


ANNUAL FINANCIAL REPORT
NGO: THE MISSION COVENANT CHURCH LIMITED
(1 April 2022 to 31 March 2023)

	Notes	2022-23 \$	2021-22 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	6,228,901.00	6,144,343.00
b. Provident Fund	1c	495,942.00	481,749.00
2. Fee Income	2	5,691.00	3,633.00
3. Central Items	3	-	-
4. Rent and Rates	4	172,817.00	165,437.00
5. Other Income	5	159,900.00	246,984.00
6. Interest Received		1,277.05	193.49
TOTAL INCOME		7,064,528.05	7,042,339.49
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		5,498,508.00	5,121,068.00
b. Provident Fund	1c	412,565.66	384,200.86
c. Allowances		-	
Sub-total	6	5,911,073.66	5,505,268.86
2. Other Charges	7	917,968.97	825,725.20
3. Central Items	3	-	(12,800.00)
4. Rent and Rates	4	164,228.00	156,848.00
TOTAL EXPENDITURE		6,993,270.63	6,475,042.06
C. SURPLUS/ (DEFICIT) FOR THE YEAR	8	71,257.42	567,297.43

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: 30 SEP 2023



REV. NG WAI MING
VICE GENERAL SECRETARY
DATE: 30 SEP 2023

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) services (including support services to FSA services) 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 which are separately included as part of the income and expenditure of the relevant items have been shown under **Note 3**.

Details are analysed below :

<u>Provident Fund Contribution</u>	6.8% and		Total
	Snapshot Staff	Other Posts	
	\$	\$	\$
Subvention Received	130,005.00	365,937.00	495,942.00
Provident Fund Contribution Paid during the Year	(130,005.00)	(282,560.66)	(412,565.66)
Surplus/ (Deficit) for the Year	-	83,376.34	83,376.34
<u>Add</u> : Surplus/ (Deficit) b/f	5,445.50	1,043,951.56	1,049,397.06
Additional subvention received for previous year(s)	-	-	-
<u>Less</u> : Refund to Government	(5,445.00)	-	(5,445.00)
Surplus/ (Deficit) c/f	0.50	1,127,327.90	1,127,328.40

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 subsidies allocated to NGOs for specified purposes on a recurrent, time- limited or one-off basis 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. Any surplus, which is not allowed to be offset by any deficit of another item, is subject to claw-back by SWD according to the terms and conditions of individual central items. 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). The income and expenditure of each of the Central Items are as follows:

	2022-23	2021-22
	\$	\$
a. Income		
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
	-	-
b. Expenditure		
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	(12,800.00)
Total	-	(12,800.00)

- 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 need not be included as Other Income in AFR. In this respect, donations have been included if it is used to finance expenditure of the FSA services/ FSA-related activities reflected in the AFR.

The breakdown on Other Income is as follows:

Other Income	2022-23	2021-22
	\$	\$
(a) Programme income	148,700.00	207,855.00
(b) Production income	-	-
(c) Donation	-	-
(d) Income from Other Activities	-	-
(e) Utilised allocation under Central Items (CI): After School Care Programme (ASCP) / Enhanced ASCP / ASCP(PC) -Fee Waiving Subsidy Scheme (FWSS) which forms as part of Other Income *	-	-
(f) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	-	-
(g) Miscellaneous income	11,200.00	39,129.00
Sub-Total	<u>159,900.00</u>	<u>246,984.00</u>
<u>Less:</u> Utilised allocation under CI: ASCP / Enhanced ASCP / ASCP(PC) - FWSS which forms as part of Other Income*	-	-
Total	<u><u>159,900.00</u></u>	<u><u>246,984.00</u></u>

**For those programmes which are regarded as FSA services/ FSA-related activities only*

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.	-	-
HK\$800,001 - HK\$900,000 p.a.	-	-
HK\$900,001 - HK\$1,000,000 p.a.	1	999,105.00
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:

	2022-23 \$	2021-22 \$
Other Charges		
(a) Utilities	35,431.90	35,874.20
(b) Food	-	-
(c) Administrative Expenses	46,227.83	37,784.00
(d) Stores and Equipment	82,275.60	87,272.95
(e) Repair and Maintenance	123,777.74	98,258.17
(f) Special Allowances	-	-
(g) Programme Expenses	466,406.90	416,788.90
(h) Transportation and Travelling	1,091.70	724.10
(i) Insurance	32,565.27	32,966.45
(j) Miscellaneous	130,192.03	116,056.43
Sub-Total	917,968.97	825,725.20
Less: Utilised allocation under CI: ASCP / Enhanced ASCP / ASCP(PC) - FWSS* which forms as part of Other Income to fund the operating expenses of FSA services / FSA-related activities	-	-
Total	917,968.97	825,725.20

**For those programmes which are regarded as FSA services/ FSA-related activities only*

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

	Lump Sum Grant (LSG)	Holding Account (HA)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP / ASCP(PC) - FWSS	Rent and Rates	Central Items (CI)	Total
	\$	\$	\$	\$	\$	\$
Income						
Lump Sum Grant	6,724,843.00	-	-	-	-	6,724,843.00
Fee Income	5,691.00	-	-	-	-	5,691.00
Other Income	159,900.00	-	-	-	-	159,900.00
Interest Received (Note (1))	1,277.05	-	-	-	-	1,277.05
Rent and Rates	-	-	-	172,817.00	-	172,817.00
Central Items	-	-	-	-	-	-
Total Income (a)	6,891,711.05	-	-	172,817.00	-	7,064,528.05
Expenditure						
Personal Emoluments	5,872,073.66	39,000.00	-	-	-	5,911,073.66
Other Charges	917,968.97	-	-	-	-	917,968.97
Rent and Rates	-	-	-	164,228.00	-	164,228.00
Central Items	-	-	-	-	-	-
Total Expenditure (b)	6,790,042.63	39,000.00	-	164,228.00	-	6,993,270.63
Surplus/(Deficit) for the Year (a) - (b)	101,668.42	(39,000.00)	-	8,589.00	-	71,257.42
Less : Surplus/ (Deficit) of Provident Fund	83,376.34	-	-	-	-	83,376.34
	18,292.08	(39,000.00)	-	8,589.00	-	(12,118.92)
Surplus/ (Deficit) b/f (Note (2))	1,820,001.80	187,034.09	-	8,589.00	86,975.00	2,102,599.89
	1,838,293.88	148,034.09	-	17,178.00	86,975.00	2,090,480.97
Add : Refund from Government	-	-	-	-	-	-
Less : Refund to Government	(333,303.50)	-	-	(8,589.00)	(86,975.00)	(428,867.50)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement (Note (3))	-	-	-	-	-	-
Adjustment for utilised allocation under Enhanced ASCP / ASCP(PC) – FWSS* (over-estimated) / under-estimated in previous year(s)	-	-	-	-	-	-
Surplus/ (Deficit) c/f (Note (4))	1,504,990.38	148,034.09	-	8,589.00	-	1,661,613.47

Notes:

Including an amount \$Z being the utilised allocation under CI: ASCP / Enhanced ASCP / ASCP(PC) – FWSS*

* For those programmes which are regarded as FSA services/ FSA-related activities only