

# ANNUAL FINANCIAL REPORT

The Mission Covenant Church Limited

1st APRIL 2013 TO 31st MARCH 2014

	Notes	2013-2014 \$	2012-2013 \$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	1,560,350.00	1,500,865.00
b. Provident Fund	1c	130,410.00	125,488.00
2. Special One-off Grant		-	-
3. Fee Income	2	23,425.00	22,800.00
4. Central Items	3	91,873.00	86,297.00
5. Rent and Rates	4	138,570.00	127,380.00
6. Other Income	5	748,378.00	229,620.00
7. Interest Received		29.37	21.41
<b>TOTAL INCOME</b>		<u>2,693,035.37</u>	<u>2,092,471.41</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		1,395,452.31	1,424,558.50
b. Provident Fund	1c	110,224.62	117,433.03
c. Allowances		-	-
Sub-total	6	<u>1,505,676.93</u>	<u>1,541,991.53</u>
2. Other Charges	7	645,495.01	95,402.59
3. Central Items	3	94,933.65	94,287.80
4. Rent and Rates	4	135,420.00	120,140.00
5. Special One-off Grant Payments	7a	-	-
<b>TOTAL EXPENDITURE</b>		<u>2,381,525.59</u>	<u>1,851,821.92</u>
<b>C. SURPLUS/(DEFICIT) FOR THE YEAR</b>	8	<u>311,509.78</u>	<u>240,649.49</u>

  
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(LEE CHUN LAM PHILIP)  
CHAIRMAN  
DATE: 31st August 2014

  
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(YEUNG LAP YAN)  
EXECUTIVE SECRETARY  
DATE: 31st August 2014

## NOTES ON THE ANNUAL FINANCIAL REPORT

### 1. Lump Sum Grant

#### a. Basis of preparation

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 have 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 Items have been shown under 3.

Details are analysed below :

<u>Provident Fund Contribution</u>	Snapshot Staff	6.8% and Other Posts	Total
	\$	\$	\$
Subvention Received	49,414.00	80,996.00	130,410.00
Provident Fund Contribution paid during the year	61,767.00	48,457.62	110,224.62
Surplus/(Deficit) for the year	(12,353.00)	32,538.38	20,185.38
Add: Surplus/(Deficit) b/f	-	150,317.02	150,317.02
	(12,353.00)	182,855.40	170,502.40
Deficit to be absorbed by agency's own fund	12,353.00	-	12,353.00
Surplus/(Deficit) c/f	-	182,855.40	182,855.40

### 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 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 have been separately included as part of the income and expenditure of the relevant items (paragraph 3.13 of LSG Manual). The income and expenditure of each of the Central Items are as follows:

	2013-2014 \$	2012-2013 \$
<b>a. Income</b>		
-Time-defined Programme Assistants for Elderly Services	91,873.00	86,297.00
-Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
-Training Subsidy Scheme for KG-cum-CCC	-	-
	<u>91,873.00</u>	<u>86,297.00</u>
<b>b. Expenditure</b>		
-Time-defined Programme Assistants for Elderly Services	94,933.65	80,497.80
-Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	13,790.00
-Training Subsidy Scheme for KG-cum-CCC	-	-
	<u>94,933.65</u>	<u>94,287.80</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 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 have not been included as Other Income in AFR.

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.	-	-
HK\$600,001-HK\$700,000 p.a.	-	-
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.	-	-
>HK\$1,000,000 p.a.	-	-

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

	2013-2014	2012-2013
	\$	\$
Other Charges		
a. Utilities	19,070.31	19,599.10
b. Food	-	-
c. Administrative Expenses	14,358.45	19,618.60
d. Stores and Equipment	43,473.50	44,324.82
e. Repair and Maintenance	13,663.20	11,298.85
f. Special Allowances	-	-
g. Programme Expenses	543,338.69	(10,226.00)
h. Transportation and Travelling	951.10	1,074.60
i. Insurance	8,903.96	7,546.62
j. Miscellaneous	1,735.80	2,166.00
Total	<u>645,495.01</u>	<u>95,402.59</u>

7a. Special One-off Grant Payments

Details of Special One-off Grants Payments are as follows:

	2013-2014	2012-2013
	\$	\$
Special one-off Grant Payments		
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total	<u>-</u>	<u>-</u>

8. Analysis of Reserve Fund

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG) \$	Special One-off Grant (SOG)	Rent and Rates \$	Central Items \$	Total \$
<b>Income</b>					
Lump Sum Grant	1,690,760.00	-	-	-	1,690,760.00
Special One-off Grant	-	-	-	-	-
Fee Income	23,425.00	-	-	-	23,425.00
Other Income	748,378.00	-	-	-	748,378.00
Interest Received (Note 1)	29.37	-	-	-	29.37
Rent and Rates	-	-	138,570.00	-	138,570.00
Central Items	-	-	-	91,873.00	91,873.00
<b>Total Income (a)</b>	<b>2,462,592.37</b>	<b>-</b>	<b>138,570.00</b>	<b>91,873.00</b>	<b>2,693,035.37</b>
<b>Expenditure</b>					
Personal Emoluments	1,505,676.93	-	-	-	1,505,676.93
Other Charges	645,495.01	-	-	-	645,495.01
Rent and Rates	-	-	135,420.00	-	135,420.00
Central Items	-	-	-	94,933.65	94,933.65
Special One-off Grant Payments	-	-	-	-	-
<b>Total Expenditure (b)</b>	<b>2,151,171.94</b>	<b>-</b>	<b>135,420.00</b>	<b>94,933.65</b>	<b>2,381,525.59</b>
<b>Surplus/(Deficit) for the year (a)-(b)</b>	<b>311,420.43</b>	<b>-</b>	<b>3,150.00</b>	<b>(3,060.65)</b>	<b>311,509.78</b>
Less: Surplus/(Deficit) of Provident Fund	20,185.38	-	-	-	20,185.38
Surplus/(Deficit) b/f (Note2)	291,235.05	-	3,150.00	(3,060.65)	291,324.40
Add: SWD suggested adjustment	796,649.03	-	7,240.00	157,799.20	961,688.23
Less: Refund to Government	4,920.00	-	-	-	4,920.00
Transfer from LSG Reserve to cover the salary adjustment for Programme Assistants (Note 3)	(3,413.00)	-	-	3,413.00	-
<b>Surplus/(Deficit) c/f (Note 4)</b>	<b>1,089,391.08</b>	<b>-</b>	<b>10,390.00</b>	<b>158,151.55</b>	<b>1,257,932.63</b>

**Notes :**

- 1) All the interest received on LSG and PF reserves, rent and rates, central items, Special One-Off Grant is included as one item under LSG; and the item is considered as part of LSG reserve.
- 2) Accumulated balance of Lump Sum Grant Surplus b/f from previous years and all interest received in previous years are included in the surplus b/f under LSG.
- 3) Amount of LSG Reserve used to cover the salary adjustment for Programme Assistants, if any, as per Schedule of Central
- 4) The level of LSG cumulative reserve will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.

Schedule for Central Items  
Analysis of Subvention and Expenditure for the period from 1 Apr 2013 to 31 Mar 2014

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

Unit Code and Name (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3)	Deficit for the Year			Surplus b/f (Note 5)	Surplus c/f (Note 6)
					Deficit (Note 3)	Deficit transferred to LSG (Note 4)	Adjusted Deficit (d)=(b)-(c)		
		\$	\$	\$	\$	\$	\$	\$	\$
714S - The Mission Covenant Church Yiu On Tong Social Centre for the Elderly	Programme Assistant (Time-limited post)	91,873.00	94,933.65	-	3,060.65	3,413.00	(352.35)	5,799.20	6,151.55
5060 - The Mission Covenant Church Ltd-Sister Annie's Nursery	Training Scheme for Special Child Care Workers in Pre- school Rehabilitation Services	-	-	-	-	-	-	70,800.00	70,800.00
6938 - The Mission Covenant Church Ltd-Sister Annie's Nursery	Training Subsidy Scheme for KG- cum-CCC	-	-	-	-	-	-	81,200.00	81,200.00
	<b>Total:</b>	91,873.00	94,933.65	-	3,060.65	3,413.00	(352.35)	157,799.20	158,151.55

Notes:

1. The figures for the whole financial year are extracted from the payroll for March (Final ) 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.(16) in SWD/S/104/2 Pt.12 dated 17 July 2013.  
Regularized Programme Assistants (PA)
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 plus surplus, if any, arising from operations in current year.
7. Unit code and name are extracted from the payroll from SWD.

Schedule for Rent and Rates  
Analysis of Subvention and Expenditure for the period from 1 Apr 2013 to 31 Mar 2014

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

Unit Code and Name (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus/ Deficit (Note 3 & 4)	Refund to Government	Surplus b/f (Note 5)	Surplus c/f (Note 6)
		\$	\$	\$		\$	\$
5866 - The Mission Covenant Church Yiu On Tong Social Centre for the Elderly	Rent (Note 3)	120,540.00	120,540.00	-	-	-	-
	Rates	10,200.00	7,050.00	3,150.00	-	8,050.00	11,200.00
	Crown rent	7,830.00	7,830.00	-	-	(810.00)	(810.00)
	Total	138,570.00	135,420.00	3,150.00	-	7,240.00	10,390.00

**Notes:**

1. The figures for the whole financial year are extracted from the payroll for March (Final ) of the financial year.
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3. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
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(v)Regularized Programme Assistants (PA)
5. "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
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7. Unit code and name are extracted from the payroll from SWD.