

HONG KONG CHRISTIAN MUTUAL IMPROVEMENT SOCIETY
香港基督教培道聯愛會

ANNUAL FINANCIAL REPORT

FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023

Y.H.Lai & Co. Certified Public Accountants (Fractising)

盈軒會計師事務所

Contents

	Page(s)
<i>Review Report</i>	2
<i>Annual Financial Report</i>	3
<i>Notes to Annual Financial Report</i>	4 – 7

REVIEW REPORT

To the management of
HONG KONG CHRISTIAN MUTUAL IMPROVEMENT SOCIETY (THE "CORPORATION")
香港基督教培道聯愛會
(incorporated in Hong Kong with limited by guarantee)

We have audited the financial statements of the Corporation for the year ended 31 March 2023 and have issued an unqualified auditor's report thereon dated

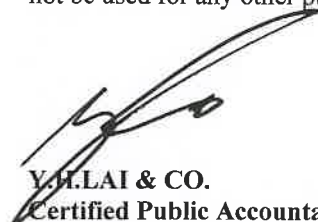
We conducted our review of the attached Annual Financial Report on pages 3 to 7 of the Corporation for the year ended 31 March 2023 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organisations" issued by the Hong Kong Institute of Certified Public Accountants. The review includes considering the procedures and records relevant to the preparation of the Annual Financial Report and performing procedures to satisfy ourselves that the Annual Financial Report has been properly prepared from the books and records of the Corporation, on which the above audited financial statement of the Corporation are based.

REVIEW CONCLUSIONS

On the basis of the results of our review and having regard to the audit procedures performed by us in relation to the audit of the financial statements of the Corporation for the year ended 31 March 2023:

- a. In our opinion the Annual Financial Report has been properly prepared from the books and records of the Corporation; and
- b. No matters have come to our attention during the course of our review which cause us to believe that the Corporation has not:
 - i. Properly accounted for the receipt of Lump Sum Grant, Provident Fund, Tide-over Grant and other social welfare subventions and expenditure in respect of Funding and Services Agreement activities and support services;
 - ii. Kept separate Operating Income and Expenditure Account for each subvented service unit as required by the Lump Sum Grant Manual (LSG Manual) published by the Social Welfare Department of the Government of the HKSAR.
 - iii. Prepared the Annual Financial Report in accordance with the format and requirements set out in the LSG Manual; and
 - iv. Employed the staff quoted in the Tide-over Grant and Provident Fund arrangements during the year ended 31 March 2023.

This report is intended for filing with the Social Welfare Department of the Government of the HKSAR and should not be used for any other purpose.



Y.H.LAI & CO.
Certified Public Accountants (Practising)

Hong Kong, **20 OCT 2023**

HONG KONG CHRISTIAN MUTUAL IMPROVEMENT SOCIETY

香港基督教培道聯愛會

Annual Financial Report

For the period from 1 April 2022 to 31 March 2023

	Notes	<u>2023</u> HKD	<u>2022</u> HKD
INCOME			
Lump Sum Grant	1		
- Lump Sum Grant (excluding Provident Fund)		10,336,726	10,197,978
- Provident Fund		695,171	684,457
Fee income	2	95,697	12,243
Central Items	3	-	-
Rent and rates	4	1,390,068	907,382
Other income	5	402,071	246,006
Interest received		7,281	20
		<u>12,927,014</u>	<u>12,048,086</u>
EXPENDITURE			
Personal Emoluments			
- Salaries	6	9,871,756	9,117,971
- Provident Fund	1	533,528	527,790
- Allowances		-	-
Other charges	7	1,808,813	1,779,906
Central Items	3	-	-
Rent and rates	4	1,386,288	898,394
		<u>13,600,385</u>	<u>12,324,061</u>
DEFICIT FOR THE YEAR	8	<u>(673,371)</u>	<u>(275,975)</u>

The Annual Financial Report from pages 4 to 7 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual

Approved on behalf of the board by:

signed

Ms. SIU CHUANG Siu Suen Alice
Director

Date: **20 OCT 2023**

signed

Ms. LI Mui Mui
Director

Notes to Annual Financial Report

For the period from 1 April 2022 to 31 March 2023

1. LUMP SUM GRANT**a. BASIS OF PREPARATION**

The Annual Financial Report (AFR) is prepared in respect of all Funding and Service Agreement (FSA) services (including support services to FSA services) 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 which are separately included as part of the income and expenditure of the relevant items have been shown under Note 3.

<u>Provident Fund Contribution</u>	<u>Snapshot staff HKD</u>	<u>6.8% and Other posts HKD</u>	<u>Total HKD</u>
Subvention Received	64,647	630,524	695,171
Provident Fund Contribution Paid	<u>(64,647)</u>	<u>(468,881)</u>	<u>(533,528)</u>
Surplus for the year	-	161,643	161,643
Add: Surplus brought forward	<u>-</u>	<u>802,412</u>	<u>802,412</u>
Surplus carried forward	<u>-</u>	<u>964,055</u>	<u>964,055</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.

Notes to Annual Financial Report

For the period from 1 April 2022 to 31 March 2023

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:

	<u>2023</u> HKD	<u>2022</u> HKD
a. Income		
Programme Assistants (Time-Limited)		
- Elderly Services	-	-
b. Expenditure		
Programme Assistants (Time-Limited)		
- Elderly Services	-	-

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 need not be included as Other Income in AFR. In this respect, donations have been included if it is used to finance expenditure of the FSA services/ FSA-related activities reflected in the AFR.

The breakdown on Other Income is as follows:

	<u>2023</u> HKD	<u>2022</u> HKD
a. Fees and charges for services incidental to the operation of subvented services	402,071	246,006
b. Others	-	-
	<u>402,071</u>	<u>246,006</u>

Notes to Annual Financial Report

For the period from 1 April 2022 to 31 March 2023

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>Number of posts</u>	<u>HK\$</u>
HK\$700,001 – HK\$800,000 p.a.	Nil	Nil
HK\$800,001 – HK\$900,000 p.a.	Nil	Nil
HK\$900,001 – HK\$1,000,000 p.a.	Nil	Nil
HK\$1,000,001 – HK\$1,100,000 p.a.	Nil	Nil
HK\$1,100,001 – HK\$1,200,000 p.a.	Nil	Nil
More than HK\$1,200,000 p.a.	Nil	Nil

7. OTHER CHARGES

	<u>2023</u> <u>HKD</u>	<u>2022</u> <u>HKD</u>
a. Utilities	91,091	84,137
b. Food	-	-
c. Administrative Expenses	134,630	198,715
d. Stores and Equipment	177,037	362,466
e. Repair and Maintenance	201,488	169,444
f. Special Allowances	-	-
g. Programme Expenses	762,931	438,645
h. Transportation and Travelling	7,129	9,594
i. Insurance	92,502	182,691
j. Miscellaneous	342,005	334,214
	<u>1,808,813</u>	<u>1,779,906</u>

Notes to Annual Financial Report

For the period from 1 April 2022 to 31 March 2023

8. ANALYSIS OF LUMP SUM GRANT RESERVE AND BALANCES OF OTHER SWD SUBVENTIONS

	<u>Lump Sum Grant (LSG)</u> HKD	<u>Rent and Rates</u> HKD	<u>Central Items</u> HKD	<u>Total</u> HKD
INCOME				
Lump Sum Grant	11,031,897	-	-	11,031,897
Fee Income	95,697	-	-	95,697
Other Income	402,071	-	-	402,071
Interest Received	7,281	-	-	7,281
Rent and Rates	-	1,390,068	-	1,390,068
Central Items	-	-	-	-
Total Income	11,536,946	1,390,068	-	12,927,014
EXPENDITURE				
Personal Emoluments	10,405,284	-	-	10,405,284
Other charges	1,808,813	-	-	1,808,814
Rent, Rates and Building Management fee	-	1,386,288	-	1,386,288
Central Items	-	-	-	-
Total Expenditure	12,214,097	1,386,288	-	13,600,386
Surplus/ (deficit) for the year	(677,151)	3,780	-	(673,371)
Less: Surplus of Provident Fund	(161,643)	-	-	(161,643)
	(838,794)	3,780	-	(835,014)
Surplus brought forward	1,907,203	6,689	-	1,913,892
Surplus carried forward	1,068,409	10,469	-	1,078,878

Schedule for Rent and Rates

Analysis of Subvention and Expenditure for the period from 1 April 2022 to 31 March 2023

Name of Agency: Hong Kong Christian Mutual Improvement Society

<u>Unit code and name</u>	<u>Subvented Element</u>	<u>Subvention Released</u> HK\$	<u>Actual Expenditure</u> HK\$	<u>Surplus</u> HK\$	<u>Deficit</u> HK\$
Unit Code: 2570	Rent	948,394	948,394	-	-
Chuang Chung Wen Centre For The Elderly	Rates	19,740	19,740	-	-
	Building management fees	199,776	199,776	-	-
		<u>1,167,910</u>	<u>1,167,910</u>	-	-
Unit Code: 2575	Rent	213,528	213,528	-	-
Ko Chiu Road Centre of Christ Love For the Aged	Rates	8,630	4,850	3,780	
		<u>222,158</u>	<u>218,378</u>	<u>3,780</u>	
	Grand total	<u>1,390,068</u>	<u>1,386,288</u>	<u>3,780</u>	

Schedule for Investment

Analysis of Investment as at 31 March 2023

Name of Agency: Hong Kong Christian Mutual Improvement Society

	<u>2023</u> HKD	<u>2022</u> HKD
LSG Reserve as at 31 March	<u>1,068,408</u>	<u>1,907,203</u>
Represented by:		
Investments		
HKD Bank Account Balances	<u>1,068,408</u>	<u>1,907,203</u>

Confirmed by:

signed

Ms. SIU CHUANG Siu Suen Alice
Director

signed

Ms. LI Mui Mui
Director

Date: **20 OCT 2023**