


ANNUAL FINANCIAL REPORT

NGO: NEW LIFE CHURCH OF CHRIST HONG KONG LIMITED (520)

1 APRIL 2022 to 31 MARCH 2023

	Notes	2022-23 \$	2021-22 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	10,114,615.00	9,979,181.00
b. Provident Fund	1c	691,488.00	710,707.00
2. Fee Income	2	44,471.00	36,546.00
3. Central Items	3	-	-
4. Rent and Rates	4	286,763.00	273,947.00
5. Other Income	5	93,768.00	373,716.00
6. Interest Received		5,208.49	37.46
TOTAL INCOME		11,236,313.49	11,374,134.46
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		6,917,175.53	7,459,801.75
b. Provident Fund	1c	522,883.49	548,210.21
c. Allowances			
Sub-total	6	7,440,059.02	8,008,011.96
2. Other Charges	7	1,404,956.40	1,077,954.52
3. Central Items	3	-	-
4. Rent and Rates	4	501,014.00	260,838.00
TOTAL EXPENDITURE		9,346,029.42	9,346,804.48
C. SURPLUS FOR THE YEAR	8	1,890,284.07	2,027,329.98

The Annual Financial Report from pages 4 to 9 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual. Approved by the Board of Directors on **29 SEP 2023**



Chairman

DATE: **29 SEP 2023**



Chief Executive

DATE: **29 SEP 2023**

NEW LIFE CHURCH OF CHRIST HONG KONG LIMITED (520)

NOTES ON THE ANNUAL FINANCIAL REPORT

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.

Income of provident fund HK\$710,707 in 2021-22 represents the provident fund income HK\$729,101 presented in the AFR for 2021-22 less the additional subvention received HK\$18,394 for 2019-20.

The Provident Fund received and contributed for staff under the Central Items have been shown under **Note 3**.

Details are analysed below:

	Snapshot Staff \$	6.8% and Other Posts \$	Total \$
<u>Provident Fund Contribution</u>			
Subvention Received	94,270.00	597,218.00	691,488.00
Provident Fund Contribution Paid during the Year	(112,615.00)	(410,268.49)	(522,883.49)
(Deficit)/Surplus for the Year	(18,345.00)	186,949.51	168,604.51
<u>Add:</u> (Deficit)/surplus b/f Additional subvention received for previous year(s)	31,633.76	1,065,316.65	1,096,950.41
<u>Less:</u> Refund to Government	3,687.00	285.00	3,972.00
	-	-	-
Surplus c/f	16,975.76	1,252,551.16	1,269,526.92

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.

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3. Central Items

These are subsidies allocated to NGOs for specified purposes on a recurrent, time-limited or one-off basis 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. Any surplus, which is not allowed to be offset by any deficit of another item, is subject to claw-back by SWD according to the terms and conditions of individual central items. 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).

The income and expenditure of each of the Central Items are as follows:

	2022-23	2021-22
	\$	\$
a. Income	-	-
Total	<u>-</u>	<u>-</u>
b. Expenditure	-	-
Total	<u>-</u>	<u>-</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:

	2022-23	2021-22
	\$	\$
Other Income		
(a) Income from Other Activities	93,768.00	14,766.00
(b) Miscellaneous Income	-	358,950.00
Sub-Total	<u>93,768.00</u>	<u>373,716.00</u>
<u>Less:</u> Utilised allocation under CI: ASCP/ Enhanced ASCP/ ASCP(PC) – FWSS which forms as part of Other Income*	-	-
Total	<u>93,768.00</u>	<u>373,716.00</u>

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

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- 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.	1	750,766.66
HK\$800,001 - HK\$900,000 p.a.	-	-
HK\$900,001 - HK\$1,000,000 p.a.	-	-
HK\$1,000,001 - HK\$1,100,000 p.a.	-	-
HK\$1,100,001 - HK\$1,200,000 p.a.	-	-
>HK\$1,200,000 p.a.	-	-

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

	2022-23	2021-22
Other Charges	\$	\$
(a) Utilities	63,268.50	55,213.40
(b) Food	-	-
(c) Administrative Expenses	204,994.71	164,025.92
(d) Stores and Equipment	378,067.67	210,560.19
(e) Repair and Maintenance	80,783.72	85,640.00
(f) Special Allowances	-	-
(g) Programme Expenses	537,343.90	408,059.55
(h) Transportation and Travelling	8,984.20	10,873.00
(i) Insurance	48,800.00	66,281.36
(j) Miscellaneous	82,713.70	77,301.10
Sub-Total	1,404,956.40	1,077,954.52
<u>Less: Utilised allocation under CI: ASCP/Enhanced ASCP/ ASCP(PC) – FWSS* which forms as part of Other Income to fund the operating expenses of FSA services/ FSA-related activities</u>	-	-
Total	1,404,956.40	1,077,954.52

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

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NOTES ON THE ANNUAL FINANCIAL REPORT

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

	Lump Sum Grant (LSG)	Holding Account (HA)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP / ASCP(PC) - FWSS	Rent and Rates	Central Items (CI)	Total
	\$	\$	\$	\$	\$	\$
Income						
Lump Sum Grant	10,806,103.00	-	-	-	-	10,806,103.00
Fee Income	44,471.00	-	-	-	-	44,471.00
Other Income	93,768.00	-	-	-	-	93,768.00
Interest Received (Note (1))	5,208.49	-	-	-	-	5,208.49
Rent and Rates	-	-	-	286,763.00	-	286,763.00
Central Items	-	-	-	-	-	-
Total Income (a)	10,949,550.49	-	-	286,763.00	-	11,236,313.49
Expenditure						
Personal Emoluments	7,440,059.02	-	-	-	-	7,440,059.02
Other Charges	1,404,956.40	-	-	-	-	1,404,956.40
Rent and Rates	-	-	-	501,014.00	-	501,014.00
Central Items	-	-	-	-	-	-
Total Expenditure (b)	8,845,015.42	-	-	501,014.00	-	9,346,029.42
Surplus/(Deficit) for the Year (a) - (b)	2,104,535.07	-	-	(214,251.00)	-	1,890,284.07
Less : Surplus/ (Deficit) of Provident Fund	(168,604.51)	-	-	-	-	(168,604.51)
	1,935,930.56	-	-	(214,251.00)	-	1,721,679.56
Surplus/ (Deficit) b/f (Note (2))	4,027,452.85	-	-	(7,652.00)	-	4,019,800.85
Add : Refund from Government	5,963,383.41	-	-	(221,903.00)	-	5,741,480.41
Less : Refund to Government	(1,893,013.78)	-	-	(13,109.00)	-	(1,906,122.78)
Less : The additional subvention of provident fund received for 2019-20 (Note 1(c))	(18,394.00)	-	-	-	-	(18,394.00)
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 / ASCP(PC) – FWSS* (over-estimated) / under-estimated in previous year(s)	-	-	-	-	-	-
Surplus/ (Deficit) c/f (Note (4))	4,051,975.63	-	-	(235,012.00)	-	3,816,963.63

Notes:

Including an amount \$Z being the utilised allocation under CI: ASCP / Enhanced ASCP / ASCP(PC) – FWSS*

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

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NOTES ON THE ANNUAL FINANCIAL REPORT

8. Analysis of Lump Sum Grant Reserve and balances of other SWD Subventions (cont'd)

Notes (cont'd):

- (1) Interest received on LSG (including HA) 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 all interest received in previous years (see (1) above) and the balance of HA should be separately reported as in the surplus b/f under LSG and HA respectively.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule for Central Items.
- (4) For NGOs without HA, separate disclosure of the movement of HA in their respective AFRs is not necessary. The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.

For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows:

- (i) With Snapshot Staff (SS) [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year was greater than zero]
The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+T2) excluding Prov activities ident Fund Contribution (K)) for the year.
- (ii) Without SS [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year (which is regarded as Year 0) was zero]
For the next three years (Year 1 to Year 3), the level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.
From the fourth financial year (Year 4) onwards, the level of LSG cumulative reserve and HA reserve will be counted altogether and the combined reserve amount (i.e. S1+S2) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution (K)) for the year. In this regard, separate disclosure of the movement of HA in their respective AFRs is not necessary.

[For (4)(i) and (4)(ii) above, please also refer to SWD's letter under reference (11) in SWD/S/109/1/10 of 4 April 2022.]

For any amount above the cap, SWD would arrange the claw-back (including provisional in the following financial year) accordingly.