

HONG KONG SHENG KUNG HUI ST. SIMON'S SOCIAL SERVICES

THE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2024



范陳會計師行有限公司
Fan, Chan & Co. Limited

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON
THE ANNUAL FINANCIAL REPORT

TO THE BOARD OF DIRECTORS OF
HONG KONG SHENG KUNG HUI ST. SIMON'S SOCIAL SERVICES
(incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of Hong Kong Sheng Kung Hui St. Simon's Social Services ("the Association") 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 auditors' report thereon 20 September 2024.

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 Association for the year ended 31 March 2024.

Responsibilities of Directors

In relation to this report, the Directors are responsible for ensuring the AFR of the Association 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 Association 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 ("PN 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.



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Auditor's Responsibility (continued)

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.

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 Association 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 Association 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 Association 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 Association 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.

Fan, Chan & Co. Limited
Certified Public Accountants
Leung Kwong Kin
Practising Certificate Number: P03702

Hong Kong, 20 September 2024

ANNUAL FINANCIAL REPORT

NGO : HONG KONG SHENG KUNG HUI ST. SIMON'S SOCIAL SERVICES

(1 April 2023 to 31 March 2024)

	Notes	2023-24 \$	2022-23 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	3,303,139.00	3,167,246.00
b. Provident Fund	1c	182,001.00	173,912.00
2. Fee Income	2	87,968.00	63,879.00
3. Central Items	3	45,657.00	45,657.00
4. Rent and Rates	4	-	-
5. Other Income	5	117,000.00	254.03
6. Interest Received		22,540.87	2,982.03
TOTAL INCOME		<u>3,758,305.87</u>	<u>3,453,930.06</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		3,253,778.03	3,420,007.17
b. Provident Fund	1c	334,163.01	360,441.16
c. Allowances		-	3,887.50
Sub-total	6	<u>3,587,941.04</u>	<u>3,784,335.83</u>
2. Other Charges	7	103,328.73	206,514.70
3. Central Items	3	-	-
4. Rent and Rates	4	-	-
TOTAL EXPENDITURE		<u>3,691,269.77</u>	<u>3,990,850.53</u>
C. SUPPLUS/(DEFICIT) FOR THE YEAR	8	<u>67,036.10</u>	<u>(536,920.47)</u>

The Annual Financial Report from Pages 3 to 9 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



LI Kwok Tung, Donald
Chairman
Date : 20 September 2024



SIN Patricia
Chief Executive Officer
Date : 20 September 2024

HONG KONG SHENG KUNG HUI ST. SIMON'S SOCIAL SERVICES

NOTES ON THE ANNUAL FINANCIAL REPORT

1 APRIL 2023 TO 31 MARCH 2024

1. Lump Sum Grant (LSG)

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 disclosures have been shown under **Note 3**.

Details are analysed below:

	Snapshot Staff	6.8% and Other Posts	Total
<u>Provident Fund Contribution</u>	\$	\$	\$
Subvention Received	-	182,001.00	182,001.00
Provident Fund Contribution Paid during the Year	-	(334,163.01)	(334,163.01)
Deficit for the Year	-	(152,162.01)	(152,162.01)
<u>Add:</u> Surplus/ (Deficit) b/f	-	-	-
Additional subvention received for previous year(s)	-	-	-
Less : Refund to Government			
Transfer to Accumulated General Fund	-	152,162.01	152,162.01
Surplus/ (Deficit) c/f	-	-	-

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.

HONG KONG SHENG KUNG HUI ST. SIMON'S SOCIAL SERVICES

NOTES ON THE ANNUAL FINANCIAL REPORT

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 LSG Manual (October 2016)).

The income and expenditure of each of Central Items are as follows:

	2023-24 \$	2022-23 \$
a. Income		
Time-defined Subsidy Scheme for Extended Hours Service Users	3,681.00	3,681.00
Time-defined Subsidy Scheme for Occasional Child Care Service	41,976.00	41,976.00
Total	<u>45,657.00</u>	<u>45,657.00</u>
	2023-24 \$	2022-23 \$
b. Expenditure		
Time-defined Subsidy Scheme for Extended Hours Service Users	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
Total	<u>-</u>	<u>-</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.

HONG KONG SHENG KUNG HUI ST. SIMON'S SOCIAL SERVICES

NOTES ON THE ANNUAL FINANCIAL REPORT

1 APRIL 2023 TO 31 MARCH 2024

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 it is used to finance expenditure of the FSA services/ FSA-relates activities reflected in the AFR.

The breakdown on Other Income is as follows:

	2023-24	2022-23
Other Income	\$	\$
(a) Programme income	-	-
(b) Production income	-	-
(c) Donation	-	-
(d) Income from Other Activities	-	-
(e) Utilised allocation under Central Items (CI) : After School Care Programme (ASCP) / Enhanced ASCP / ASCP(PC) - Fee Waiving Subsidy Scheme (FWSS) which forms as part of Other Income*	-	-
(f) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	-	-
(g) Miscellaneous income	117,000.00	254.03
Sub-Total	117,000.00	254.03
Less: Utilised allocation under CI - ASCP / Enhanced ASCP / ASCP(PC) - FWSS which forms as part of Other Income *	-	-
Total	117,000.00	-

* For those programmes which are regarded as FSA services/FSA-related activities only.

HONG KONG SHENG KUNG HUI ST. SIMON'S SOCIAL SERVICES
NOTES ON THE ANNUAL FINANCIAL REPORT
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 \$700,000 each paid under LSG is appended below:

Analysis of Personal Emoluments paid under LSG	No. of Posts	\$
HK\$700,001 - HK\$800,000 p.a.	-	-
HK\$800,001 - HK\$900,000 p.a.	-	-
HK\$900,001 - HK\$1,000,000 p.a.	-	-
HK\$1,000,001 - HK\$1,100,000 p.a.	-	-
HK\$1,100,001 - HK\$1,200,000 p.a.	-	-
>HK\$1,200,000 p.a.	-	-

7. Other Charges

The breakdown on Other Charges is as follows:

	2023-24	2022-23
	\$	\$
<u>Other Charges</u>		
(a) Utilities	1,971.35	1,740.26
(b) Food	8,111.61	4,973.07
(c) Administrative expenses	34,882.40	42,857.39
(d) Stores and equipment	7,952.63	43,034.02
(e) Repair and maintenance	2,513.96	33,319.06
(f) Special allowances	-	-
(g) Programme expenses	-	15,490.43
(h) Transportation and travelling	1,464.60	1,711.95
(i) Insurance	32,857.11	39,061.76
(j) Miscellaneous	13,575.07	24,326.76
Sub-Total	103,328.73	206,514.70
Utilised allocation under CI : ASCP/ Enhanced ASCP / ASCP(PC) - FWSS		
Less: which forms as part of Other Income*	-	-
Total	103,328.73	206,514.70

* For those programmes which are regarded as FSA services/ FSA-related activities only

HONG KONG SHENG KUNG HUI ST. SIMON'S SOCIAL SERVICES
NOTES ON THE ANNUAL FINANCIAL REPORT
1 APRIL 2023 TO 31 MARCH 2024

8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	Lump Sum Grant (LSG)	Holding Account (HA)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP/ ASCP(PC) - FWSS	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$	\$
Income						
Lump Sum Grant	3,485,140.00	-	-	-	-	3,485,140.00
Fee Income	87,968.00	-	-	-	-	87,968.00
Other Income	117,000.00	-	-	-	-	117,000.00
Interest Received (Note (1))	22,540.87	-	-	-	-	22,540.87
Rent and Rates	-	-	-	-	-	-
Central Items	-	-	-	-	45,657.00	45,657.00
Total Income (a)	3,712,648.87		-	-	45,657.00	3,758,305.87
Expenditure						
Personal Emoluments	3,587,941.04	-	-	-	-	3,587,941.04
Other Charges	103,328.73	-	-	-	-	103,328.73
Rent & Rates	-	-	-	-	-	-
Central Items	-	-	-	-	-	-
Total Expenditure (b)	3,691,269.77		-	-	-	3,691,269.77
Surplus for the Year (a) - (b)	21,379.10	-	-	-	45,657.00	67,036.10
Less : Surplus/(Deficit) of Provident Fund	(152,162.01)	-	-	-	-	(152,162.01)
Surplus for the year	173,541.11		-	-	45,657.00	219,198.11
Surplus b/f (Note (2))	41,598.43	452,841.71	-	-	71,082.00	565,522.14
	215,139.54	452,841.71	-	-	116,739.00	784,720.25
Add : Refund from Government	-	-	-	-	-	-
Less: Refund to Government	-	-	-	-	(45,657.00)	(45,657.00)
Surplus c/f (Note (4))	215,139.54	452,841.71	-	-	71,082.00	739,063.25

- (1) Interest received on LSG (including HA) and Provident Fund reserves, rent and rates, Central Items are included as one item under LSG; and the item is considered as part of LSG reserve.
- (2) Accumulated balance of LSG Surplus b/f from previous years (including all interest received in previous years (see (1) above) and the balance of HA should be separately reported as in the surplus b/f under LSG and HA respectively.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule for Central Items.
- (4) For NGOs without HA, separate disclosure of the movement of HA in their respective AFRs is not necessary. The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.

For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows:

- (i) With Snapshot Staff (SS) [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year was greater than zero]

The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution (K)) for the year.

- (ii) Without SS [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year (which is regarded as Year 0) was zero]

For the next three years (Year 1 to Year 3), the level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.

From the fourth financial year (Year 4) onwards, the level of LSG cumulative reserve and HA reserve will be counted altogether and the combined reserve amount (i.e. S1+S2) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution (K)) for the year. In this regard, separate disclosure of the movement of HA in their respective AFRs is not necessary.

For details of (4)(i) and (4)(ii) above, please also refer to SWD's letter under reference (11) in SWD/S/109/1/10 of 4 April 2022.

For any amount above the cap, SWD would arrange the claw-back (including provisional in the following financial year except for those 58 NGOs which are subject to Productivity Enhancement Programme as stipulated in SWD's letter under reference (9) in SWD/S/133/1 of 6 March 2024. For details of the claw-back arrangement of the said 58 NGOs, please refer to the above letter.) accordingly.

Schedule for Central Items

Annex 1

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

Name of NGO : Hong Kong Sheng Kung Hui St. Simon's Social Services (544)

Unit Code and Name/ Remittance Advice No. (Note 7)	Subvented Element	Subvention Released (Note 1a) \$	Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received (Note 1b)# \$	Actual Expenditure (Note 2 a) \$	Actual Expenditure under RMLP Scheme (Note 2b)# \$	Surplus (Note 3) (a) = (a1) - (a2) \$	Deficit for the Year			Surplus b/f (Note 5) \$	Refund from (to) Government (f) \$	Adjustment (Note 9) (g) \$	Surplus c/f (Note 6) (h) = (e) + (a) - (d) - (f) + (-g) \$
							Deficit (Note 3) (b) = (a1) - (a2) \$	Deficit transferred to LSG (Note 4) (c) \$	Adjusted Deficit (d) = (b) - (c) \$				
W544 Subsidy Scheme for Extended Hours Service (EHS) Users	Subsidy Scheme for Extended Hours Service Users	3,681.00	-	-	-	3,681.00	-	N.A.	-	3,681.00	(3,681.00)	-	3,681.00
6054 Training Subsidy for CCS/SCCW in Pre-school Rehabilitation services	Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-	-	-	-	-	N.A.	-	25,425.00	-	-	25,425.00
6357 Time-defined subsidy Scheme for Occasional Child Care Service	Time-defined Subsidy Scheme for Occasional Child Care Service	41,976.00	-	-	-	41,976.00	-	N.A.	-	41,976.00	(41,976.00)	-	41,976.00
TOTAL		45,657.00	-	-	-	45,657.00	-	N.A.	-	71,082.00	(45,657.00)	-	71,082.00

Any difference arising from the RMLP Scheme reimbursement received (see Note 1(b) below) and the corresponding expenditure under RMLP Scheme (see Note 2(b) below) will be assessed separately.

^ Please take note of para. 4(f) of Points to Note on Preparation of

Notes:

- (a). The figures for the whole financial year are extracted from the payroll for March (Final) or remittance advice(s) issued by the Treasury or allocation letter(s) issued by Social Welfare Department of the financial year.
- (b). This amount represents any reimbursement received from the RMLP Scheme if the NGO has temporarily paid the expenditure out of the allocation from the subvented element (see Note 2(h) below).
- (a). Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off (i) programme income and (ii) expenditure under RMLP Scheme mentioned in Note 2(b) below, if any.
- (b). This amount represents the additional four weeks' MLP (i.e. the 11th to 14th weeks) paid to the employee out of the corresponding allocation.
- Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
- Deficit i.e. the following central items arising from salary adjustment are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref. (33) in SWD/S/104/2 Pt. 18 dated 4 March 2020.
 - 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 in previous years.
- "Surplus carried forward (c/f)" means surplus brought forward less refund to Government plus surplus, if any, arising from operations in current year.
- Unit code and name / remittance advice no. are extracted from the payroll from SWD and remittance advice from the Treasury respectively.
- 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.
- For ASCP/Enhanced ASCP, the adjustment includes the amount of expenditure overstated / (understated) in previous year(s) after taking into account the actual claw-back amount(s) per SWD's allocation letter(s), if any.