

ANNUAL FINANCIAL REPORT
NGO: CHINA PENIEL MISSIONARY SOCIETY, INC.
1 APRIL 2018 to 31 MARCH 2019

	Notes	2018-19 \$	2017-18 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	4,228,304.00	3,409,674.00
b. Provident Fund	1c	264,830.00	213,272.00
2. Fee Income	2	20,487.50	20,837.50
3. Central Items	3	-	-
4. Rent and Rates	4	119,088.00	119,244.00
5. Other Income	5	232,189.94	235,847.06
6. Interest Received		934.85	46.73
TOTAL INCOME		4,865,834.29	3,998,921.29
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		2,420,554.75	2,268,215.68
b. Provident Fund	1c	166,722.14	145,824.93
c. Allowances		-	-
Sub-total	6	2,587,276.89	2,414,040.61
2. Other Charges	7	919,102.03	1,199,122.38
3. Central Items	3	-	-
4. Rent and Rates	4	116,720.00	121,820.00
TOTAL EXPENDITURE		3,623,098.92	3,734,982.99
C. SURPLUS FOR THE YEAR	8	1,242,735.37	263,938.30

The Annual Financial Report from pages 3 to 6 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE

SIGNATURE

CHAIRMAN

DATE: 22nd October, 2019

NGO HEAD

DATE: 22nd October, 2019

NOTES ON THE ANNUAL FINANCIAL REPORT
NGO: CHINA PENIEL MISSIONARY SOCIETY, INC.
1 APRIL 2018 to 31 MARCH 2019

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 **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 Centre Items have been shown under **Note 3**.
 Details are analysed below :

<u>Provident Fund Contribution</u>	Snapshot Staff \$	6.8% and Other Posts \$	Total \$
Subvention Received	-	264,830.00	264,830.00
Provident Fund Contribution Paid during the Year	-	(166,722.14)	(166,722.14)
Surplus/ (Deficit) for the Year	-	98,107.86	98,107.86
Add : Surplus/(Deficit) b/f	-	433,086.71	433,086.71
Additional subvention received for previous years	-	-	-
	-	531,194.57	531,194.57
Less : Refund to Government	-	-	-
Surplus/(Deficit) c/f	-	531,194.57	531,194.57

- 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 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)).
 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. Expenditure on rent and rates in respect of premises not recognised by SWD have not been included in AFR.

NOTES ON THE ANNUAL FINANCIAL REPORT
NGO: CHINA PENIEL MISSIONARY SOCIETY, INC.
1 APRIL 2018 to 31 MARCH 2019

- 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:

Other Income	2018-19	2017-18
	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	221,008.94	223,119.00
(b) Others	11,181.00	12,728.06
Total	<u>232,189.94</u>	<u>235,847.06</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 paid under LSG	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	2018-19	2017-18
	\$	\$
(a) Utilities	40,203.10	38,716.20
(b) Food	-	-
(c) Administrative Expenses	58,055.10	62,586.12
(d) Stores and Equipment	62,469.96	124,200.07
(e) Repair and Maintenance	56,158.00	318,152.90
(f) Special Allowances	-	-
(g) Programme Expenses	594,803.74	537,708.13
(h) Transportation and Travelling	1,954.60	1,811.50
(i) Insurance	88,852.63	89,441.46
(j) Miscellaneous	16,604.90	26,506.00
Total	<u>919,102.03</u>	<u>1,199,122.38</u>

NOTES ON THE ANNUAL FINANCIAL REPORT
NGO: CHINA PENIEL MISSIONARY SOCIETY, INC.
1 APRIL 2018 to 31 MARCH 2019

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

	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$
Income				
Lump Sum Grant	4,493,134.00	-	-	4,493,134.00
Fee Income	20,487.50	-	-	20,487.50
Other Income	232,189.94	-	-	232,189.94
Interest Received (Note (1))	934.85	-	-	934.85
Rent and Rates	-	119,088.00	-	119,088.00
Central Items	-	-	-	-
Total Income (a)	4,746,746.29	119,088.00	-	4,865,834.29
Expenditure				
Personal Emoluments	2,587,276.89	-	-	2,587,276.89
Other Charges	919,102.03	-	-	919,102.03
Rent and Rates	-	116,720.00	-	116,720.00
Central Items	-	-	-	-
Total Expenditure (b)	3,506,378.92	116,720.00	-	3,623,098.92
Surplus/(Deficit) for the Year (a) - (b)	1,240,367.37	2,368.00	-	1,242,735.37
<u>Less</u> : Surplus/(Deficit) of Provident Fund	98,107.86	-	-	98,107.86
	1,142,259.51	2,368.00	-	1,144,627.51
Surplus/(Deficit) b/f (Note (2))	1,332,754.01	(31,050.66)	(3,749.00)	1,297,954.35
	2,475,013.52	(28,682.66)	(3,749.00)	2,442,581.86
<u>Add</u> : Refund from Government	-			
<u>Less</u> : Refund to Government	(283,609.06)	-	-	(283,609.06)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplementary (Note (3))	-	-	-	-
Surplus/(Deficit) c/f (Note (4))	2,191,404.46	(28,682.66)	(3,749.00)	2,158,972.80

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 Infirmity Care Supplement, if any, as per **Annex 1**.
- (4) The level of LSG cumulative reserve, 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.