

# ANNUAL FINANCIAL REPORT

The Mission Covenant Church Limited

1st APRIL 2014 TO 31st MARCH 2015

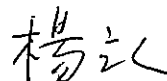
	Notes	2014-2015 \$	2013-2014 \$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	2,823,698.00	1,560,350.00
b. Provident Fund	1c	218,119.00	130,410.00
2. Special One-off Grant		-	-
3. Fee Income	2	25,725.00	23,425.00
4. Central Items	3	61,587.00	91,873.00
5. Rent and Rates	4	139,716.00	138,570.00
6. Other Income	5	817,659.00	748,378.00
7. Interest Received		159.08	29.37
<b>TOTAL INCOME</b>		<u>4,086,663.08</u>	<u>2,693,035.37</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		1,978,934.00	1,395,452.31
b. Provident Fund	1c	142,524.50	110,224.62
c. Allowances		-	-
Sub-total	6	<u>2,121,458.50</u>	<u>1,505,676.93</u>
2. Other Charges	7	869,844.93	645,495.01
3. Central Items	3	59,972.45	94,933.65
4. Rent and Rates	4	139,716.00	135,420.00
5. Special One-off Grant Payments	7a	-	-
<b>TOTAL EXPENDITURE</b>		<u>3,190,991.88</u>	<u>2,381,525.59</u>
<b>C. SURPLUS/(DEFICIT) FOR THE YEAR</b>	8	<u>895,671.20</u>	<u>311,509.78</u>



(LEE CHUN LAM PHILIP)

CHAIRMAN

DATE: 30th September 2015



(YEUNG LAP YAN)

HONORARY EXECUTIVE SECRETARY

DATE: 30th September 2015

## 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 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. 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	58,206.00	159,913.00	218,119.00
Provident Fund Contribution			
Paid during the year	71,158.50	71,366.00	142,524.50
Surplus/(Deficit) for the year	(12,952.50)	88,547.00	75,594.50
Add: Surplus/(Deficit) b/f	0.00	182,855.40	182,855.40
	(12,952.50)	271,402.40	258,449.90
Deficit to be absorbed by agency's own fund	6,468.00	-	6,468.00
Surplus/(Deficit) c/f	(6,484.50)	271,402.40	264,917.90

### 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:

	2014-2015	2013-2014
	\$	\$
<b>a. Income</b>		
-Time-defined Programme Assistants for Elderly Services	61,587.00	91,873.00
	<u>61,587.00</u>	<u>91,873.00</u>
<b>b. Expenditure</b>		
-Time-defined Programme Assistants for Elderly Services	59,972.45	94,933.65
	<u>59,972.45</u>	<u>94,933.65</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.

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:

	2014-2015	2013-2014
	\$	\$
Other Charges		
a. Utilities	23,326.69	19,070.31
b. Food	-	-
c. Administrative Expenses	30,443.40	14,358.45
d. Stores and Equipment	51,150.74	43,473.50
e. Repair and Maintenance	25,754.90	13,663.20
f. Special Allowances	-	-
g. Programme Expenses	727,202.80	543,338.69
h. Transportation and Travelling	1,693.40	951.10
i. Insurance	9,051.00	8,903.96
j. Miscellaneous	1,222.00	1,735.80
Total	<u>869,844.93</u>	<u>645,495.01</u>

7a. Special One-off Grant Payments

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

	2014-2015	2013-2014
	\$	\$
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	3,041,817.00	-	-	-	3,041,817.00
Special One-off Grant	-	-	-	-	-
Fee Income	25,725.00	-	-	-	25,725.00
Other Income	817,659.00	-	-	-	817,659.00
Interest Received (Note 1)	159.08	-	-	-	159.08
Rent and Rates	-	-	139,716.00	-	139,716.00
Central Items	-	-	-	61,587.00	61,587.00
<b>Total Income (a)</b>	<b>3,885,360.08</b>	<b>-</b>	<b>139,716.00</b>	<b>61,587.00</b>	<b>4,086,663.08</b>
<b>Expenditure</b>					
Personal Emoluments	2,121,458.50	-	-	-	2,121,458.50
Other Charges	869,844.93	-	-	-	869,844.93
Rent and Rates	-	-	139,716.00	-	139,716.00
Central Items	-	-	-	59,972.45	59,972.45
Special One-off Grant Payments	-	-	-	-	-
<b>Total Expenditure (b)</b>	<b>2,991,303.43</b>	<b>-</b>	<b>139,716.00</b>	<b>59,972.45</b>	<b>3,190,991.88</b>
<b>Surplus/(Deficit) for the year (a)-(b)</b>	<b>894,056.65</b>	<b>-</b>	<b>-</b>	<b>1,614.55</b>	<b>895,671.20</b>
Less: Surplus/(Deficit) of Provident Fund	75,594.50	-	-	-	75,594.50
	818,462.15	-	-	1,614.55	820,076.70
Surplus/(Deficit) b/f (Note 2)	1,089,391.08	-	10,390.00	158,151.55	1,257,932.63
SWD suggested adjustment	240.00	-	-	-	240.00
Add: Transfer of cumulative unspent balance of time-defined Programme Assistant as at 30.11.2014 upon the change of funding mode from Central Item to Lump Sum Grant with effect from 1.12.2014 (Note 3)	1,966.90	-	-	(1,966.90)	-
Less: Refund to Government	(229,624.67)	-	(8,050.00)	(5,799.20)	(243,473.87)
<b>Surplus/(Deficit) c/f (Note 5)</b>	<b>1,680,435.46</b>	<b>-</b>	<b>2,340.00</b>	<b>152,000.00</b>	<b>1,834,775.46</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 cumulative unspent balance as at 30.11.2014 (amount of surplus c/f) for time-defined Programme Assistant post, if any, as per Schedule for Central Items.
- 4) Amount of LSG Reserve used to cover the salary adjustment for Programme Assistants, if any, as per Schedule of Central items.
- 5) 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 2014 to 31 Mar 2015

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		
		\$	\$	\$	\$	\$	\$	\$	\$
714S - The Mission Covenant Church Yiu On Neighbourhood Elderly Centre	Programme Assistant (Time-limited post)	61,587.00	59,972.45	1,614.55			-	6,151.55	7,766.10
Transfer of cumulative unspent balance of time-defined Programme Assistant as at 30.11.2014 upon the change of funding mode from Central Item to Lump Sum Grant with effect from 1.12.2014									(1,966.90)
Clawback from SWD-PA surplus in 2012-2013									(5,799.20)
6060 - 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>	61,587.00	59,972.45	1,614.55	-	-	-	158,151.55	152,000.00

**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.  
(v) 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 2014 to 31 Mar 2015

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 Neighbourhood Elderly Centre	Rent (Note 3)	120,540.00	120,540.00	-	-	-	-
	Rates	10,860.00	10,860.00	-	(8,050.00)	11,200.00	3,150.00
	Crown rent	8,316.00	8,316.00	-	-	(810.00)	(810.00)
	Total	139,716.00	139,716.00	-	(8,050.00)	10,390.00	2,340.00

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.  
(v) Regularized Programme Assistants (PA)
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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.