

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 2024 TO 31 MARCH 2025

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

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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 2025 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 27 OCT 2025

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 2025.

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 2025 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
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(incorporated in Hong Kong with limited by guarantee)

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 2025 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,

27 OCT 2025

Annual Financial Report

For the period from 1 April 2024 to 31 March 2025

	Notes	<u>2025</u> HKD	<u>2024</u> HKD (restated)
INCOME			
Lump Sum Grant			
- Lump Sum Grant (excluding Provident Fund)	1b	12,133,097	11,289,343
- Provident Fund	1c	809,672	756,829
Fee income	2	61,866	70,065
Central Items	3	-	-
Rent and rates	4	1,519,669	1,520,216
Other income	5	3,446,216	2,339,269
Interest received		21,218	21,163
		<u>17,991,738</u>	<u>15,996,885</u>
EXPENDITURE			
Personal Emoluments			
- Salaries		10,033,576	10,180,974
- Provident Fund	1c	567,780	574,152
- Allowances		-	-
		<u>10,601,356</u>	<u>10,755,126</u>
Other charges	7	4,150,093	3,234,869
Central Items	3	-	-
Rent and rates	4	1,550,577	1,519,665
		<u>16,302,026</u>	<u>15,509,660</u>
SURPLUS FOR THE YEAR	8	<u>1,689,712</u>	<u>487,225</u>

The Annual Financial Report from pages 4 to 8 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

Date: 27 OCT 2025

Signed

Ms. CHONG Ping Ping
Executive Secretary

Notes to Annual Financial Report

For the period from 1 April 2024 to 31 March 2025

1. LUMP SUM GRANT

a. BASIS OF PREPARATION

The Annual Financial Report (AFR) is prepared in respect of all services defined in Funding and Service Agreement (FSA) (including support services to FSA services) funded by the Social Welfare Department (SWD) under the Lump Sum Grant Subvention System and also FSA services/ FSA-related activities funded by Other Funds or Donations for Designated Purposes. 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. Other posts represent those staff that are employed after 1 April 2000.

The Provident Fund received and contributed for staff under the Central Items and Other Funds or Donations for Designated Purposes which are separately included as part of the income and expenditure of the relevant disclosures have been shown under Notes 3 and 8.

Details are analysed below:

<u>Provident Fund Contribution</u>	<u>Snapshot staff HKD</u>	<u>6.8% and Other posts HKD</u>	<u>Total HKD</u>
Subvention Received	69,687	739,985	809,672
Provident Fund Contribution Paid	<u>(46,618)</u>	<u>(521,162)</u>	<u>(567,780)</u>
Surplus for the year	23,069	218,832	241,892
Add: Surplus brought forward	-	1,146,732	1,146,732
Opening adjustment as per letter from SWD dated on 19 March 2025	<u>110</u>	<u>-</u>	<u>110</u>
Surplus carried forward	<u>23,179</u>	<u>1,365,555</u>	<u>1,388,734</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 2024 to 31 March 2025

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 both 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 been included as Other Income in AFR. In this respect, donations have been included if they are used to finance expenditure of the FSA services/ FSA-related activities reflected in the AFR.

The breakdown of Other Income is as follows:

	<u>2025</u> <u>HKD</u>	<u>2024</u> <u>HKD</u> (restated)
a. Programme income	2,349,223	1,560,926
b. Production income	-	-
c. Other funds or Donations for designated purposes	1,006,950	690,502
d. Miscellaneous income	90,043	87,841
	<u>3,446,216</u>	<u>2,339,269</u>

Notes to Annual Financial Report

For the period from 1 April 2024 to 31 March 2025

6. PERSONAL EMOLUMENTS

Personal Emoluments include salary, provident fund and salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over HKD1,000,000 each paid under LSG is appended below:

	<u>Number of posts</u>	<u>HKD</u>
HKD1,000,001 – HKD1,100,000 p.a.	Nil	Nil
HKD1,100,001 – HKD1,200,000 p.a.	Nil	Nil
HKD1,200,001 – HKD1,300,000 p.a.	Nil	Nil
HKD1,300,001 – HKD1,400,000 p.a.	Nil	Nil
HKD1,400,001 – HKD1,500,000 p.a.	Nil	Nil
More than HKD1,500,000 p.a.	Nil	Nil

7. OTHER CHARGES

	<u>2025</u> <u>HKD</u>	<u>2024</u> <u>HKD</u> (restated)
a. Utilities	112,458	118,152
b. Food	-	-
c. Administrative Expenses	183,581	167,118
d. Stores and Equipment	207,609	212,139
e. Repair and Maintenance	156,772	197,646
f. Special Allowances	-	-
g. Programme Expenses	2,606,523	1,719,798
h. Transportation and Travelling	6,943	9,767
i. Insurance	172,949	142,814
j. Miscellaneous	448,442	347,308
k. Charges for designated purposes (note (i))	254,816	320,127
	<u>4,150,093</u>	<u>3,234,869</u>

Note (i) To comfort the current year presentation requirements, certain personal emoluments charges related to activities of Other Funds or Donations for Designated Purposes designated purposes for the period from 1 April 2023 to 31 March 2024 was re-classified under expenditure for personal emoluments.

Notes to Annual Financial Report

For the period from 1 April 2024 to 31 March 2025

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

	Lump Sum Grant (LSG)	Other Funds or Donations for Designated Purposes	Rent and Rates	Total
	HKD	HKD	HKD	HKD
	(restated)			
INCOME				
Lump Sum Grant	12,942,769	-	-	12,942,769
Fee Income	61,866	-	-	61,866
Other Income	2,439,266	1,006,950	-	3,446,216
Interest Received	21,218	-	-	21,218
Rent and Rates	-	-	1,519,669	1,519,669
Central Items	-	-	-	-
Total Income	15,465,119	1,006,950	1,519,669	17,991,738
EXPENDITURE				
Personal Emoluments	9,767,997	833,359	-	10,601,356
Other charges	3,895,277	254,816	-	4,150,093
Rent, Rates and Building Management fee	-	-	1,550,577	1,550,577
Central Items	-	-	-	-
Total Expenditure	13,663,274	1,088,175	1,550,577	16,302,026
Surplus/(deficit) for the year	1,801,845	(81,225)	(30,908)	1,689,712
Less: Surplus of Provident Fund	(241,892)	-	-	(241,892)
	1,559,953	(81,225)	(30,908)	1,447,820
Surplus brought forward	1,372,406	-	11,020	1,383,426
Transfer to Other Funds from LSG Reserve (note (i))	(81,225)	81,225	-	-
Opening adjustment as per letter from SWD dated on 19 March 2025	84,093	-	(8,988)	75,105
Surplus/(deficit) carried forward	2,935,227	-	(28,876)	2,906,351

Note (i) Balance generated from those completed FSA services/ FSA-related activities which are funded by Other Funds or Donations for Designated Purposes.

Schedule for Central Items

Analysis of Subvention and Expenditure for the period from 1 April 2024 to 31 March 2025

Name of Agency: Hong Kong Christian Mutual Improvement Society

Unit code and name	Subvented Element	Subvention Released HKD	Actual Expenditure HKD	Surplus HKD	Deficit for the year		Surplus b/f HKD	Surplus c/f HKD
					Deficit	Adjusted		
					to LSG	Deficit		
					HKD	HKD	HKD	HKD
Unit code: 6329	Nil	-	-	-	-	-	-	-

Schedule for Rent and Rates

Analysis of Subvention and Expenditure for the period from 1 April 2024 to 31 March 2025

Name of Agency: Hong Kong Christian Mutual Improvement Society

<u>Unit code and name</u>	<u>Subvented Element</u>	<u>Subvention Released</u> HKD	<u>Actual Expenditure</u> HKD	<u>Surplus</u> HKD	<u>Deficit</u> HKD
Unit Code: 2570	Rent	1,036,957	1,055,598	-	18,641
Chuang Chung Wen Centre For The Elderly	Rates	47,727	50,628	-	2,901
	Building management fees	199,777	207,143	-	7,366
		<u>1,284,461</u>	<u>1,313,369</u>	<u>-</u>	<u>28,908</u>
Unit Code: 2575	Rent	213,528	213,528	-	-
Ko Chiu Road Centre of Christ Love For the Aged	Rates	21,680	23,680	-	2,000
		<u>235,208</u>	<u>237,208</u>	<u>-</u>	<u>2,000</u>
	Grand total	<u>1,519,669</u>	<u>1,550,577</u>	<u>-</u>	<u>30,908</u>

Schedule for Investment

Analysis of Investment as at 31 March 2025

Name of Agency: Hong Kong Christian Mutual Improvement Society

	<u>2025</u> HKD	<u>2024</u> HKD
LSG Reserve as at 31 March	<u>2,935,227</u>	<u>1,372,406</u>
Represented by:		
Investments		
HKD Bank Account Balances	<u>2,935,227</u>	<u>1,372,406</u>

Confirmed by:

Signed**Ms. SIU CHUANG Siu Suen Alice**
*Chairman***Signed****Ms. CHONG Ping Ping**
Executive Secretary

Date:

27 OCT 2025