

The Tsung Tsin Mission of Hong Kong Social Service
Annual Financial Report 2019-2020
(Lump Sum Grant Subvention Only)

The financial information relating to the year ended 31 March 2020 included in the Annual Financial Report (“AFR”) does not constitute The Tsung Tsin Mission of Hong Kong Social Service’s statutory annual financial statements. The AFR is prepared on cash basis and in accordance with the requirements set out in the Lump Sum Grant Manual issued by the Social Welfare Department of the Government of Hong Kong Special Administrative Region. This basis of preparation is different from the financial reporting standards issued by the Hong Kong Institute of Certified Public Accountants normally adopted in statutory annual financial statements.

THE TSUNG TSIN MISSION OF HONG KONG SOCIAL SERVICE
ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 1 APRIL, 2019 TO 31 MARCH, 2020

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范陳會計師行有限公司
Fan, Chan & Co. Limited

**REVIEW REPORT ON
THE ANNUAL FINANCIAL REPORT
TO THE EXECUTIVE COMMITTEE OF THE TSUNG TSIN MISSION OF HONG KONG
SOCIAL SERVICE**

(Incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of The Tsung Tsin Mission of Hong Kong Social Service ("Association") for the period from 1 April, 2019 to 31 March, 2020 and have issued an unqualified auditor's report thereon dated 27 October, 2020.

We conducted our review of the attached Annual Financial Report on pages 2 to 6 of the Association for the period from 1 April, 2019 to 31 March, 2020 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 Association, on which the above audited financial statements of the Association 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 Association for the period from 1 April, 2019 to 31 March, 2020:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Association; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Association has not :
 - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund 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 Provident Fund arrangements for the period from 1 April, 2019 to 31 March, 2020.

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.

Fan, Chan & Co. Limited
Certified Public Accountants
Leung Kwong Kin
Practising Certificate Number: P03702
Hong Kong, 27 October, 2020



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	Note	Total 2019-20 HK\$	Total 2018-19 HK\$
A. Income			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	44,989,847.00	36,561,420.00
b. Provident Fund	1c	<u>3,246,448.00</u>	<u>2,687,639.00</u>
		48,236,295.00	39,249,059.00
2. Fee Income	2	3,259,025.50	3,202,128.50
3. Central Items	3	10,592,430.00	7,611,684.00
4. Rent and Rates	4	6,518,033.00	5,016,225.00
5. Other Income	5	9,263,219.02	10,435,101.65
6. Interest Received		336,763.67	141,382.14
TOTAL INCOME		<u><u>78,205,766.19</u></u>	<u><u>65,655,580.29</u></u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		42,534,112.29	35,299,216.57
b. Provident Fund	1c	2,693,732.93	3,502,123.58
c. Allowances		<u>275,311.52</u>	<u>345,238.66</u>
Sub-total	6	45,503,156.74	39,146,578.81
2. Other Charges	7	9,651,405.46	10,174,851.27
3. Central Items	3	7,796,986.31	7,622,822.98
4. Rent and Rates	4	7,017,088.09	5,542,002.90
TOTAL EXPENDITURE		<u><u>69,968,636.60</u></u>	<u><u>62,486,255.96</u></u>
C. SURPLUS FOR THE YEAR	8	<u><u>8,237,129.59</u></u>	<u><u>3,169,324.33</u></u>

The Annual Financial Report from page 2 to 9 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



Chairman

Date: 27 October, 2020



General Secretary

Date: 27 October, 2020

THE TSUNG TSIN MISSION OF HONG KONG SOCIAL SERVICE
NOTES ON THE ANNUAL FINANCIAL REPORT
1 APRIL, 2019 TO 31 MARCH, 2020

1. Lump Sum Grant

- a. Basis of preparation** The Annual Financial Report (AFR) is prepared in respect of all Funding and Service Agreement (FSA) activities (including support services to FSA activities) 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 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	562,284.00	2,684,164.00	3,246,448.00
Provident Fund Contribution paid during the year	(397,655.00)	(2,296,077.93)	(2,693,732.93)
Surplus/(deficit) for the year	164,629.00	388,086.07	552,715.07
Add: Surplus/(deficit) b/f	158,973.00	2,577,418.65	2,736,391.65
Additional subvention received for previous year (Ref: SWD/S/102/1 (2019))	-	34,348.00	34,348.00
Less: Refund to Government	(91,666.00)	-	(91,666.00)
Surplus/(Deficit) c/f	<u>231,936.00</u>	<u>2,999,852.72</u>	<u>3,231,788.72</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 Lump Sum Grant Manual.

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- 3. Central Items** These are subvented service activities which are not included in Lump Sum Grant 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 3.14 of LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	2019-20 HK\$	2018-19 HK\$
a. Income		
After School Care Programme - Late afternoon session	148,500.00	153,900.00
Enhanced After School Care Programme	1,461,262.00	1,128,641.00
Dementia Supplement for Residential Elderly Services	1,302,168.00	986,461.00
Subsidy Scheme for OCC	63,600.00	63,600.00
Subsidy Scheme for EHS users	40,290.00	40,290.00
Officer for Residential Care Homes for the Elderly		
Training Subsidy under Training Scheme for Special Child Care Workers	-	-
Infirmiry Care Supplement for Residential Elderly Services	1,266,006.00	1,903,682.00
Enhanced NSCCP - Central & Western - Contract Subsidy(time-defined 31.3.2018)	2,086,750.00	1,423,100.00
NSCCP - Central & Western - Subsidy for fee reduction/waiving(time-defined 31.3.2018)	-	-
NSCCP - Central & Western - Subsidy for Incentive payment	292,500.00	-
Enhanced NSCCP - Shamshuipo-Contract Subsidy(time-defined 31.3.2018)	2,597,140.00	1,912,010.00
NSCCP - Shamshuipo- Subsidy for fee reduction/waiving(time-defined 31.3.2018)	525,000.00	-
NSCCP - Shamshuipo - Subsidy for Incentive payment	438,750.00	-
Training Sponsorship Scheme for two-year MOT/MPT Programme of Polyu	-	-
Special Grant on Manpower Support for Residential and Home-based Care Service units in respect of the Severe Respiratory Disease associated with a Novel Infectiour Agent	142,486.00	-
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	227,978.00	-
Total	<u>10,592,430.00</u>	<u>7,611,684.00</u>
b. Expenditure		
After School Care Programme afternoon session	93,960.00	102,958.00
Enhanced After School Care Programme	1,461,262.00	1,128,641.00
Dementia Supplement for Residential Elderly Services	1,301,457.91	986,150.00
Subsidy Scheme for OCC	-	-
Subsidy Scheme for EHS users	-	700.00
Training Subsidy under Training Scheme for Special Child Care Workers	-	-
Infirmiry Care Supplement for Residential Elderly Services	1,265,330.08	1,903,373.81
Enhanced NSCCP - Central & Western - Contract Subsidy(time-defined 31.3.2018)	1,110,506.38	1,218,323.21
NSCCP - Central & Western - Subsidy for fee reduction/waiving(time-defined 31.3.2018)	46,611.10	106,126.80
Enhanced NSCCP - Shamshuipo-Contract Subsidy(time-defined 31.3.2018)	2,146,805.84	1,576,005.16
NSCCP - Shamshuipo- Subsidy for fee reduction/waiving(time-defined 31.3.2018)	143,075.00	330,545.00
Training Sponsorship Scheme for two-year MOT/MPT Programme of Polyu	-	270,000.00
Special Grant on Manpower Support for Residential and Home-based Care Service units in respect of the Severe Respiratory Disease associated with a Novel Infectiour Agent	-	-
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	227,978.00	-
Total	<u>7,796,986.31</u>	<u>7,622,822.98</u>

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4 Rent and Rates This is 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 it it used to finance expenditure reflected in the AFR. The breakdown on Other Income (paragraph 2.29 of LSG Manual (October 2016)) is as follows :

	2019-20	2018-19
Other Income	HK\$	HK\$
(a) Fees and charges for services incidental to the operation of subvented services	5,952,861.07	7,297,822.74
(b) Others	3,310,357.95	3,137,278.91
	9,263,219.02	10,435,101.65

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>Analysis of Personal Emoluments</u>	No of Posts	HK\$
HK\$700,001 - HK\$800,000 p.a.	2	1,497,952.84
HK\$800,001 - HK\$900,000 p.a.	0	-
HK\$900,001 - HK\$1,000,000 p.a.	1	937,348.70
HK\$1,000,001 - HK\$1,100,000 p.a.	0	-
HK\$1,100,001 - HK\$1,200,000 p.a.	0	-
>HK\$1,200,000 p.a.	1	1,306,767.58

7. Other Charges

The breakdwon on Other Charges is as follows :

	2019-20	2018-19
	HK\$	HK\$
<u>Other Charges</u>		
(a) Utilities	906,551.40	844,870.10
(b) Food	1,593,308.59	1,504,221.55
(c) Administrative Expenses	419,524.98	329,856.89
(d) Stores and Equipment	896,516.41	965,420.05
(e) Repair and Maintenance	388,160.40	431,460.20
(f) Special Allowances	-	-
(g) Programme Expenses	2,488,298.39	2,823,311.56
(h) Transport and Travelling	74,800.45	75,267.01
(i) Insurance	502,081.27	508,546.79
(j) Miscellaneous	2,382,163.57	2,691,897.12
Total	9,651,405.46	10,174,851.27

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8. Analysis of Reserve Fund

	Analysis of Reserve Fund			
	Lump Sum Grant HK\$	Rent and Rates HK\$	Central Items HK\$	Total HK\$
Income				
Lump Sum Grant	48,236,295.00	-	-	48,236,295.00
Fee Income	3,259,025.50	-	-	3,259,025.50
Other Income	9,263,219.02	-	-	9,263,219.02
Interest Received (Note(1))	336,763.67	-	-	336,763.67
Rent and Rates	-	6,518,033.00	-	6,518,033.00
Central Items	-	-	10,592,430.00	10,592,430.00
Total Income (a)	61,095,303.19	6,518,033.00	10,592,430.00	78,205,766.19
Expenditure				
Personal Emoluments	45,503,156.74	-	-	45,503,156.74
Other Charges	9,651,405.46	-	-	9,651,405.46
Rent and Rates	-	7,017,088.09	-	7,017,088.09
Central Items	-	-	7,796,986.31	7,796,986.31
Total Expenditure (b)	55,154,562.20	7,017,088.09	7,796,986.31	69,968,636.60
Surplus (deficit) for the year (a) - (b)	5,940,740.99	(499,055.09)	2,795,443.69	8,237,129.59
Less: Surplus/(Deficit) for Providend Fund	(552,715.07)	-	-	(552,715.07)
	5,388,025.92	(499,055.09)	2,795,443.69	7,684,414.52
Surplus/(Deficit) b/f (Note (2))	10,862,614.22	(875,761.90)	4,353,652.45	14,340,504.77
	16,250,640.14	(1,374,816.99)	7,149,096.14	22,024,919.29
Add: Refund from Government	-	478,403.00	-	478,403.00
Less: Refund to Government	-	(23,397.00)	(103,809.19)	(127,206.19)
	16,250,640.14	(919,810.99)	7,045,286.95	22,376,116.10
Surplus/(Deficit) c/f (Note (4))	16,250,640.14	(919,810.99)	7,045,286.95	22,376,116.10
	Note 4			
	S			

- Note : (1) Interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant should be included as one item under LSG; and the item is considered as part of LSG reserve.
- (2) Accumulated balance Lump Sum Grant Surplus b/f from previous years and all interest received in previous years should be included in the surplus b/f under LSG.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any as per Schedule of Central Items.
- (4) The level of LSG cumulative reserves (i.e. S), less LSG Reserve kept in the holding account, will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.

	HK\$
Surplus c/f	16,250,640.14
Less: Holding account balance as agreed by SWD	(3,940,170.72)
Surplus c/f after holding account balance	<u>12,310,469.42</u>