

The Annual Financial Report (AFR) does not constitute the subvented agencies' statutory annual financial statements. The AFR is prepared on cash basis, in accordance with the requirements set out in Lump Sum Grant Manual issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region, which is different from the financial reporting standards issued by the Hong Kong Institute of Certified Public Accountants normally adopted in statutory annual financial statements.

ANNUAL FINANCIAL REPORT

Agency Code and Name : (700) The Church of United Brethren in Christ, Hong Kong Limited

1 APRIL, 2021 TO 31 MARCH, 2022

	Notes	2021-22 \$	2020-21 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	17,754,980.00	17,678,952.00
b. Provident Fund	1c	1,567,988.00	1,616,255.00
2. Fee Income	2	20.00	70.00
3. Central Items	3	380,510.00	195,894.00
4. Rent and Rates	4	733,995.00	733,995.00
5. Other Income	5	1,464,968.80	1,296,919.99
6. Interest Received		587.10	5,285.41
TOTAL INCOME		21,903,048.90	21,527,371.40
 B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		18,692,407.17	17,324,244.92
b. Provident Fund	1c	1,741,600.43	1,598,458.10
c. Allowances		-	-
Sub-total	6	20,434,007.60	18,922,703.02
2. Other Charges	7	1,102,704.95	1,162,916.64
3. Central Items	3	327,773.80	197,403.92
4. Rent and Rates	4	838,736.00	832,660.00
TOTAL EXPENDITURE		22,703,222.35	21,115,683.58
 C. SURPLUS (DEFICIT) FOR THE YEAR	 8	 (800,173.45)	 411,687.82

The Annual Financial Report from pages 2 to 6 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

Authorised Signature



Name

Chan Ngan Fung

Title

Chairman

Date

20 October, 2022

Authorised Signature



Name

Wong Sau Wa

Title

Chief Executive

Date

20 October, 2022

NOTES ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant

a. Basis of preparation (i) 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 should be shown under **Note 3**. Details are analysed below :

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u>	<u>6.8% and Other Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	741,150.00	826,838.00	1,567,988.00
Provident Fund Contribution Paid during the Year	<u>742,971.03</u>	<u>998,629.40</u>	<u>1,741,600.43</u>
Surplus (Deficit) for the Year	(1,821.03)	(171,791.40)	(173,612.43)
Add : Surplus (Deficit) b/f	130,312.14	821,200.51	951,512.65
Additional subvention received for previous year(s)	-	-	-
Less : Refund to Government	(45,642.00)	-	(45,642.00)
Surplus (Deficit) c/f	<u><u>82,849.11</u></u>	<u><u>649,409.11</u></u>	<u><u>732,258.22</u></u>

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 Lump Sum Grant Manual.

NOTES ON THE ANNUAL FINANCIAL REPORT

- 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:

	2021-22	2020-21
	\$	\$
a. Income		
After School Care Programme - Fee Waiving Subsidy Scheme	224,640.00	132,660.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-School Rehabilitation Services	155,870.00	63,234.00
Total	<u>380,510.00</u>	<u>195,894.00</u>
b. Expenditure		
After School Care Programme - Fee Waiving Subsidy Scheme	170,135.80	95,786.93
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-School Rehabilitation Services	157,638.00	101,617.00
Total	<u>327,773.80</u>	<u>197,403.93</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:

	2021-22	2020-21
	\$	\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	1,464,968.80	1,099,906.89
(b) Utilised allocation under Central Items (CI) - After School Care Programme(ASCP) / Enhanced ASCP - Fee Waiving Subsidy Scheme(FWSS) which forms as part of Other Income	351,066.40	197,013.10
(c) Others		
Sub-Total	<u>1,816,035.20</u>	<u>1,296,919.99</u>
Less: Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS which forms as part of Other Income*	(351,066.40)	(197,013.10)
Total	<u>1,464,968.80</u>	<u>1,099,906.89</u>

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

Agency Code and Name : (700) The Church of United Brethren in Christ, Hong Kong Limited

NOTES ON THE ANNUAL FINANCIAL REPORT

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.	4	3,005,418
HK\$800,001 - HK\$900,000 p.a.	1	857,773
HK\$900,001 - HK\$1,000,000 p.a.	1	932,820
HK\$1,000,001 - HK\$1,100,000 p.a.	1	1,050,202
HK\$1,100,001 - HK\$1,200,000 p.a.	0	
>HK\$1,200,000 p.a.	1	1,346,094

7. **Other Charges**

The breakdown on Other Charges is as follows:

	2021-22	2020-21
Other Charges	\$	\$
(a) Utilities	382,373.67	277,981.96
(b) Food	-	-
(c) Administrative Expenses	194,313.09	237,907.76
(d) Store and Equipment	93,089.67	26,211.98
(e) Repair and Maintenance	7,992.00	16,408.00
(f) Special Allowances	-	-
(g) Programme Expenses	639,651.35	242,002.33
(h) Transportation and Travelling	2,893.40	5,860.00
(i) Insurance	37,868.37	272,525.01
(j) Miscellaneous	95,589.80	84,019.60
Sub-Total	1,453,771.35	1,162,916.64
<u>Less: Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS which forms as part of Other Income*</u>	<u>351,066.40</u>	<u>127,450.83</u>
Total	1,102,704.95	1,035,465.81

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

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

	Lump Sum Grant (L SG)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP - FWSS	Rent and Rates	Central Items (CI)	Total
	\$		\$	\$	\$
Income					
Lump Sum Grant	19,322,968.00		-	-	19,322,968.00
Fee Income	20.00		-	-	20.00
Other Income	1,816,035.20	(351,066.40)	-	-	1,464,968.80
Interest Received (Note (1))	587.10		-	-	587.10
Rent and Rates	-		733,995.00	-	733,995.00
Central Items	-		-	380,510.00	380,510.00
Total Income (a)	21,139,610.30	(351,066.40)	733,995.00	380,510.00	21,903,048.90
Expenditure					
Personal Emoluments	20,434,007.60		-	-	20,434,007.60
Other Charges	1,453,771.35	(351,066.40)	-	-	1,102,704.95
Rent and Rates	-		838,736.00	-	838,736.00
Central Items	-		-	327,773.80	327,773.80
Total Expenditure (b)	21,887,778.95	(351,066.40)	838,736.00	327,773.80	22,703,222.35
Surplus (Deficit) for the Year (a) - (b)	(748,168.65)	0.00	(104,741.00)	52,736.20	(800,173.45)
Less : Surplus/(Deficit) of Provident Fund	(173,612.43)	-	-	-	(173,612.43)
	(574,556.22)	0.00	(104,741.00)	52,736.20	(626,561.02)
Surplus (Deficit) b/f (Note (2))	2,621,497.60	0.00	(106,174.00)	(158,065.22)	2,357,258.38
	2,046,941.38	0.00	(210,915.00)	(105,329.02)	1,730,697.36
Add : Refund from Government	-	-	108,875.00	-	108,875.00
	-	-	-	-	-
Less : Refund to Government	-	-	(10,210.00)	-	(10,210.00)
	-	-	-	-	-
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 - FWSS* (over-estimated) / under-estimated in previous year(s)	-	-	-	-	-
	-	-	-	-	-
Surplus (Deficit) c/f (Note (4))	2,046,941.38	0.00	(112,250.00)	(105,329.02)	1,829,362.36

Notes:

Including an amount \$Z being the utilised allocation under CI - ASCP / Enhanced ASCP - FWSS*

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

- (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 Lump Sum Grant 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 of Central Items.
- (4) The level of LSG cumulative reserve (i.e. S), less LSG Reserve 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 April 2021 to 31 March 2022

Annex 1

Name of Agency : **The Church of United Brethren in Christ Hong Kong Limited**

Unit Code and Name (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the Year		Surplus b/f (Note 5) (e)	Refund to Government (f)	Surplus / (Deficit) c/f (Note 6) (g) = (e) + (f) - (d) - (f)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)			
Unit 3224 Unit 6635	After School Care Programme - Training Subsidy Pre-School Rehabilitation	\$ 224,640.00 155,870.00	\$ 170,135.80 157,638.00	\$ 54,504.20 -	\$ - (1,768.00)	\$ - (1,768.00)	\$ (94,692.32) (63,172.90)	\$ -	\$ (40,388.12) (64,940.90)
Total		380,510.00	327,773.80	54,504.20	(1,768.00)	(1,768.00)	(158,065.22)	-	(105,329.02)

Note :

- The figures for the whole financial year are extracted from the payroll for March (Final) of the financial year.
- Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
- Surplus / Deficit for each element represents the difference between subvention released and actual expenditure.
- 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. (33) in SWD/IS/104/2 PL_18 dated 4 March 2020.
 - Dementia Supplement for Elderly with Disabilities
 - Infirmary Care Supplement for the Aged Blind Persons
 - Dementia Supplement for Residential Elderly Services
 - Infirmary Care Supplement for Residential Elderly Services
- " Surplus brought forward (b/f) " means surplus, if any, arising from operations in previous years.
- " Surplus carried forward (c/f) " means surplus brought forward less refund to Government plus surplus, if any, arising from operations in current year.
- Unit code and name /remittance advice no. are extracted from the payroll from SWD and remittance advice from the Treasury respectively.
- 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.
- For ASCP/enhanced ASCP, the adjustment includes the amount of expenditure overstated/(understated) in previous year(s) after taking into account the actual claw-back amount(s) per SWD's allocation letter(s), if any.
- For NGO with Visiting Medical Practitioner Service Team which arrange delivery of the service under the Programme to all private and self-financing RCHEs, RCHEs as well as contract homes operated by private operators only.