

The Tsung Tsin Mission of Hong Kong Social Service
Annual Financial Report 2021-2022
(Lump Sum Grant Subvention Only)

The financial information relating to the year ended 31 March 2022 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, 2021 TO 31 MARCH, 2022



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 ("the Association") for the period from 1 April, 2021 to 31 March, 2022 and have issued an unqualified auditor's report thereon dated 26 July, 2022.

We conducted our review of the attached Annual Financial Report on pages 2 to 6 of the Association for the period from 1 April, 2021 to 31 March, 2022 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, 2021 to 31 March, 2022:

- 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 during the period from 1 April, 2021 to 31 March, 2022.

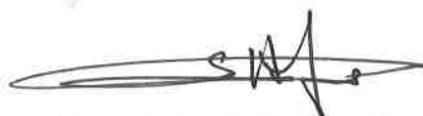
This report is intended for filing with the Social Welfare Department of the Government of the HKSAR and should not be used for any other purpose.

Fan, Chan & Co. Limited
Certified Public Accountants
Leung Kwong Kin
Practising Certificate Number: P03702
Hong Kong, 6 September, 2022

THE TSUNG TSIN MISSION OF HONG KONG SOCIAL SERVICE
ANNUAL FINANCIAL REPORT
1 APRIL, 2021 TO 31 MARCH, 2022

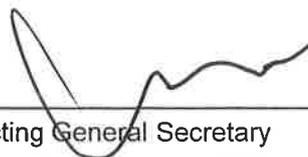
	Note	Total 2021-22 HK\$	Total 2020-21 HK\$	Remarks
A. Income				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	70,766,822.00	60,096,331.00	
b. Provident Fund	1c	<u>4,554,570.00</u>	<u>4,041,634.00</u>	
		75,321,392.00	64,137,965.00	
2. Fee Income	2	2,933,130.00	3,390,137.30	
3. Central Items	3	11,286,806.00	11,133,899.00	
4. Rent and Rates	4	7,863,717.00	6,747,582.00	
5. Other Income	5	7,863,856.85	6,479,315.79	
6. Interest Received		122,309.78	250,503.70	
TOTAL INCOME		<u>105,391,211.63</u>	<u>92,139,402.79</u>	
B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries		65,184,346.58	56,091,039.63	
b. Provident Fund	1c	5,833,562.86	3,513,235.36	
c. Allowances		<u>459,338.27</u>	<u>1,948,468.99</u>	
Sub-total	6	71,477,247.71	61,552,743.98	
2. Other Charges	7	12,226,962.15	11,941,845.05	
3. Central Items	3	8,771,166.89	8,253,610.04	
4. Rent and Rates	4	7,996,699.36	8,071,676.30	
TOTAL EXPENDITURE		<u>100,472,076.11</u>	<u>89,819,875.37</u>	
C. SURPLUS FOR THE YEAR	8	<u>4,919,135.52</u>	<u>2,319,527.42</u>	

The Annual Financial Report from page 2 to 6 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



Chairman

Date: 6 September, 2022



Acting General Secretary

Date: 6 September, 2022

THE TSUNG TSIN MISSION OF HONG KONG SOCIAL SERVICE
NOTES ON THE ANNUAL FINANCIAL REPORT
1 APRIL, 2021 TO 31 MARCH, 2022

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	378,108.00	4,176,462.00	4,554,570.00
Provident Fund Contribution paid during the year	(312,584.00)	(5,520,978.86)	(5,833,562.86)
Surplus/(deficit) for the year	65,524.00	(1,344,516.86)	(1,278,992.86)
Add: Surplus/(deficit) b/f	184,039.00	3,529,580.36	3,713,619.36
Additional subvention received for previous year	-	55,921.00	55,921.00
Less: Refund to Government	(164,629.00)	-	(164,629.00)
Surplus/(Deficit) c/f	<u>84,934.00</u>	<u>2,240,984.50</u>	<u>2,325,918.50</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.

THE TSUNG TSIN MISSION OF HONG KONG SOCIAL SERVICE
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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:

	2021-22 HK\$	2020-21 HK\$
a. Income		
After School Care Programme - Fee Waiving Subsidy Scheme	239,616.00	185,964.00
Enhanced After School Care Programme-Fee Waiving Subsidy Scheme	1,853,103.00	2,105,799.00
Dementia Supplement for Residential Elderly Services	1,333,883.00	1,370,616.00
Subsidy Scheme for OCC	80,526.00	63,600.00
Subsidy Scheme for EHS users	62,518.00	40,290.00
Infirmiry Care Supplement for Residential Elderly Services	761,456.00	1,142,184.00
Enhanced NSCCP - Central & Western - Contract Subsidy(time-defined 31.3.2018)	2,247,250.00	2,245,800.00
Enhanced NSCCP - Central & Western - Rental Subsidy	56,640.00	56,640.00
NSCCP - Central & Western - Subsidy for fee reduction/waiving(time-defined 31.3.2018)	-	746,000.00
NSCCP - Central & Western - Subsidy for Incentive Payment	-	-
Enhanced NSCCP - Shamshuipo-Contract Subsidy(time-defined 31.3.2018)	2,426,310.00	2,245,800.00
Enhanced NSCCP - Shamshuipo - Rental Subsidy	59,504.00	59,504.00
NSCCP - Shamshuipo- Subsidy for fee reduction/waiving(time-defined 31.3.2018)	746,000.00	-
NSCCP - Shamshuipo - Subsidy for Incentive Payment	585,000.00	292,500.00
Training Sponsorship Scheme for two-year MOT/MPT Programme of Polyu	640,000.00	320,000.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	227,978.00
Time-limited programme on Enhancing Infection Control and Ventilation of Residential Care Homes for the Elderly	-	31,224.00
One-off Subsidy for Strengthened Provision of Visiting Medical Practitioner Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	195,000.00	-
Total	<u>11,286,806.00</u>	<u>11,133,899.00</u>
b. Expenditure		
After School Care Programme - Fee Waiving Subsidy Scheme	156,000.00	82,754.00
Enhanced After School Care Programme-Fee Waiving Subsidy Scheme	1,853,103.00	2,105,799.00
Dementia Supplement for Residential Elderly Services	1,333,409.20	1,370,316.08
Subsidy Scheme for OCC	-	-
Subsidy Scheme for EHS users	-	-
Infirmiry Care Supplement for Residential Elderly Services	760,960.12	1,142,135.96
Enhanced NSCCP - Central & Western - Contract Subsidy(time-defined 31.3.2018)	1,595,013.03	1,326,990.80
Enhanced NSCCP - Central & Western - rent	56,640.00	56,640.00
NSCCP - Central & Western - Subsidy for fee reduction/waiving(time-defined 31.3.2018)	87,153.50	158,542.10
NSCCP - Central & Western - Subsidy for Incentive Payment	7,810.50	12,639.50
Enhanced NSCCP - Shamshuipo-Contract Subsidy(time-defined 31.3.2018)	2,024,396.04	1,333,808.20
Enhanced NSCCP - Shamshuipo - rent and government rent	59,504.00	59,504.00
NSCCP - Shamshuipo- Subsidy for fee reduction/waiving(time-defined 31.3.2018)	152,453.50	98,217.40
NSCCP - Shamshuipo - Subsidy for Incentive Payment	333,500.00	278,285.00
Training Sponsorship Scheme for two-year MOT/MPT Programme of Polyu	320,000.00	-
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	227,978.00
Time-limited programme on Enhancing Infection Control and Ventilation of Residential Care Homes for the Elderly	31,224.00	-
One-off Subsidy for Strengthened Provision of Visiting Medical Practitioner Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	-	-
Total	<u>8,771,166.89</u>	<u>8,253,610.04</u>

4. **Rent and Rates** This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditures on rent and rates in respect of premises not recognised by SWD have not been included in ARF.

THE TSUNG TSIN MISSION OF HONG KONG SOCIAL SERVICE
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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. In this respect, donations have been included if 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 :

	2021-22 HK\$	2020-21 HK\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	6,215,735.20	4,196,156.49
(b) Utilised allocation under Central Items (CI) - After School Care Programme(ASCP) / Enhanced ASCP - Fee Waiving Subsidy Scheme(FWSS) which forms as part of Other Income	2,009,103.00	1,281,338.00
(c) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	15,060.16	-
(d) Others	<u>1,633,061.49</u>	<u>2,283,159.30</u>
	9,872,959.85	7,760,653.79
Less: Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS which forms as part of Other Income	(2,009,103.00)	(1,281,338.00)
Total	<u><u>7,863,856.85</u></u>	<u><u>6,479,315.79</u></u>

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.	4	3,165,501.32
HK\$800,001 - HK\$900,000 p.a.	2	1,701,058.12
HK\$900,001 - HK\$1,000,000 p.a.	3	2,911,536.98
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	1,388,355.44

7. Other Charges

The breakdown on Other Charges is as follows :

	2021-22 HK\$	2020-21 HK\$
Other Charges		
(a) Utilities	1,153,354.90	899,977.50
(b) Food	2,070,292.26	2,026,726.28
(c) Administrative Expenses	495,949.72	582,951.62
(d) Stores and Equipment	1,635,895.88	2,453,530.10
(e) Repair and Maintenance	696,464.62	1,051,497.70
(f) Special Allowances	-	-
(g) Programme Expenses	1,834,388.24	1,605,841.43
(h) Transport and Travelling	294,618.00	192,840.16
(i) Insurance	866,568.16	562,043.35
(j) Miscellaneous		
- Purchase of outsourcing service	2,628,843.91	2,412,323.55
- Others	<u>2,559,689.46</u>	<u>1,435,451.36</u>
Sub-Total	14,236,065.15	13,223,183.05
Less: Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS which forms as part of Other Income to fund the operating expenses of FSA-related activities	(2,009,103.00)	(1,281,338.00)
Total	<u><u>12,226,962.15</u></u>	<u><u>11,941,845.05</u></u>

THE TSUNG TSIN MISSION OF HONG KONG SOCIAL SERVICE
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8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	Analysis of Reserve Fund				
	Lump Sum Grant HK\$	Adjustment for Utilised allocation under ASCP / Enhanced ASCP - FWSS	Rent and Rates HK\$	Central Items HK\$	Total HK\$
Income					
Lump Sum Grant	75,321,392.00		-	-	75,321,392.00
Fee Income	2,933,130.00		-	-	2,933,130.00
Other Income	9,872,959.85	(2,009,103.00)	-	-	7,863,856.85
Interest Received (Note(1))	122,309.78		-	-	122,309.78
Rent and Rates	-		7,863,717.00	-	7,863,717.00
Central Items	-		-	11,286,806.00	11,286,806.00
Total Income (a)	88,249,791.63	(2,009,103.00)	7,863,717.00	11,286,806.00	105,391,211.63
Expenditure					
Personal Emoluments	71,477,247.71		-	-	71,477,247.71
Other Charges	14,236,065.15	(2,009,103.00)	-	-	12,226,962.15
Rent and Rates	-		7,996,699.36	-	7,996,699.36
Central Items	-		-	8,771,166.89	8,771,166.89
Total Expenditure (b)	85,713,312.86	(2,009,103.00)	7,996,699.36	8,771,166.89	100,472,076.11
Surplus (deficit) for the year (a) - (b)	2,536,478.77	-	(132,982.36)	2,515,639.11	4,919,135.52
Less: Surplus/(Deficit) for Provident Fund	(1,278,992.86)		-	-	(1,278,992.86)
	3,815,471.63	-	(132,982.36)	2,515,639.11	6,198,128.38
Surplus/(Deficit) b/f (Note (2))	16,485,574.26	-	(1,734,742.49)	9,677,813.90	24,428,645.67
	20,301,045.89		(1,867,724.85)	12,193,453.01	30,626,774.05
Add: Refund from Government	-	-	1,406,400.90	-	1,406,400.90
Less: Refund to Government	-	-	(66,413.00)	(104,237.96)	(170,650.96)
2020/21 rent rates reserve of Joyful Place charged to Accompanying Financial Statements (AFS) of Joyful					
Less: Place rather than AFR	-	-	(0.80)	-	(0.80)
Surplus/(Deficit) c/f (Note (4))	20,301,045.89	-	(527,737.75)	12,089,215.05	31,862,523.19
	Note 4				

- Note : (1) Interest received on LSG and PF 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 Lump Sum Grant Surplus b/f from previous years (including Holding account) 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, 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	20,301,045.89
Less: Holding account balance as agreed by SWD	(3,940,170.72)
Surplus c/f after holding account balance	<u>16,360,875.17</u>