

ANNUAL FINANCIAL REPORT
NGO: CHINA PENIEL MISSIONARY SOCIETY, INC.
1 APRIL 2017 to 31 MARCH 2018

	Notes	2017-18 \$	2016-17 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	3,409,674.00	3,312,617.00
b. Provident Fund	1c	213,272.00	207,177.00
2. Special One-off Grant		-	-
3. Fee Income	2	20,837.50	25,137.50
4. Central Items	3	-	-
5. Rent and Rates	4	119,244.00	119,364.00
6. Other Income	5	235,847.06	227,541.30
7. Interest Received		46.73	45.18
TOTAL INCOME		<u>3,998,921.29</u>	<u>3,891,881.98</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		2,268,215.68	2,143,207.64
b. Provident Fund	1c	145,824.93	139,178.86
c. Allowances		-	-
Sub-total	6	<u>2,414,040.61</u>	<u>2,282,386.50</u>
2. Other Charges	7	1,199,122.38	948,698.28
3. Central Items	3	-	-
4. Rent and Rates	4	121,820.00	121,820.00
5. Special One-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		<u>3,734,982.99</u>	<u>3,352,904.78</u>
C. SURPLUS FOR THE YEAR	8	<u>263,938.30</u>	<u>538,977.20</u>

SIGNATURE



CHAIRMAN

DATE: 22nd October, 2018

SIGNATURE



NGO HEAD

DATE: 22nd October, 2018

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1 APRIL 2017 to 31 MARCH 2018

1. Lump Sum Grant

- 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 are not 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. Details are analysed below :

<u>Provident Fund Contribution</u>	Snapshot Staff	6.8% and Other Posts	Total
	\$	\$	\$
Subvention Received	-	213,272.00	213,272.00
Provident Fund Contribution Paid during the Year	-	(145,824.93)	(145,824.93)
Surplus/ (Deficit) for the Year	-	67,447.07	67,447.07
Add : Surplus/(Deficit) b/f	-	365,639.64	365,639.64
	-	433,086.71	433,086.71
Less : Refund to Government	-	-	-
Surplus/(Deficit) c/f	-	433,086.71	433,086.71

- 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. There are no income and expenditure of the Central Items during the year.
- 4. Rent and Rates** This represents the amount paid by SWD in respect of premises recognised by SWD.

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- 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 should be included if it is used to finance expenditure reflected in the AFR. However, treatment of fees and charges as specified under para.2.28 to 2.29 of the Manual remains unchanged (paragraph 3.9).

The breakdown on Other Income (paragraph 2.29) is as follows:

Other Income	2017-18	2016-17
	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	223,119.00	199,334.80
(b) Others	12,728.06	28,206.50
Total	<u>235,847.06</u>	<u>227,541.30</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	No of Posts	\$
HK\$700,001 - HK\$800,000 p.a.	N/A	N/A
HK\$800,001 - HK\$900,000 p.a.	N/A	N/A
HK\$900,001 - HK\$1,000,000 p.a.	N/A	N/A
HK\$1,000,001 - HK\$1,100,000 p.a.	N/A	N/A
HK\$1,100,001 - HK\$1,200,000 p.a.	N/A	N/A
>HK\$1,200,000 p.a.	N/A	N/A

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

Other Charges	2017-18	2016-17
	\$	\$
(a) Utilities	38,716.20	39,650.40
(b) Food	-	-
(c) Administrative Expenses	62,586.12	93,163.40
(d) Stores and Equipment	124,200.07	107,215.35
(e) Repair and Maintenance	318,152.90	25,630.00
(f) Special Allowances	-	-
(g) Programme Expenses	537,708.13	552,431.15
(h) Transportation and Travelling	1,811.50	2,292.60
(i) Insurance	89,441.46	82,031.18
(j) Miscellaneous	26,506.00	46,284.20
Total	<u>1,199,122.38</u>	<u>948,698.28</u>

- 7a. Special One-off Grant Payments** Details of Special One-off Grant Payments are as follows:

Special one-off Grant Payments	2017-18	2016-17
	\$	\$
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total	<u>-</u>	<u>-</u>

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8. Analysis of Reserve Fund

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	3,622,946.00	-	-	-	3,622,946.00
Special One-off Grant	-	-	-	-	-
Fee Income	20,837.50	-	-	-	20,837.50
Other Income	235,847.06	-	-	-	235,847.06
Interest Received (Note (1))	46.73	-	-	-	46.73
Rent and Rates	-	-	119,244.00	-	119,244.00
Central Items	-	-	-	-	-
Total Income (a)	3,879,677.29	-	119,244.00	-	3,998,921.29
Expenditure					
Personal Emoluments	2,414,040.61	-	-	-	2,414,040.61
Other Charges	1,199,122.38	-	-	-	1,199,122.38
Rent and Rates	-	-	121,820.00	-	121,820.00
Central Items	-	-	-	-	-
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	3,613,162.99	-	121,820.00	-	3,734,982.99
Surplus/(Deficit) for the Year (a) - (b)	266,514.30	-	(2,576.00)	-	263,938.30
<u>Less</u> : Surplus/(Deficit) of Provident Fund	67,447.07	-	-	-	67,447.07
	199,067.23	-	(2,576.00)	-	196,491.23
Surplus/(Deficit) b/f (Note (2))	1,853,286.78	-	(33,060.50)	(3,749.00)	1,816,477.28
<u>Add (Less)</u> : Adjustment by SWD	(13,331.21)	-	13,331.21	-	-
	2,039,022.80	-	(22,305.29)	(3,749.00)	2,012,968.51
<u>Less</u> : Refund to Government	(706,268.79)	-	(8,745.37)	-	(715,014.16)
Transfer from LSG Reserve to cover the salary adjustment for Programme Assistants, Care Assistants, Dementia Supplement and Infirmery Care Supplementary (Note (3))	-	-	-	-	-
Surplus/(Deficit) c/f (Note (4))	1,332,754.01	-	(31,050.66)	(3,749.00)	1,297,954.35

Notes:

- (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant should all be 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 Infirmery Care Supplement, if any, as per **Annex 1**.
- (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.