

ANNUAL FINANCIAL REPORT

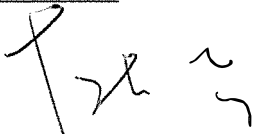
NGO: THE ASSOCIATION OF EVANGELICAL FREE CHURCHES OF HONG KONG

1 APRIL 2020 TO 31 MARCH 2021

	Notes	Total 2020-21 \$	Total 2019-20 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	17,895,677.00	17,679,646.00
b. Provident Fund	1c	1,349,791.00	1,344,904.00
2. Fee Income	2	87,918.50	110,904.00
3. Central Items	3	45,104.00	45,104.00
4. Rent and Rates	4	796,139.00	788,954.00
5. Other Income	5	2,163,418.82	2,377,436.68
6. Interest Received		28,631.38	45,679.78
TOTAL INCOME		22,366,679.70	22,392,628.46
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		17,823,324.83	16,602,496.94
b. Provident Fund	1c	1,393,409.82	1,280,064.55
c. Allowances		78,285.00	105,935.00
Sub-total	6	19,295,019.65	17,988,496.49
2. Other Charges	7	2,636,442.30	2,159,795.22
3. Central Items	3	13,286.44	38,631.14
4. Rent and Rates	4	764,544.40	802,022.89
TOTAL EXPENDITURE		22,709,292.79	20,988,945.74
C. SURPLUS/(DEFICIT) FOR THE YEAR			
	8	(342,613.09)	1,403,682.72

The Annual Financial Report from pages 1 to 9 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.


SIGNATURE



(CHAIRMAN)

DATE : 04 OCT 2021

SIGNATURE



(DIRECTOR/CHIEF SUPERVISOR
SOCIAL SERVICE OFFICE)

DATE : 04 OCT 2021

ANNUAL FINANCIAL REPORT
 NGO : THE ASSOCIATION OF EVANGELICAL FREE CHURCHES OF HONG KONG
 For the period from 1 April 2020 to 31 March 2021

NOTES ON THE ANNUAL FINANCIAL REPORT

1 Lump Sum Grant (LSG)

a Basic 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 Central Items have been 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	197,169.00	1,152,622.00	1,349,791.00
Provident Fund Contribution Paid during the Year	(194,073.00)	(1,199,336.82)	(1,393,409.82)
Surplus/(Deficit) for the Year	3,096.00	(46,714.82)	(43,618.82)
Add: Surplus/(Deficit) b/f	3,084.47	1,886,327.46	1,889,411.93
-Additional subvention received for previous year(s)			0.00
Less: Refund to Government	(2,907.00)		(2,907.00)
Surplus/(Deficit) c/f	<u>3,273.47</u>	<u>1,839,612.64</u>	<u>1,842,886.11</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 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)). The income and expenditure of each of the Central Items are as follows:

<u>a. Income</u>	<u>2020-21</u>	<u>2019-20</u>
	\$	\$
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	0.00	0.00
Time defined Subsidy Scheme for Extended Hours Service Users	2,704.00	2,704.00
Time-defined Subsidy Scheme for Occasional Child Care Service	42,400.00	42,400.00
Total	<u>45,104.00</u>	<u>45,104.00</u>

<u>b. Expenditure</u>	<u>2020-21</u>	<u>2019-20</u>
	\$	\$
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	0.00	0.00
Time defined Subsidy Scheme for Extended Hours Service Users	0.00	0.00
Time-defined Subsidy Scheme for Occasional Child Care Service	13,286.44	38,631.14
Total	<u>13,286.44</u>	<u>38,631.14</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:

Other Income	<u>2020-21</u>	<u>2019-20</u>
	\$	\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	666,017.90	1,182,097.46
(b) Subsidy from Central Item (CI)-After School Care Programme (ASCP)/Enhanced ASCP-Fee Waiving Subsidy Scheme (FWSS)	-	-
(c) Others	1,497,400.92	1,195,339.22
Sub-Total	<u>2,163,418.82</u>	<u>2,377,436.68</u>
Less : Utilised allocation under CI /Enhanced ASCP-FWSS which forms as part of Other Income	-	-
Total	<u>2,163,418.82</u>	<u>2,377,436.68</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:

<u>Analysis of Personal Emoluments paid under LSG</u>		
	<u>No of Posts</u>	<u>\$</u>
HK\$700,001-HK\$800,000 p.a.	5	3,910,929.00
HK\$800,001-HK\$900,000 p.a.		NIL
HK\$900,001-HK\$1,000,000 p.a.		NIL
HK\$1,000,001-HK\$1,100,000 p.a	1	1,018,095.00
HK\$1,100,001-HK\$1,200,000 p.a.		NIL
>HK\$1,200,000 p.a.		NIL

7 Other Charges

The breakdown on Other Charges is as follows:

<u>Other Charges</u>	<u>2020-21</u>	<u>2019-20</u>
	<u>\$</u>	<u>\$</u>
(a) Utilities	62,077.67	147,683.42
(b) Food	321.50	6,156.55
(c) Administrative Expenses	109,935.94	126,446.64
(d) Stores and Equipment	1,120,761.31	478,834.47
(e) Repair and Maintenance	177,035.25	60,983.00
(f) Special Allowances	0.00	0.00
(g) Programme Expenses	861,877.82	1,165,653.19
(h) Transportation and Travelling	21,966.40	20,358.28
(i) Insurance	118,144.41	83,811.17
(j) Miscellaneous	164,322.00	69,868.50
Sub-Total	<u>2,636,442.30</u>	<u>2,159,795.22</u>
Less : Utilised allocation under CI-ASCP/Enhanced ASCP-FWSS which forms as part of Other Income to fund the operating expenses of FSA-related activities	-	-
Total	<u>2,636,442.30</u>	<u>2,159,795.22</u>

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

	Lump Sum Grant (LSG)	Adjustment for Utilised allocation under ASCP/Enhanced ASCP-FWSS	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	19,245,468.00	-	-	-	19,245,468.00
Fee Income	87,918.50	-	-	-	87,918.50
Other Income	2,163,418.82	-	-	-	2,163,418.82
Interest Received (Note (1))	28,631.38	-	-	-	28,631.38
Rent and Rates	-	-	796,139.00	-	796,139.00
Central Items	-	-	-	45,104.00	45,104.00
Total Income (a)	21,525,436.70	0.00	796,139.00	45,104.00	22,366,679.70
Expenditure					
Personal Emoluments	19,295,019.65	-	-	-	19,295,019.65
Other Charges	2,636,442.30	-	-	-	2,636,442.30
Rent and Rates	-	-	764,544.40	-	764,544.40
Central Items	-	-	-	13,286.44	13,286.44
Total Expenditure (b)	21,931,461.95	0.00	764,544.40	13,286.44	22,709,292.79
Surplus/(Deficit) for the Year (a)-(b)	(406,025.25)	0.00	31,594.60	31,817.56	(342,613.09)
Less: Surplus/(Deficit) of Provident Fund	(43,618.82)	-	-	-	(43,618.82)
	(362,406.43)	0.00	31,594.60	31,817.56	(298,994.27)
Surplus/(Deficit) b/f (Note (2))	4,558,740.31	0.00	(38,108.24)	145,166.86	4,665,798.93
	4,196,333.88	0.00	(6,513.64)	176,984.42	4,366,804.66
Add : Adjustment for LSG reserve increased (18) in SWD SF/SAS/4-65/45(204)II	11,566.20				11,566.20
Add : Adjustment for Rent/Rates Surplus increase (18) in SWD SF/SAS/4-65/45(204)II			444.78		444.78
Less : Recovery of subvention surpluses of Central Item/Subsidy Scheme for Extended Hours Service (EHS) Users (Time-defined 31/8/2019) SWD SF/SAS/4-55/1(204) (Subvention payroll 1/2021)				(2,704.00)	(2,704.00)
Less : Recovery of subvention surpluses of Central Item/Time-defined Subsidy Scheme for Occasional Child Care Service SWD SF/SAS/4-55/1(204) (Subvention payroll 1/2021)				(3,768.86)	(3,768.86)
Less : Refund to Government for Rates 2019/20 SWD SF/SAS/4-55/1(204) (Subvention payroll 1/2021)			(18,519.59)		(18,519.59)
Add : Refund from Government for Rent 2018/19 (Subvention payroll 9/2020)			18,897.00		18,897.00
Add : Refund from Government for Government Rent 2018/19 (Subvention payroll 9/2020)			5,698.00		5,698.00
Add : Refund from Government for Rent 2019/20 (Subvention payroll 9/2020)			27,528.00		27,528.00
Add : Refund from Government for Government Rent 2019/20 (Subvention payroll 9/2020)			4,061.00		4,061.00
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplementary (Note (3))					
Adjustment for utilised allocation under Enhanced ASCP-FWSS (over-estimated)/under-estimated in previous year(s)					
Surplus/(Deficit) c/f (Note (4))	4,207,900.08	0.00	31,595.55	170,511.56	4,410,007.19
	(S)				

- Notes : (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 of LSG 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 Schedule of Central Items.
 (4) The level of LSG cumulative reserves (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.