Adjustment for Variations
 - (vi) Adjustment for Anticipated Variations
 - (v) Adjustment of Prime Cost and Provisional Sums
 - (vi) Adjustment of Provisional Quantities
 - (vii) Adjustment of Prime Cost Rates

A2.2 Cover Page – with (i) project name, (ii) Employer's name and (iii) date of preparation of the report, etc.

PROJECT FINANCIAL REPORT NO. XX
FOR
ROBINSON INTERNATIONAL SCHOOL
IN
SAI KUNG, HONG KONG
FOR
RICHMAN ACADEMIC ASSOCIATION

APC Quantity Surveying Ltd.
Date: 20 September 2012



Question No. 2 – Financial Status Reporting (Cont'd)

NOTES TO ASSESSORS

A2.3 Contents Page

CONTENTS

1.0	Project Financial Summary	
2.0	Summary of Financial Statement for Main Contract	(Appendix A)
3.0	Adjustment for Variations	(Appendix B)
4.0	Adjustment for Anticipated Variations	(Appendix C)
5.0	Adjustment of Prime Cost and Provisional Sums	(Appendix D)
6.0	Adjustment of Provisional Quantities	(Appendix E)
7.0	Adjustment of Prime Cost Rates	(Appendix F)

A2.4 Project Financial Summary – A summary indicating the build-up of the Anticipated Total Construction Cost of all the contracts

1.0 PROJECT FINANCIAL SUMMARY

	Amount (HK\$)
1.1 Final Contract Sum for Foundations Contract (settled)	10,000,000.00
1.2 Anticipated Final Contract Sum for Main Contract (Superstructure) (Ref: Appendix A)	78,361,300.00
1.3 Direct Fitting Out Contract (not yet tendered for)	1,000,000.00
1.4 Anticipated Total Construction Cost:	89,361,300.00
1.5 Less: Budget Allowance	91,000,000.00
1.6 Anticipated Cost Saving	1,638,700.00



Question No. 2 – Financial Status Reporting (Cont'd)

NOTES TO ASSESSORS

A2.5 Main Contract Summary – A Summary indicating the build-up of the Anticipated Main Contract Sum

Appendix A – Summary of Financial Statement for Main Contract as at 20 September 2012

Description	Omission (HK\$)	Addition (HK\$)	Amount (HK\$)
1. Main Contract Sum (inclusive of \$3,000,000.00 contingencies)			80,000,000.00
2. Less: Contingencies			(3,000,000.00)
3. Adjustment for Variations (Appendix B)	162,000.00	217,300.00	
4. Adjustment for Anticipated Variations (Appendix C)	5,000.00	49,500.00	
5. Adjustment of Prime Cost and Provisional Sums (Appendix D)	5,408,000.00	5,873,000.00	
6. Adjustment of Provisional Quantities (Appendix E)	1,200,000.00	1,500,000.00	
7. Adjustment of Prime Cost Rates (Appendix F)	24,000.00	20,500.00	
8. Anticipated Claim for prolongation cost (tentatively based on the Contractor's claim)	---	500,000.00	
9. Total Omission/Addition	6,799,000.00	8,160,300.00	
10. Less: Omission		6,799,000.00	
11. Net Addition		1,361,300.00	1,361,300.00
12. Anticipated Final Main Contract Sum (Less Contingencies)			78,361,300.00

- PP/328-



Question No. 2 – Financial Status Reporting (Cont'd)

NOTES TO ASSESSORS

A2.6 Appendix B – Adjustment for Variations

A.I. No.	Description	Omission (HK\$)	Addition (HK\$)
Architectural Works			
MC1	Commencement of contract		(No Cost Effect)
MC2	Revised Architectural drawings of G/F	160,000.00	210,000.00
MC3	BD's approval and consent for amended General Building Plans		
MC4	Revise galvanized steel surface channel grating on G/F	2,000.00	2,300.00
MC5	Revise single door to double door to sprinkler control valve cabinet on G/F	0.00	5,000.00
MC6	Confirm signage work (an expenditure of Provisional Sum)		Included in Appendix D
Structural Works			
S1	BD's approval of and consent to amended General Building Plan		(No Cost Effect)
Total Omission/Addition Carried to Summary		162,000.00	217,300.00

A2.7 It is usual that for amounts not yet agreed, some buffer should be included, like MC1 above, to cover the probable increase when the amounts are eventually agreed.



Question No. 2 – Financial Status Reporting (Cont'd)

NOTES TO ASSESSORS

A2.8 Appendix C – Adjustment for Anticipated Variations

Ref.	Description	Omission (HK\$)	Addition (HK\$)
<u>Design changes without Architect's Instruction</u>			
1	Additional work of concrete wall (W15) relocation on 1/F (BW's CI No. 1)		40,500.00
<u>Intended design changes under consideration by the Employer</u>			
1	Revise the size of Corian counter top at 2/F open pantry (BW's CI No. 2)	5,000.00	6,500.00
2	Add new block wall for enclosure of drainage pipe behind 1/F lavatory (BW's CI No. 3)	---	2,500.00
Total Omission/Addition Carried to Summary		5,000.00	49,500.00

A2.9 Appendix D – Adjustment for Prime Cost and Provisional Sums

<u>Adjustment of Provisional Sums</u>			
1	Fence wall along northern site boundary (BQ Ref. 10.1)	250,000.00	250,000.00 (not yet instructed)
2	Graphic works to hoarding (BQ Ref. 10.2)	600,000.00	560,000.00 (agreed)
<u>Adjustment of Prime Cost Sums</u>			
1.0	Provide the sum of \$4,000,000.00 for Lift Installation	4,000,000.00	4,500,000.00 (awarded sum)
1.1	Add <u>1</u> % for profit	40,000.00	45,000.00
1.2	Add for attendance as described	200,000.00	200,000.00
2.0	Provide the sum of \$300,000.00 for Audio and Video Equipment Installation	300,000.00	300,000.00 (to be tendered for)
2.1	Add <u>1</u> % for profit	3,000.00	3,000.00
2.2	Add for attendance as described	15,000.00	15,000.00
Total Omission/Addition Carried to Summary		5,408,000.00	5,873,000.00



Question No. 2 – Financial Status Reporting (Cont'd)

NOTES TO ASSESSORS

A2.10 Appendix E – Adjustment of Provisional Quantities

Ref.	Description	Omission (HK\$)	Addition (HK\$)
1	Reinforcement re-measurement (Adjustment of BQ Ref. 3/1 A to F, 3/2 A to H , 3/3 A to G)	1,200,000.00	1,500,000.00
Total Omission/Addition Carried to Summary		1,200,000.00	1,500,000.00

A2.11 Appendix F – Adjustment of Prime Cost Rates

Ref.	Description	Omission (HK\$)	Addition (HK\$)
<u>Bill No. 8 – Plasterer</u>			
8/2A	Non-slip homogenous floor tiles (P.C. rate \$200/m ² ; supply only)	4,000.00	3,000.00
8/2C	Carpet floor tiles (P.C. rate \$400/m ² ; supply only)	20,000.00	17,500.00
Total Omission/Addition Carried to Summary		24,000.00	20,500.00

A2.12 It may be possible for the Candidates to cut and paste the original question paper to save writing time. This is acceptable so long as the answers are clear and legible.