

HONG KONG CHRISTIAN MUTUAL IMPROVEMENT SOCIETY
ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 1 APRIL 2015 TO 31 MARCH 2016

Edmund Lau & Co.
Certified Public Accountants (Practising)
偉明會計師事務所

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REVIEW REPORT

TO THE BOARD OF DIRECTORS OF

HONG KONG CHRISTIAN MUTUAL IMPROVEMENT SOCIETY ("THE CORPORATION")

(incorporated in Hong Kong with liability limited by guarantee)

We have audited the financial statements of the Corporation for the year ended 31 March 2016 and have issued an unqualified auditor's report thereon dated - 8 NOV 2016

We conducted our review of the attached Annual Financial Report on pages 2 to 7 of the Corporation for the year ended 31 March 2016 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 statements 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 2016:

- 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 2016.

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.


Edmund Lau & Co.
Certified Public Accountants (Practising)

Hong Kong, - 8 NOV 2016

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	Notes	<u>2016</u> HK\$	<u>2015</u> HK\$
INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	6,147,058.00	4,143,877.00
b. Provident Fund	1c	511,067.00	363,242.00
2. Fee Income	2	40,610.00	39,788.00
3. Central Items	3a	-	123,172.00
4. Rent and Rates	4	226,149.00	227,460.00
5. Other Income	5	1,203,059.30	981,316.10
6. Interest Received		620.98	542.05
TOTAL INCOME		<u>8,128,564.28</u>	<u>5,879,397.15</u>
EXPENDITURE			
1. Personal Emoluments			
a. Salaries	6	4,495,140.95	2,508,477.04
b. Provident Fund	1c	363,385.32	214,738.18
c. Allowances		-	-
2. Other Charges	7	1,516,447.88	1,172,836.02
3. Central Items	3b	-	132,552.00
4. Rent and Rates	4	228,897.00	228,038.00
TOTAL EXPENDITURE		<u>6,603,871.15</u>	<u>4,256,641.24</u>
SURPLUS FOR THE YEAR	8	<u>1,524,693.13</u>	<u>1,622,755.91</u>

Signed

SIU CHUANG Siu Suen Alice
Director

Date : - 8 NOV 2016

Signed

LI Mui Mui
Director

Date : - 8 NOV 2016

HONG KONG CHRISTIAN MUTUAL IMPROVEMENT SOCIETY

NOTES TO THE ANNUAL FINANCIAL REPORT

FOR THE PERIOD FROM 1 APRIL 2015 TO 31 MARCH 2016

1. LUMP SUM GRANT

a. Basis of preparation

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 have 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 have been shown under 3.

Details are analysed below :

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u> HK\$	<u>6.8% and Other Posts</u> HK\$	<u>Total</u> HK\$
Subvention Received	170,681.00	340,386.00	511,067.00
Provident Fund Contribution Paid during the year	(146,647.50)	(216,737.82)	(363,385.32)
Surplus for the year	24,033.50	123,648.18	147,681.68
Add : Surplus b/f	3,863.00	396,047.99	399,910.99
Deficit met by agency	-	-	-
Surplus c/f	<u>27,896.50</u>	<u>519,696.17</u>	<u>547,592.67</u>

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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 PF 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 3.13 of LSG Manual). The income and expenditure of each of the Central Items are as follows :

	<u>2016</u> HK\$	<u>2015</u> HK\$
a. Income		
Programme Assistants (Time-limited)		
- Elderly Services	-	<u>123,172.00</u>
b. Expenditure		
Programme Assistants (Time-limited)		
- Elderly Services	-	<u>132,552.00</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.

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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.

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>Number of posts</u>	<u>HK\$</u>
HK\$500,001 - HK\$600,000 p.a.	Nil	Nil
HK\$600,001 - HK\$700,000 p.a.	2	1,243,320
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\$1,000,000 p.a.	Nil	Nil

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7. OTHER CHARGES

	<u>2016</u>	<u>2015</u>
	HK\$	HK\$
(a) Utilities	57,495.60	47,347.10
(b) Food	-	-
(c) Administrative Expenses	64,755.80	49,811.00
(d) Stores and Equipment	73,308.27	49,805.84
(e) Repair and Maintenance	35,781.00	21,863.00
(f) Special Allowances	-	-
(g) Programme Expenses	1,216,254.00	961,579.10
(h) Transportation and Travelling	6,194.80	4,677.20
(i) Insurance	29,916.21	12,051.00
(j) Miscellaneous	32,742.20	25,701.78
Total	<u>1,516,447.88</u>	<u>1,172,836.02</u>

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8. Analysis of Reserve Fund

	Analysis of Reserve Fund			
	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$
Income				
Lump Sum Grant	6,658,125.00	-	-	6,658,125.00
Fee Income	40,610.00	-	-	40,610.00
Other Income	1,203,059.30	-	-	1,203,059.30
Interest Received	620.98	-	-	620.98
Rent and Rates	-	226,149.00	-	226,149.00
Central Items	-	-	-	-
Total Income	7,902,415.28	226,149.00	-	8,128,564.28
Expenditure				
Personal Emoluments	4,858,526.27	-	-	4,858,526.27
Other Charges	1,516,447.88	-	-	1,516,447.88
Rent and Rates	-	228,897.00	-	228,897.00
Central Items	-	-	-	0.00
Total Expenditure	6,374,974.15	228,897.00	-	6,603,871.15
Surplus / (Deficit) for the year	1,527,441.13	(2,748.00)	-	1,524,693.13
Less : Surplus of Provident Fund	(147,681.68)	-	-	(147,681.68)
	1,379,759.45	(2,748.00)	-	1,377,011.45
Surplus b/f	1,467,434.84	5,782.00	-	1,473,216.84
Add : Transfer from LSG Reserve to cover the salary adjustment for programme assistants	-	-	-	-
	2,847,194.29	3,034.00	-	2,850,228.29
Less : Refund to Government	(1,344,297.08)	(5,400.00)	-	(1,349,697.08)
Deficit met by agency	-	2,366.00	-	2,366.00
Surplus c/f	1,502,897.21	-	-	1,502,897.21