

## Disclaimer

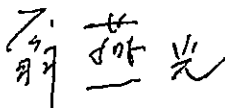
This Annual Financial Report ("AFR") does not constitute The Chinese Evangelical Zion Church Limited's statutory annual financial statements. This AFR is prepared on cash basis and in accordance with the requirements set out in the Lump Sum Grant Manual issued by the Social Welfare Department of the 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**  
**FOR THE YEAR FROM 1 APRIL 2015 TO 31 MARCH 2016**

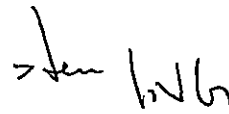
	<u>Notes</u>	<u>Year ended</u> <u>31.3.2016</u> <u>HKS</u>	<u>Year ended</u> <u>31.3.2015</u> <u>HKS</u>	<u>Remarks</u>
<b>A. INCOME</b>				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	6,613,315.00	6,202,237.00	
b. Provident Fund	1c	543,243.00	485,266.00	
2. Special One-off Grant		0.00	0.00	
3. Fee income	2	330.00	330.00	
4. Central Items	3	1,868,225.00	2,172,710.00	
5. Rent and Rates	4	483,369.00	481,092.00	
6. Other Income	5	5,753,745.12	5,527,780.70	
7. Interest Received		50,932.79	52,742.05	
<b>TOTAL INCOME</b>		<u>15,313,159.91</u>	<u>14,922,157.75</u>	
<b>B. EXPENDITURE</b>				
1. Personal Emoluments				
a. Salaries		7,489,726.06	7,045,227.27	
b. Provident Fund	1c	562,695.42	448,250.90	
c. Allowances		0.00	0.00	
Sub-total	6	<u>8,052,421.48</u>	<u>7,493,478.17</u>	
2. Other Charges	7	4,516,577.30	4,606,258.11	
3. Central Items	3	1,772,853.43	1,880,780.53	
4. Rent and Rates	4	481,033.58	481,092.00	
5. Special One-off Grant payments	7a	0.00	0.00	
<b>TOTAL EXPENDITURE</b>		<u>14,822,885.79</u>	<u>14,461,608.81</u>	
<b>C. SURPLUS/(DEFICIT) FOR THE YEAR</b>	8	<u>490,274.12</u>	<u>460,548.94</u>	

The annexed notes and schedules from 4 to 10 form an integral part of this annual financial report.

Approved by the Board of Directors on **20 OCT 2016**



Mr. Yung Yin Kwong  
Chairman



Mr. Ng Yan Ho Henry  
Chief Executive

**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**

(i) The Annual Financial Report (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 like depreciation, provisions and accruals should not be 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.

Please note that the PF received and contributed for staff under the Central Items should be shown under 3.

Details are analysed below:

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u>	<u>6.8% Posts</u>	Year ended	Year ended
			<u>31.3.2016</u>	<u>31.3.2015</u>
			<u>Total</u>	<u>Total</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
Subvention Received	200,896.00	342,347.00	543,243.00	485,266.00
Provident fund contribution paid during the year	217,501.08	345,194.34	562,695.42	448,250.90
Surplus/ (deficit) for the Year	(16,605.08)	(2,847.34)	(19,452.42)	37,015.10
Add : Surplus b/f	26,596.09	704,056.21	730,652.30	693,637.20
Transfer from Snapshot Staff to 6.8% and other posts	(26,113.25)	26,113.25	-	-
Less: Refund to Government	(14,122.00)	-	(14,122.00)	-
Surplus/ (deficit) o/f	(30,244.24)	727,322.12	697,077.88	730,652.30

**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 Lump Sum Grant 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 PF received and contributed for staff under Central Items should be separately included as part of the income and expenditure of the relevant items (paragraph 3.13 of LSG Manual). The income and expenditure of each of the Central Items are as follows:

	Year ended	Year ended
	<u>31.3.2016</u>	<u>31.3.2015</u>
	<u>HK\$</u>	<u>HK\$</u>
<b>a. Income</b>		
After School Care Programme	18,000.00	22,500.00
Programme Assistant for YP	0.00	123,172.00
NSCCP-Contract Subsidy	1,325,225.00	1,502,038.00
NSCCP-Subsidy for Fee Reduction/waiving	525,000.00	525,000.00
	<u>1,868,225.00</u>	<u>2,172,710.00</u>
<b>b. Expenditure</b>		
After School Care Programme	18,000.00	15,000.00
Programme Assistant for YP	0.00	122,544.92
NSCCP-Contract Subsidy	1,479,230.03	1,446,538.41
NSCCP-Subsidy for Fee Reduction/waiving	275,623.40	296,697.20
	<u>1,772,853.43</u>	<u>1,880,780.53</u>

**4. Rent and Rates**

This represents the amount paid by Social Welfare Department 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 need not be included as Other income in AFR.

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\$500,000 each is appended below.

<u>Analysis of Personal Emoluments</u>	<u>No. of Posts</u>	Year ended	Year ended
		<u>31.3.2016</u>	<u>31.3.2015</u>
		<u>HK\$</u>	<u>HK\$</u>
HK\$500,001-HK\$600,000 p.a.	3	1,585,856.00	526,269.00
HK\$600,001-HK\$700,000 p.a.			
HK\$700,001-HK\$800,000 p.a.			
HK\$800,001-HK\$900,000 p.a.			871,172.00
HK\$900,001-HK\$1,000,000 p.a.	1	908,934.00	
>HK\$1,000,000 p.a.			

7. Other Charges	Year ended	Year ended
	<u>31.3.2016</u>	<u>31.3.2015</u>
	<u>HK\$</u>	<u>HK\$</u>
(a) Utilities	112,728.41	120,532.51
(b) Food	0.00	0.00
(c) Administrative Expenses	314,952.56	257,669.17
(d) Store and Equipment	231,643.10	263,578.50
(e) Repair and Maintenance	98,064.40	158,932.40
(f) Special Allowances	0.00	0.00
(g) Programme Expenses	3,669,579.33	3,705,824.26
(h) Transportation and Travelling	4,643.40	5,556.80
(i) Insurance	67,013.00	62,359.77
(j) Miscellaneous	0.00	0.00
(k) Staff development	17,953.10	31,804.70
<b>Total</b>	<b><u>4,516,577.30</u></b>	<b><u>4,606,258.11</u></b>

7a. Special One-off Grant payments

Details of Special One-off Grant Payments are as follows :

Staff training and development	Year ended	Year ended
	<u>31.3.2016</u>	<u>31.3.2015</u>
	<u>HK\$</u>	<u>HK\$</u>
	<u>0.00</u>	<u>0.00</u>

## 8. Analysis of Reserve Fund

Analysis of Reserve Fund					
	Lump Sum Grant	Special One-off Grant	Rent and Rates	Central Items	Total
<b>Income</b>					
Lump Sum Grant	7,156,558.00				7,156,558.00
Special One-off Grant		0.00			0.00
Fee Income	330.00				330.00
Other Income	5,753,745.12				5,753,745.12
Interest Received (Note (1))	50,932.79				50,932.79
Rent and Rates			483,369.00		483,369.00
Central Items				1,868,225.00	1,868,225.00
<b>Total Income (a)</b>	<b>12,961,565.91</b>	<b>0.00</b>	<b>483,369.00</b>	<b>1,868,225.00</b>	<b>15,313,159.91</b>
<b>Expenditure</b>					
Personal Emoluments	8,052,421.48				8,052,421.48
Other Charges	4,516,577.30				4,516,577.30
Rent and Rates			481,033.58		481,033.58
Central Items				1,772,853.43	1,772,853.43
Special One-off Grant Payments		0.00			0.00
<b>Total Expenditure (b)</b>	<b>12,568,998.78</b>	<b>0.00</b>	<b>481,033.58</b>	<b>1,772,853.43</b>	<b>14,822,885.79</b>
Surplus/(Deficit) for the Year (a)-(b)	392,567.13	-	2,335.42	95,371.57	490,274.12
Less: (Surplus)/Deficit of Provident Fund	19,452.42				19,452.42
	412,019.55	-	2,335.42	95,371.57	509,726.54
Surplus b/f (Note (2))	6,763,772.93	-	1.65	1,769,803.17	8,533,577.75
	7,175,792.48	-	2,337.07	1,865,174.74	9,043,304.29
Less: Refund from/(to) Government	0.00	-	0.00	(136,542.43)	(136,542.43)
Surplus c/f (Note (3))	7,175,792.48	-	2,337.07	1,728,632.31	8,906,761.86
	(note 4)				

### Notes:

(1) All the interest on LSG and PF reserves, rent and rates, central items, Special One-off Grant is included as one item under LSG; and the item is considered as part of LSG reserve.

(2) Accumulated balance of Lump Sum Grant Surplus b/f from previous years and all interest received in previous years are included in the surplus b/f under LSG.

(3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule of Central Items.

(4) The level of LSG cumulative reserve (i.e. S) will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.

(5) Included HK\$4,264,647.32 for the withhold the clawback of LSG Reserve for 2004-07

**Schedule for Rent and Rates**  
**Analysis of Subvention and Expenditure for the period from 1 April 2015 to 31 March 2016**

Name of Agency : Chinese Evangelical Zion Church Limited  
- Tsz Wan Shan Zion Children and Youth Integrated Service Centre

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
		<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
1717-Tsz Wan Shan ICYSC	Rent Rates	426,888.00	426,888.00		
		56,481.00	54,145.58	2,335.42	
	<b>Grand Total</b>	483,369.00	481,033.58	2,335.42	0.00

\*\* Expenses in Lump Sum Grant Subvention

Notes:

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year.
2. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
3. Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.

**Schedule for Central Items**  
**Analysis of Subvention and Expenditure for the period from 1 April 2015 to 31 March 2016**

Name of Agency: Chinese Evangelical Zion Church Limited  
 - Tsz Wan Shan Zion Children and Youth Integrated Service Centre

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit (Note 3) (b)	Surplus/(deficit) b/f (Note 4) (c)	Repayment to SWD (e)	Surplus/(deficit) of (Note 5) (e)=(c)+(e)-(b)+(d)+(e)
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Service Unit 1783	After School Care Programme	-	-	-	-	(20,330.25)	-	(20,330.25)
Service Unit 3023	After School Care Programme - Late afternoon session	18,000.00	18,000.00	-	-	18,690.00	-	18,690.00
Service Unit 6414	Programme Assistant for YP	-	-	-	-	(3,223.00)	-	(3,223.00)
Service Unit 6960	Peer Counsellors In CYC & IT for YP	-	-	-	-	(8,400.00)	-	(8,400.00)
Service Unit 116S	Youth Ambassadors	-	-	-	-	(1,220.72)	(1,044.00)	(2,264.72)
Service Unit 116P	Programme Assistant for YP	-	-	-	-	135,498.43	(135,498.43)	-
Service Unit 6415	Programme Worker post for one years from 2011-12	1,325,225.00	1,479,230.03	-	(154,005.03)	917,161.21	-	763,156.18
Service Unit 6416	Neighbourhood Service Child Care Project - Contract Subsidy	525,000.00	275,623.40	249,376.60	-	720,004.50	-	969,381.10
	Neighbourhood Service Child Care Project - Subsidy for Fee Adjustment re SWD letter dated 13 June 2008 under SF/SI/CEZC(116)VI							
	<b>Total</b>	<b>1,868,225.00</b>	<b>1,772,853.43</b>	<b>249,376.60</b>	<b>(154,005.03)</b>	<b>1,769,803.17</b>	<b>(136,542.43)</b>	<b>1,728,632.31</b>

**Notes:**

- The figures for the whole financial year can be extracted from the payroll for March (Final) of the financial year.
- Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
- Surplus/ Deficit for each element represents the difference between subvention released and actual expenditure.
- Deficit i.r.o. the following central items arising from salary adjustment can be transferred to the Lump Sum Grant Reserve as stated in our letter ref. (42) in SWD/S/104/2 Pt11, dated 25 July 2012
  - Dementia Supplement for Elderly with Disabilities
  - Infirmary Care Supplement for the Aged Blind Persons
  - Dementia Supplement for Residential Elderly Services
  - Infirmary Care Supplement for Residential Elderly Services
- "Surplus brought forward (b/f)" means surplus, if any arising from, operations previous years.
- "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
- Unit codes and names are extracted from the Special one-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmary Care as allocated via SWD's letter ref SWD/S/E/RC/3 Pt. 4 dated 4 March 2015 should also be included in the income/expenditure of the respective items.
- The income and expenditure for the Special one-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmary Care as allocated via SWD's letter ref SWD/S/E/RC/3 Pt. 4 dated 4 March 2015 should also be included in the income/expenditure of the respective items.
- The central items as listed above may not be exhaustive and any relevant details of central items released and/or expended during the year, where appropriate, should also be included.

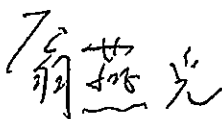
**Schedule for Investment**  
**Analysis of Investment as at 31 March 2016**

**CHINESE EVANGELICAL ZION CHURCH LIMITED**

	<u>2016</u> <u>HK\$</u>	<u>2015</u> <u>HK\$</u>
LSG Reserve as at 31 March	<u>7,175,792.48</u>	<u>6,763,772.93</u>
Represented by :		
Investments		
a. HKD Bank Account Balance	1,669,792.48	1,261,652.64
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	5,506,000.00	5,502,120.29
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	<u><u>7,175,792.48</u></u>	<u><u>6,763,772.93</u></u>

Note: The investments should be reported at historical cost.

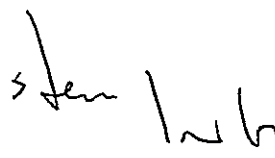
Confirmed by: -



Mr. Yung Yin Kwong

Chairman

DATE: 20 OCT 2016



Mr. Ng Yan Ho Henry

Chief Executive

DATE: 20 OCT 2016