

Disclaimer

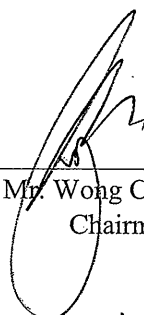
This Annual Financial Report (“AFR”) does not constitute The Chinese Evangelical Zion Church Limited’s statutory annual financial statements. This AFR is prepared on cash basis and in accordance with the requirements set out in the Lump Sum Grant Manual issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region. This basis of preparation is different from the financial reporting standards issued by The Hong Kong Institute of Certified Public Accountants normally adopted in statutory annual financial statements.

CHINESE EVANGELICAL ZION CHURCH LIMITED
- TSZ WAN SHAN ZION CHILDREN AND YOUTH INTEGRATED SERVICE CENTRE

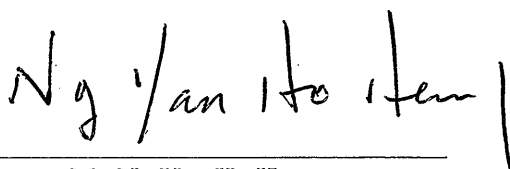
ANNUAL FINANCIAL REPORT
1 APRIL 2022 TO 31 MARCH 2023

	<u>Notes</u>	<u>2022-23</u> <u>HK\$</u>	<u>2021-22</u> <u>HK\$</u>	<u>Remarks</u>
A. INCOME				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	7,973,419.00	7,867,883.00	
b. Provident Fund	1c	675,943.00	659,321.00	
2. Fee Income	2	-	-	
3. Central Items	3	2,117,730.00	3,624,116.00	
4. Rent and Rates	4	605,048.00	578,912.00	
5. Other Income	5	5,856,383.23	6,148,283.04	
6. Interest Received		122,907.62	39,128.11	
TOTAL INCOME		<u>17,351,430.85</u>	<u>18,917,643.15</u>	
B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries		10,201,763.69	10,211,206.02	
b. Provident Fund	1c	691,586.11	774,633.94	
c. Allowances		-	-	
Sub-total	6	<u>10,893,349.80</u>	<u>10,985,839.96</u>	
2. Other Charges	7	3,917,116.23	3,567,627.71	
3. Central Items	3	3,577,292.01	2,507,420.91	
4. Rent and Rates	4	578,417.30	552,281.30	
TOTAL EXPENDITURE		<u>18,966,175.34</u>	<u>17,613,169.88</u>	
C. (DEFICIT)/SURPLUS FOR THE YEAR	8	<u>(1,614,744.49)</u>	<u>1,304,473.27</u>	

The Annual Financial Report from pages 4 to 11 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



 Mr. Wong Chun Wai
 Chairman
 Date: 30/10/2023



 Mr. Ng Yan Ho Henry
 Chief Executive
 Date: 30/10/2023

CHINESE EVANGELICAL ZION CHURCH LIMITED
- TSZ WAN SHAN ZION CHILDREN AND YOUTH INTEGRATED SERVICE CENTRE

NOTES ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant

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 Lump Sum Grant (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% Posts</u>	<u>2022-23</u>	<u>2021-22</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>Total</u>	<u>Total</u>
			<u>HK\$</u>	<u>HK\$</u>
Subvention Received	250,192.00	425,751.00	675,943.00	659,321.00
Provident fund contribution paid during the year	178,842.08	512,744.03	691,586.11	774,633.94
Surplus/(deficit) for the Year	71,349.92	(86,993.03)	(15,643.11)	(115,312.94)
Add : Surplus b/f	(33,367.35)	379,220.18	345,852.83	446,771.77
Add : Additional subvention received for previous year	14,394.00		14,394.00	14,394.00
Refund of forfeiture of PF contribution			-	-
Less: Refund to Government			-	-
Surplus/(deficit) c/f	<u>52,376.57</u>	<u>292,227.15</u>	<u>344,603.72</u>	<u>345,852.83</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 Lump Sum Grant 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 Central Items have been separately included as part of the income and expenditure of the relevant items (paragraph 3.14 of LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	<u>2022-23</u>	<u>2021-22</u>
	<u>HK\$</u>	<u>HK\$</u>
a. Income		
After School Care Programme–Fee Waiving Subsidy Scheme	169,932.00	67,392.00
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy	1,359,190.00	2,637,250.00
NSCCP – Subsidy for Fee Reduction/Waiving	-	-
After School Care Programme for Pre-Primary Children		
[ASCP(PC)]Contract Subsidy	581,300.00	685,474.00
ASCP(PC) Fee subsidy	-	234,000.00
ASCP(PC) Rent and Rates	7,308.00	-
	<u>2,117,730.00</u>	<u>3,624,116.00</u>
b. Expenditure		
After School Care Programme–Fee Waiving Subsidy Scheme	182,319.00	78,234.00
Neighbourhood Support Child Care Project (NSCCP) – Contract Subsidy	2,169,706.26	2,164,965.51
NSCCP – Subsidy for Fee Reduction/Waiving	32,123.50	117,578.50
After School Care Programme for Pre-Primary Children		
[ASCP(PC)]Contract Subsidy	1,114,088.25	139,334.90
ASCP(PC) Fee subsidy	19,305.00	-
ASCP(PC) Rent and Rates	59,750.00	7,308.00
	<u>3,577,292.01</u>	<u>2,507,420.91</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 should not be included in AFR.

CHINESE EVANGELICAL ZION CHURCH LIMITED
- TSZ WAN SHAN ZION CHILDREN AND YOUTH INTEGRATED SERVICE CENTRE

NOTES ON THE ANNUAL FINANCIAL REPORT

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:

<u>Other Income</u>	<u>2022-23</u> HK\$	<u>2021-22</u> HK\$
(a) Fees and charges for services incidental to the operation of subvented services	-	-
(b) Utilised allocation under Central Items (CI) - After School Care Programme (ASCP)	182,319.00	78,234.00
(c) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	-	-
(d) Others	5,856,383.23	6,148,283.04
Sub - Total	<u>6,038,702.23</u>	<u>6,226,517.04</u>
Less: Utilised allocation under CI - ASCP	(182,319.00)	(78,234.00)
Total	<u><u>5,856,383.23</u></u>	<u><u>6,148,283.04</u></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 HK\$700,000 each paid under LSG is appended below.

<u>Analysis of Personal Emoluments paid under LSG</u>	<u>No. of Posts</u>	<u>HK\$</u>
HK\$700,001-HK\$800,000 p.a.	1	771,881.52
HK\$800,001-HK\$900,000 p.a.	1	832,917.96
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.	1	1,265,934.72

7. Other Charges

The breakdown on Other Charges is as follows:

	<u>2022-23</u> HK\$	<u>2021-22</u> HK\$
(a) Utilities	110,168.41	109,906.65
(b) Food	-	-
(c) Administrative Expenses	219,339.03	170,660.59
(d) Store and Equipment	452,043.00	189,716.00
(e) Repair and Maintenance	370,010.84	298,216.73
(f) Special Allowances	-	-
(g) Programme Expenses	2,761,096.99	2,775,246.08
(h) Transportation and Travelling	2,270.60	2,624.20
(i) Insurance	84,505.87	89,058.56
(j) Miscellaneous	100,000.49	10,432.90
Sub - Total	<u>4,099,435.23</u>	<u>3,645,861.71</u>
Less: Utilised allocation under CI - ASCP	(182,319.00)	(78,234.00)
Total:	<u><u>3,917,116.23</u></u>	<u><u>3,567,627.71</u></u>

CHINESE EVANGELICAL ZION CHURCH LIMITED
- TSZ WAN SHAN ZION CHILDREN AND YOUTH INTEGRATED SERVICE CENTRE

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)	Ajustment for Utilised allocation under ASCP / Enhanced ASCP - FWSS	Rent and Rates	Central Items (CI)	Total
Income						
Lump Sum Grant	8,649,362.00	-				8,649,362.00
Fee Income	-	-				0.00
Other Income	6,038,702.23	-	(182,319.00)			5,856,383.23
Interest Received (Note (1))	122,907.62	-				122,907.62
Rent and Rates		-		605,048.00		605,048.00
Central Items		-			2,117,730.00	2,117,730.00
Total Income (a)	14,810,971.85	-	(182,319.00)	605,048.00	2,117,730.00	17,351,430.85
Expenditure						
Personal Emoluments	10,893,349.80	-				10,893,349.80
Other Charges	4,099,435.23	-	(182,319.00)			3,917,116.23
Rent and Rates		-		578,417.30		578,417.30
Central Items		-			3,577,292.01	3,577,292.01
Total Expenditure (b)	14,992,785.03	-	(182,319.00)	578,417.30	3,577,292.01	18,966,175.34
Surplus/(Deficit) for the Year (a)-(b)	(181,813.18)	-	-	26,630.70	(1,459,562.01)	(1,614,744.49)
Less: (Surplus)/Deficit of Provident Fund	15,643.11	-	-			15,643.11
	(166,170.07)	-	-	26,630.70	(1,459,562.01)	(1,599,101.38)
Surplus b/f (Note (2))	3,390,098.87	4,264,647.32	-	26,632.35	4,641,504.74	12,322,883.28
Less: Refund from/(to) Government	3,223,928.80	4,264,647.32		53,263.05	3,181,942.73	10,723,781.90
Adjustment for utilised allocation under Enhanced ASCP-FWSS*	-	-		(26,630.70)	-	(26,630.70)
Surplus c/f (Note (4))	3,223,928.80	4,264,647.32	-	26,632.35	3,181,942.73	10,697,151.20

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 Infirmiry Care Supplement, if any, as per Schedule for Central Items.
- (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.
- (5) Included HK\$4,264,647.32 for the withhold the clawback of LSG Reserve for 2004-07.

**Remuneration Packages for Staff in the Top Three Tiers
of Non-governmental Organisations (NGOs) operating Subvented Welfare Services**

Review Report for the Reporting Year of 2022-23

According to the Lump Sum Grant Manual, NGOs receiving recurrent subventions of not less than \$10 million a year and such amount exceeds 50% of their operating income pertaining to services / programmes within the welfare purview are required to submit the "Review Report on Remuneration Packages for Staff in the Top Three Tiers" (Review Report), and regularly review the number, rank and remuneration packages of their senior executives in the top three tiers.

NGOs currently exempted from completing and disclosing their Review Report are encouraged to consider making public the remuneration information of such staff in order to enhance their public accountability and promote the public's understanding of NGOs' financial position.

In cases where the top three-tier positions of the NGO (or of a particular division, e.g. social service of the NGO, where appropriate) are funded entirely by the NGO's income from sources other than the Government, other senior staff of the NGO (or of its particular division) occupying the subsequent three-tier positions may be covered subject to the NGO's particular circumstances such as its organisational structure.

[Please read the explanatory notes before completing this form. The completed form should reach the Social Welfare Department (SWD) through electronic submission by 31 October 2023.]

Name of NGO (code) : **Chinese Evangelical Zion Church Limited (116)**

Please tick as appropriate (may tick both)

- We have a staff member serving his/her second or further contract in 2022-23 for which **Part (A)** is completed.
- We have a staff member serving his/her first contract in 2022-23 for which **Part (B)** is completed.

Part (A): Remuneration Packages for Staff Serving the Second or Further Contract (Note 1)

Information of staff in the top three tiers serving the second or further contract. (Note 2)

(1) Staff of First Tier (Note 3)

(a) Number of post (Note 4) 1

(b) Post title (Note 5) & Number of month(s) covered in the year for each post (Note 6)

	Post title	Number of month(s)
(i)	General Secretary of SSD	12

Total number of month(s): 12

Add Post title and Month(s)

(c) Total annual staff costs (Note 7) under SWD subventions \$ 1,265,935

[1(c) = 1(d)(i)+(ii)+(iii)+(iv)]

(d) Breakdown of (1)(c) under SWD subventions

(i) Salary (Note 8) \$ 1,100,813

(ii) Provident fund \$ 165,122

(iii) Cash allowance (Note 9) (please specify if any:)
\$

(iv) Non-cash based benefits (Note 10) (please specify if any:)
\$

(e) Comparable rank in civil service as assessed by SWD (Note 11) Between Social Work Officer and Assistant Social Work Officer

(2) Staff of Second Tier (Note 3)

(a) Number of post (Note 4) 5

(b) Post title (Note 5) & Number of month(s) covered in the year for each post (Note 6)

	Post title	Number of month(s)
(i)	Assistant General Secretary of SSD	12
(ii)	Senior Service Coordinator	12
(iii)	Service Coordinator	12
(iv)	Accounting Officer	12
(v)	Service Coordinator	1.5

Total number of month(s): 49.5

Add Post title and Month(s)

(c) Total annual staff costs (Note 7) under SWD subventions \$ 2,555,975

[2(c) = 2(d)(i)+(ii)+(iii)+(iv)]

(d) Breakdown of (2)(c) under SWD subventions

(i) Salary (Note 8) \$ 2,396,983

(ii) Provident fund \$ 158,992

(iii) Cash allowance (Note 9) (please specify if any:)
\$

(iv) Non-cash based benefits (Note 10) (please specify if any:)
\$

(e) Comparable rank in civil service as assessed by SWD (Note 11) Assistant Social Work Officer or below

(3) Staff of Third Tier (Note 3)

(a) Number of post (Note 4)

11

(b) Post title (Note 5) & Number of month(s) covered in the year for each post (Note 6)

	Post title	Number of month(s)
(i)	Centre in charge	12
(ii)	Social Worker	12
(iii)	Social Worker	12
(iv)	Social Worker	12
(v)	Social Worker	12
(vi)	Social Worker	12
(vii)	Social Worker	12
(viii)	Primary School Social Worker	12
(ix)	Primary School Social Worker	12
(x)	Social Worker	6
(xi)	Social Worker	4

Total number of month(s): 118

Add Post title and Month(s)

(c) Total annual staff costs (Note 7) under SWD subventions \$ 4,224,436

[3(c) = 3(d)(i)+(ii)+(iii)+(iv)]

(d) Breakdown of (3)(c) under SWD subventions

(i) Salary (Note 8) \$ 3,973,253

(ii) Provident fund \$ 251,183

(iii) Cash allowance (Note 9) (please specify if any:)
\$

(iv) Non-cash based benefits (Note 10) (please specify if any:)
\$

(e) Comparable rank in civil service as assessed by SWD (Note 11) Assistant Social Work Officer or below

Part (B): Remuneration Packages for Staff Serving the First Contract (Note 1)

Information of *newly employed* staff in the top three tiers serving the *first contract*. (Note 2)
Please skip this part if there is no staff member serving his/her first contract in 2022-23.

(1) Staff of First Tier (Note 3)

(a) Number of post (Note 4)

(b) Post title (Note 5) & Number of month(s) covered in the year for each post (Note 6)

	Post title	Number of month(s)
(i)		

Total number of month(s):

Add Post title and Month(s)

(c) Total annual staff costs (Note 7) under SWD subventions \$ 0

[1(c) = 1(d)(i)+(ii)+(iii)+(iv)]

(d) Breakdown of (1)(c) under SWD subventions

(i) Salary (Note 8) \$

(ii) Provident fund \$

(iii) Cash allowance (Note 9) (please specify if any:) \$

(iv) Non-cash based benefits (Note 10) (please specify if any:) \$

(e) Comparable rank in civil service as assessed by SWD (Note 11)

(2) Staff of Second Tier (Note 3)

(a) Number of post (Note 4) 1

(b) Post title (Note 5) & Number of month(s) covered in the year for each post (Note 6)

	Post title	Number of month(s)
(i)	Service Coordinator	6

Total number of month(s): 6

Add Post title and Month(s)

(c) Total annual staff costs (Note 7) under SWD subventions \$ 229,723

[2(c) = 2(d)(i)+(ii)+(iii)+(iv)]

(d) Breakdown of (2)(c) under SWD subventions

(i) Salary (Note 8) \$ 218,784

(ii) Provident fund \$ 10,939

(iii) Cash allowance (Note 9) (please specify if any:)
\$

(iv) Non-cash based benefits (Note 10) (please specify if any:)
\$

(e) Comparable rank in civil service as assessed by SWD (Note 11) Assistant Social Work Officer
or below

(3) Staff of Third Tier (Note 3)

(a) Number of post (Note 4) 4

(b) Post title (Note 5) & Number of month(s) covered in the year for each post (Note 6)

	Post title	Number of month(s)
(i)	Social Worker	7
(ii)	Social Worker	7
(iii)	Social Worker	8
(iv)	Social Worker	8

Total number of month(s): 30

Add Post title and Month(s)

(c) Total annual staff costs (Note 7) under SWD subventions \$ 776,476

[3(c) = 3(d)(i)+(ii)+(iii)+(iv)]

(d) Breakdown of (3)(c) under SWD subventions

(i) Salary (Note 8) \$ 739,501

(ii) Provident fund \$ 36,975

(iii) Cash allowance (Note 9) (please specify if any:)
\$

(iv) Non-cash based benefits (Note 10) (please specify if any:)
\$

(e) Comparable rank in civil service as assessed by SWD (Note 11) Assistant Social Work Officer or below

Part (C): Review for changes (Note 12)

	<u>2021-22</u> (the year before)	<u>2022-23</u> (the reporting year)
(a) Total annual staff costs under SWD		
subventions in respect of the top three tiers	\$ 9,172,384	\$9,052,545
<i>[Part (A)(1)(c)+(2)(c)+(3)(c)+ Part (B)(1)(c)+(2)(c)+(3)(c)]</i>		

(b) Please select and complete the following as appropriate to state the result of this review -

- The remuneration packages of staff in the top three tiers have been reviewed and **no change** was found in their remunerations as compared with the preceding year.
- The remuneration packages of staff in the top three tiers have been reviewed and **change(s)** was found in their remunerations as compared with the preceding year. The tier(s) having changes and reasons for such changes are stated below :
 - Upward/downward pay adjustment in accordance with Civil Service Pay Adjustment (details are given at the bottom, if any).
 - Upward/downward pay adjustment other than Civil Service Pay Adjustment (details are given at the bottom, if any).
 - Incremental creep (details are given at the bottom, if any).
 - Organisational restructuring or upgrading/downgrading of top three tier posts (details are given at the bottom, if any).
 - Increase/decrease in the number of staff of the top three tiers (details are given at the bottom, if any).
 - Other circumstances (please provide details in the box below).

One Service Coordinator was promoted to Senior Service Coordinator in Oct 2022.