

ANNUAL FINANCIAL REPORT

The Mission Covenant Church Limited

Appendix A

1st APRIL 2019 TO 31st MARCH 2020

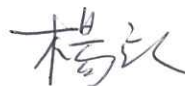
	Notes	2019-2020 \$	2018-2019 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	6,085,858.00	5,119,694.00
b. Provident Fund	1c	481,756.00	405,652.00
2. Fee Income	2	29,800.00	29,525.00
3. Central Items	3	0.00	0.00
4. Rent and Rates	4	165,060.00	151,220.00
5. Other Income	5	797,168.50	920,827.75
6. Interest Received		17,334.73	2,342.69
TOTAL INCOME		<u>7,576,977.23</u>	<u>6,629,261.44</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		4,823,306.00	3,727,790.75
b. Provident Fund	1c	345,078.81	268,906.18
c. Allowances		-	-
Sub-total	6	<u>5,168,384.81</u>	<u>3,996,696.93</u>
2. Other Charges	7	1,092,595.44	1,250,906.35
3. Central Items	3	23,800.00	21,050.00
4. Rent and Rates	4	162,510.00	151,220.00
TOTAL EXPENDITURE		<u>6,447,290.25</u>	<u>5,419,873.28</u>
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	<u>1,129,686.98</u>	<u>1,209,388.16</u>

The Annual Financial Report from pages 1 to 6 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



LEE CHUN LAM PHILIP
CHAIRMAN

DATE: 30th September 2020



YEUNG LAP YAN
HONORARY EXECUTIVE SECRETARY

DATE: 30th September 2020

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 Note 3.

Details are analysed below :

<u>Provident Fund Contribution</u>	Snapshot Staff	6.8% and Other Posts	Total
	\$	\$	\$
Subvention Received	121,131.00	360,625.00	481,756.00
Provident Fund Contribution Paid during the year	(110,547.00)	(234,531.81)	(345,078.81)
Surplus/(Deficit) for the year	10,584.00	126,093.19	136,677.19
Add : Surplus/(Deficit) b/f	(3,775.50)	708,314.97	704,539.47
	6,808.50	834,408.16	841,216.66
Additional subvention received for previous year(s)	-	-	-
Less : Refund from Government	3,776.00	-	3,776.00
Surplus/(Deficit) c/f	10,584.50	834,408.16	844,992.66

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:

	2019-2020 \$	2018-2019 \$
a. Income		
-Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
b. Expenditure		
-Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	23,800.00	21,050.00
	<u>23,800.00</u>	<u>21,050.00</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 is as follows:

Other Income	2019-2020	2018-2019
	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	746,635.00	904,272.90
(b) Others	50,533.50	16,554.85
Total	<u>797,168.50</u>	<u>920,827.75</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.	1	743,380.00
HK\$800,001-HK\$900,000 p.a.	-	-
HK\$900,001-HK\$1,00,000 p.a.	-	-
HK\$1,000,001-HK\$1,100,000 p.a.	-	-
HK\$1,100,001-HK\$1,200,000 p.a.	-	-
>HK\$1,200,000 p.a.	-	-

7. Other Charges The breakdown on Other Charges is as follows:

	2019-2020	2018-2019
	\$	\$
Other Charges		
(a) Utilities	38,696.00	36,076.10
(b) Food	-	-
(c) Administrative Expenses	22,650.60	29,296.00
(d) Stores and Equipment	58,584.55	64,336.59
(e) Repair and Maintenance	21,160.30	39,821.50
(f) Special Allowances	-	-
(g) Programme Expenses	871,662.80	1,020,913.95
(h) Transportation and Travelling	2,092.70	2,011.90
(i) Insurance	28,361.38	19,578.53
(j) Miscellaneous	49,387.11	38,871.78
Total	<u>1,092,595.44</u>	<u>1,250,906.35</u>

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

	Lump Sum Grant (LSG) \$	Rent and Rates \$	Central Items \$	Total \$
Income				
Lump Sum Grant	6,567,614.00	-	-	6,567,614.00
Fee Income	29,800.00	-	-	29,800.00
Other Income	797,168.50	-	-	797,168.50
Interest Received (Note 1)	17,334.73	-	-	17,334.73
Rent and Rates	-	165,060.00	-	165,060.00
Central Items	-	-	-	-
Total Income (a)	7,411,917.23	165,060.00	-	7,576,977.23
Expenditure				
Personal Emoluments	5,168,384.81	-	-	5,168,384.81
Other Charges	1,092,595.44	-	-	1,092,595.44
Rent and Rates	-	162,510.00	-	162,510.00
Central Items	-	-	23,800.00	23,800.00
Total Expenditure (b)	6,260,980.25	162,510.00	23,800.00	6,447,290.25
Surplus/ (Deficit) for the year (a)-(b)	1,150,936.98	2,550.00	(23,800.00)	1,129,686.98
Less: Surplus/(Deficit) of Provident Fund	136,677.19	-	-	136,677.19
	1,014,259.79	2,550.00	(23,800.00)	993,009.79
Surplus/ (Deficit) b/f (Note 2)	2,366,610.47	-	116,775.00	2,483,385.47
<u>Add:</u> Refund from Government		-	-	-
<u>Less:</u> Refund to Government	(934,902.10)	-	-	(934,902.10)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement (Note 3)	-	-	-	-
Surplus/ (Deficit) c/f (Note 4)	2,445,968.16	2,550.00	92,975.00	2,541,493.16

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 of 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) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule for Central items.
- 4) The level of LSG cumulative reserve, less LSG Reserves 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 Central Items
Analysis of Subvention and Expenditure for the period from 1 Apr 2019 to 31 Mar 2020

Name of Agency: The Mission Covenant Church Limited (714)

Unit Code and Name / Remittance Advice No. (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3)	Deficit for the Year			Surplus b/f (Note 5)	Refund to Government (f)	Surplus c/f (Note 6) (g)=(e)+(a)-(d)-(f)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d)=(b)-(c)			
714S - The Mission Covenant Church Yiu On Neighbourhood Elderly Centre	Programme Assistant (Time-limited post)	-	-	-	-	-	-	-	-	-
6060 - The Mission Covenant Church Ltd-Sister Annie's Nursery	Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school	-	23,800.00	-	23,800.00	-	23,800.00	116,775.00	-	92,975.00
	Total	-	23,800.00	-	23,800.00	-	23,800.00	116,775.00	-	92,975.00

Notes:

1. The figures for the whole financial year are extracted from the payroll for March (Final) or remittance advice(s) issued by the Treasury of the financial year.
2. Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
3. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
4. Deficit i.r.o. the following central items arising from salary adjustment are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref.(5) in SWD/S/104/2 Pt. 18 dated 4 March 2020.
 - (i) Dementia Supplement for Elderly with Disabilities
 - (ii) Infirmary Care Supplement for the Aged Blind Persons
 - (iii) Dementia Supplement for Residential Elderly Services
 - (iv) Infirmary Care Supplement for Residential Elderly services
5. "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
6. "Surplus carried forward (c/f)" means surplus brought forward less refund to Government plus surplus, if any, arising from operations in current year.
7. Unit code and name / remittance advice no. are extracted from the payroll from SWD and remittance advice from the Treasury respectively.
8. The central items as listed above may not be exhaustive and any relevant details of central items released and/or expended during the year, where appropriate, should also be included.

Schedule for Rent and RatesAnalysis of Subvention and Expenditure for the period from 1 Apr 2019 to 31 Mar 2020Name of Agency: The Mission Covenant Church Limited (714)

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus / Deficit (Note 2)	Refund to Government	Surplus b/f	Surplus c/f
5866 - The Mission Covenant Church Yiu On Neighbourhood Elderly Centre	Rent (Note 3)	\$ 145,140.00	\$ 145,140.00	-	\$	\$ -	\$ -
	Rates	10,200.00	7,650.00	2,550.00		-	2,550.00
	Government Rent	9,720.00	9,720.00	-		-	-
	Total	165,060.00	162,510.00		-	-	2,550.00

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.