

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 2023 TO 31 MARCH 2024

 **Tang Tsz Him Certified Public Accountant (Practising)**
鄧子謙執業會計師

Contents

	Page(s)
<i>Review Report</i>	2 - 3
<i>Annual Financial Report</i>	4
<i>Notes to Annual Financial Report</i>	5 - 8



INDEPENDENT AUDITOR'S ASSURANCE 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 Hong Kong Christian Mutual Improvement Society for the year ended 31 March 2024 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and have issued an unmodified auditor's report thereon dated

Pursuant to the Lump Sum Grant ("LSG") Manual issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region ("SWD"), we have been requested to issue this assurance report in connection with the Annual Financial Report ("AFR") of the Corporation for the year ended 31 March 2024.

Responsibilities of the management

In relation to this report, the management is responsible for ensuring the AFR of the Corporation for the year ended 31 March 2024 is properly prepared in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD; and the use of the funds from the LSG by the Corporation has complied with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to form a conclusion, based on our engagement, and to report our conclusion to you. We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and with reference to Practice Note 851 (Revised), Reporting on the Annual Financial Reports of Non-governmental Organisations issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance for giving conclusion 1 and obtain limited assurance for giving conclusion 2 below.

The work undertaken in connection with this engagement is less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT AUDITOR'S ASSURANCE REPORT

To the management of
HONG KONG CHRISTIAN MUTUAL IMPROVEMENT SOCIETY (THE "CORPORATION")
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Auditor's Responsibility (continued)

In relation to our conclusion 1 below, we have planned and performed such procedures as we considered necessary with reference to the procedures recommended in PN 851 (Revised), to satisfy ourselves that the AFR has been properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.

In relation to our conclusion 2 below, we have obtained an understanding in respect of the purposes of the use of the funds as specified in the LSG Manual and other instructions issued by the SWD and obtaining an understanding of the control procedures. We are not required to perform any procedures to search for instances of the use of funds from the LSG by the Corporation being non-complied with the specified purposes. Our work was limited to reporting non-compliances identified as a result of the procedures performed in relation to conclusion 2 and during the normal course of our work relating to conclusion 1. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Conclusion

1. In our opinion, the AFR of the Corporation for the year ended 31 March 2024 is properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.
2. Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the use of the funds from the LSG by the Corporation has not complied, in all material respects, with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

Intended Users and Purpose

This report is intended solely for submission by the Corporation to the SWD and is not intended to be, and should not be, used for any other purpose. We agree that a copy of this report may be provided to the SWD without further comment from us.

TANG TSZ HIM

Tang Tsz Him
Certified Public Accountant (Practising)
Practising Certificate Number: P07969
Hong Kong, 29 OCT 2024

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 2023 to 31 March 2024

	Notes	<u>2024</u> HKD	<u>2023</u> HKD
INCOME			
Lump Sum Grant			
- Lump Sum Grant (excluding Provident Fund)	1b	11,289,343	10,336,726
- Provident Fund	1c	756,829	695,171
Fee income	2	70,065	95,697
Central Items	3	-	-
Rent and rates	4	1,520,216	1,390,068
Other income	5	2,339,269	402,071
Interest received		21,163	7,281
		<u>15,996,885</u>	<u>12,927,014</u>
EXPENDITURE			
Personal Emoluments			
- Salaries		9,463,349	9,871,756
- Provident Fund	1c	574,152	533,528
- Allowances		-	-
		<u>10,037,501</u>	<u>10,405,284</u>
Other charges	7	3,952,494	1,808,813
Central Items	3	-	-
Rent and rates	4	1,519,665	1,386,288
		<u>15,509,660</u>	<u>13,600,385</u>
SURPLUS/(DEFICIT) FOR THE YEAR	8	<u>487,225</u>	<u>(673,371)</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
Chairman


Signed

Ms. LI Mui Mui
Vice-chairman-Finance

Date: 29 OCT 2024

Notes to Annual Financial Report

For the period from 1 April 2023 to 31 March 2024

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</u> HKD	<u>6.8% and Other posts</u> HKD	<u>Total</u> HKD
Subvention Received	67,653	689,176	756,829
Provident Fund Contribution Paid	<u>(67,653)</u>	<u>(506,499)</u>	<u>(574,152)</u>
Surplus for the year	-	182,677	182,677
Add: Surplus brought forward	-	<u>964,055</u>	<u>964,055</u>
Surplus carried forward	<u>-</u>	<u>1,146,732</u>	<u>1,146,732</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 2023 to 31 March 2024

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 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 (October 2016)). There are no income and expenditure of each of the Central Items for the years:

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 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>2024</u> HKD	<u>2023</u> HKD
a. Programme income	1,560,926	364,018
b. Production income	-	-
c. Donation	62,166	9,523
d. Hong Kong Jockey Club Charities Trust – eHealth Care Project	390,000	-
e. Hong Kong Jockey Club Charities Trust – Digital Tablet Programme	116,070	-
g. District Council Ordinary Election Subsidy	40,000	-
h. Adult education income	144,432	-
i. Miscellaneous income	25,675	28,530
	<u>2,339,269</u>	<u>402,071</u>

Notes to Annual Financial Report

For the period from 1 April 2023 to 31 March 2024

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>Number of posts</u>	<u>HKD</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>2024</u> <u>HKD</u>	<u>2023</u> <u>HKD</u>
a. Utilities	118,152	91,091
b. Food	-	-
c. Administrative Expenses	167,118	134,630
d. Stores and Equipment	212,139	177,037
e. Repair and Maintenance	197,646	201,488
f. Special Allowances	-	-
g. Programme Expenses	1,719,798	762,931
h. Transportation and Travelling	9,767	7,129
i. Insurance	142,814	92,502
j. Miscellaneous	347,308	342,005
k. Adult education expenses	129,229	-
l. Hong Kong Jockey Club Charities Trust – eHealth Care Project	723,528	-
m. Hong Kong Jockey Club Charities Trust – Digital Tablet Programme	163,625	-
n. District Council Ordinary Election	21,370	-
	<u>3,952,494</u>	<u>1,808,813</u>

HONG KONG CHRISTIAN MUTUAL IMPROVEMENT SOCIETY

香港基督教培道聯愛會

Notes to Annual Financial Report

For the period from 1 April 2023 to 31 March 2024

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	12,046,172	-	-	12,046,172
Fee Income	70,065	-	-	70,065
Other Income	2,339,269	-	-	2,339,269
Interest Received	21,163	-	-	21,163
Rent and Rates	-	1,520,216	-	1,520,216
Central Items	-	-	-	-
Total Income	<u>14,476,669</u>	<u>1,520,216</u>	<u>-</u>	<u>15,996,885</u>
EXPENDITURE				
Personal Emoluments	10,037,501	-	-	10,037,501
Other charges	3,952,494	-	-	3,952,494
Rent, Rates and Building Management fee	-	1,519,665	-	1,519,665
Central Items	-	-	-	-
Total Expenditure	<u>13,989,995</u>	<u>1,519,665</u>	<u>-</u>	<u>15,509,660</u>
Surplus for the year	486,674	551	-	487,225
Less: Surplus of Provident Fund	<u>(182,677)</u>	<u>-</u>	<u>-</u>	<u>(182,677)</u>
	<u>303,997</u>	<u>551</u>	<u>-</u>	<u>304,548</u>
Surplus brought forward	<u>1,068,409</u>	<u>10,469</u>	<u>-</u>	<u>1,078,878</u>
Surplus carried forward	<u>1,372,406</u>	<u>11,020</u>	<u>-</u>	<u>1,386,426</u>

香港基督教培道聯愛會

Schedule for Central Items

Analysis of Subvention and Expenditure for the period from 1 April 2023 to 31 March 2024

Name of Agency: Hong Kong Christian Mutual Improvement Society

Unit code and <u>name</u>	Subvented <u>Element</u>	Subvention <u>Released</u> HK\$	Actual <u>Expenditure</u> HK\$	Surplus HK\$	Deficit for the year		Surplus <u>b/f</u> HK\$	Surplus <u>c/f</u> HK\$
					<u>Deficit</u> to LSG HK\$	Adjusted <u>Deficit</u> HK\$		
Unit code: 6329	Nil	-	-	-	-	-	-	-

Schedule for Rent and Rates

Analysis of Subvention and Expenditure for the period from 1 April 2023 to 31 March 2024

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 Chuang Chung Wen Centre For The Elderly	Rent	1,078,543	1,031,878	46,665	-
	Rates	19,740	47,727	-	27,987
	Building management fees	199,777	204,852	-	5,075
		<u>1,298,060</u>	<u>1,284,457</u>	<u>46,665</u>	<u>33,062</u>
Unit Code: 2575 Ko Chiu Road Centre of Christ Love For the Aged	Rent	213,528	213,528	-	-
	Rates	8,628	21,680	-	13,052
		<u>222,156</u>	<u>235,208</u>	<u>-</u>	<u>13,052</u>
	Grand total	<u><u>1,520,216</u></u>	<u><u>1,519,665</u></u>	<u><u>46,665</u></u>	<u><u>46,114</u></u>

Schedule for Investment

Analysis of Investment as at 31 March 2024

Name of Agency: Hong Kong Christian Mutual Improvement Society

	<u>2024</u> HKD	<u>2023</u> HKD
LSG Reserve as at 31 March	<u>1,372,406</u>	<u>1,068,409</u>
Represented by:		
Investments		
HKD Bank Account Balances	<u>1,372,406</u>	<u>1,068,409</u>

Confirmed by:


Signed

Ms. SIU CHUANG Siu Suen Alice
Chairman


Signed

Ms. LI Mui Mui
Vice-chairman-Finance

Date: 29 OCT 2024