
**THE CHINESE RHENISH CHURCH
HONG KONG SYNOD**

SOCIAL SERVICE DEPARTMENT

FOR THE YEAR ENDED 31 MARCH 2022

ANNUAL FINANCIAL REPORT

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**REVIEW REPORT
TO THE MANAGEMENT BOARD OF
THE CHINESE RHENISH CHURCH HONG KONG SYNOD**

Re : Social Service Department of The Chinese Rhenish Church Hong Kong Synod

We have audited the financial statements of your Social Service Department (the “SSD”) for the year ended 31 March 2022 and have issued an unqualified auditors’ report thereon dated 21st October, 2022. We conducted our review of the attached Annual Financial Report on pages 2 to 5 of the SSD for the year ended 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 SSD, on which the above audited financial statements 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 SSD for the year ended 31 March 2022:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the SSD; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the SSD 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 (“SWD”) 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 year ended 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.



W. H. Wong and Company
Certified Public Accountants

Room 6, 16/F., Enterprise Square 3,
39 Wang Chiu Road, Kowloon Bay, Hong Kong

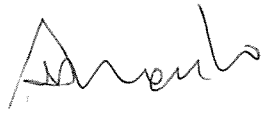
Hong Kong, 21st October, 2022

THE CHINESE RHENISH CHURCH HONG KONG SYNOD (120)
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2021-22 HK\$	2020-21 HK\$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	76,737,963.00	75,395,954.00
b. Provident Fund	1c	5,333,088.00	5,422,323.00
2. Fee Income	2	7,258,179.00	7,527,441.00
3. Central Items	3	10,242,102.00	9,301,887.00
4. Rent and Rates	4	4,736,012.00	4,736,672.00
5. Other Income	5	2,116,253.27	1,298,378.28
6. Interest Received		38,608.04	82,858.34
TOTAL INCOME		<u>106,462,205.31</u>	<u>103,765,513.62</u>
B. EXPENDITURE			
1. Personnel Emoluments			
a. Salaries		67,503,032.60	70,601,073.29
b. Provident Fund	1c	5,235,161.05	5,482,946.88
c. Allowances		2,040,056.50	1,663,560.00
d. Relief Worker		463,129.37	457,290.73
e. Statutory Payment		51,735.87	172,393.38
Sub-total	6	<u>75,293,115.39</u>	<u>78,377,264.28</u>
2. Other Charges	7	15,154,814.53	12,448,214.33
3. Central Items	3	9,572,949.00	9,002,541.00
4. Rent and Rates	4	5,247,349.00	5,183,846.40
TOTAL EXPENDITURE		<u>105,268,227.92</u>	<u>105,011,866.01</u>
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	<u>1,193,977.39</u>	<u>(1,246,352.39)</u>

The Annual Financial Report from page 2 to 5 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

Approved by the Synod on 21st October, 2022



 Chairman of Synod



 Director of Social Service Department

THE CHINESE RHENISH CHURCH HONG KONG SYNOD (120)
 NOTES ON THE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED 31 MARCH 2022

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) 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 Note 3.

Details are analysed below:

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u>	<u>6.8% and Other Posts</u>	<u>Total</u>
	HK\$	HK\$	HK\$
Subvention Received	821,915.00	4,511,173.00	5,333,088.00
Provident Fund Contribution Paid during the Year	(726,786.67)	(4,508,374.38)	(5,235,161.05)
Surplus/(Deficit) for the Year	95,128.33	2,798.62	97,926.95
Add : Surplus/(Deficit) b/f Additional Subvention received for previous year(s)	102,066.27	6,545,784.21	6,647,850.48
Less: Refund to Government	(76,126.00)	-	(76,126.00)
Surplus/(Deficit) c/f	121,068.60	6,551,711.83	6,672,780.43

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.

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

<u>a. Income</u>	2021-22	2020-21
	HK\$	HK\$
Dementia Supplement for Residential Elderly Services	3,612,602.00	3,712,085.00
Infirmary Care Supplement for Residential Elderly Services	4,949,464.00	3,807,280.00
After School Care Programme - Fee Waiving Subsidy Scheme	981,456.00	859,320.00
Time-defined Subsidy Scheme for Extended Hours Service Users	34,080.00	30,880.00
Time-defined Subsidy Scheme for Occasional Child Care Services	79,500.00	79,500.00
Special Allowance for Staff of Subvented Residential Care Service Units in respect of COVID-19	-	719,150.00
Time-limited programme on Enhancing Infection Control and Ventilation of Residential Care Homes for the Elderly and Residential Care Homes for Persons with Disabilities - On-site Ventilation Assessment	-	93,672.00
One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	585,000.00	-
Total	10,242,102.00	9,301,887.00

THE CHINESE RHENISH CHURCH HONG KONG SYNOD
NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2022

3. Central Items (Cond't)	2021-22	2020-21
b. Expenditure	<u>HK\$</u>	<u>HK\$</u>
Dementia Supplement for Residential Elderly Services	3,612,602.00	3,712,085.00
Infirmity Care Supplement for Residential Elderly Services	4,949,464.00	3,807,280.00
After School Care Programme - Fee Waiving Subsidy Scheme	919,923.00	785,727.00
Time-defined Subsidy Scheme for Extended Hours Service Users	20,960.00	15,840.00
Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	15,000.00	15,000.00
Special Allowance for Staff of Subvented Residential Care Service Units in respect of COVID-19	-	661,609.00
Time-limited programme on Enhancing Infection Control and Ventilation of Residential Care Homes for the Elderly and Residential Care Homes for Persons with Disabilities - On-site Ventilation Assessment	55,000.00	5,000.00
Total	<u>9,572,949.00</u>	<u>9,002,541.00</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.

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 reflected in the AFR.

The Breakdown on Other Income is as follows:

Other Income	2021-22	2020-21
	<u>HK\$</u>	<u>HK\$</u>
(a) Fees and charges for services incidental to the operation of subvented services	2,116,253.27	1,298,378.28
(b) Others	-	-
Sub-Total	<u>2,116,253.27</u>	<u>1,298,378.28</u>
Less: Utilised allocation under CI-ASCP/Enhanced ASCP-FWSS which forms as part of Other Income*	-	-
Total	<u>2,116,253.27</u>	<u>1,298,378.28</u>

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

6. Personnel Emoluments Personnel Emoluments include salary, provident fund and salary-related allowances. The analysis on number of posts with annual Personnel Emoluments over \$700,000 each paid under LSG is appended below:

Analysis of Personnel Emoluments paid under LSG

	<u>No. of Posts</u>	<u>HK\$</u>	<u>HK\$</u>
HK\$700,001 - HK\$800,000 p.a.	4	2,923,649.80	3,716,709.10
HK\$800,001 - HK\$900,000 p.a.	4	3,381,329.10	1,712,475.90
HK\$900,001 - HK\$1,000,000 p.a.	2	1,828,024.00	2,847,016.84
HK\$1,000,001 - HK\$1,100,000 p.a.	0	-	-
HK\$1,100,001 - HK\$1,200,000 p.a.	2	2,306,078.40	2,291,285.28
>HK\$1,200,000 p.a.	1	1,204,785.05	2,728,812.25
		<u>15,154,814.53</u>	<u>12,448,214.33</u>

7. Other Charges

The breakdown on Other Charges is as follows:

	2021-22	2020-21
Other Charges	<u>HK\$</u>	<u>HK\$</u>
(a) Utilities	2,218,180.60	2,019,376.30
(b) Food	4,133,413.59	3,680,732.20
(c) Administrative Expenses	494,685.14	315,068.31
(d) Stores and Equipment	1,721,160.11	1,175,515.59
(e) Repair and Maintenance	1,239,212.72	1,053,461.02
(f) Programme Expenses	1,490,791.35	620,869.66
(g) Nursing Necessity, VMO Charges and P. T. Service	1,560,349.07	1,485,729.20
(h) Transportation and Travelling	350,126.71	127,600.47
(i) Insurance	1,555,313.54	1,607,367.41
(j) Staff Development, Awards & Welfare	314,366.00	282,934.60
(k) Miscellaneous	77,215.70	79,559.57
sub-Total	<u>15,154,814.53</u>	<u>12,448,214.33</u>
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	-	-
Total	<u>15,154,814.53</u>	<u>12,448,214.33</u>

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

THE CHINESE RHENISH CHURCH HONG KONG SYNOD
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FOR THE YEAR ENDED 31 MARCH 2022

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

	Lump Sum Grant (LSG) HK\$	Adjustment for Utilised allocation under ASCP /Enhanced ASCP - FWSS	Rent and Rates HK\$	Central Items HK\$	Total HK\$
Income					
Lump Sum Grant	82,071,051.00		-	-	82,071,051.00
Fee Income	7,258,179.00		-	-	7,258,179.00
Other Income	2,116,253.27		-	-	2,116,253.27
Interest Received (Note (1))	38,608.04		-	-	38,608.04
Rent and Rates	-		4,736,012.00	-	4,736,012.00
Central Items	-		-	10,242,102.00	10,242,102.00
Total Income (a)	91,484,091.31		4,736,012.00	10,242,102.00	106,462,205.31
Expenditure					
Personnel Emoluments	75,293,115.39		-	-	75,293,115.39
Other Charges	15,154,814.53		-	-	15,154,814.53
Rent and Rates	-		5,247,349.00	-	5,247,349.00
Central Items	-		-	9,572,949.00	9,572,949.00
Total Expenditure (b)	90,447,929.92		5,247,349.00	9,572,949.00	105,268,227.92
Surplus/(Deficit) for the Year (a) - (b)	1,036,161.39		(511,337.00)	669,153.00	1,193,977.39
<u>Less:</u> Surplus/(Deficit) of Provident Fund	97,926.95		-	-	97,926.95
	938,234.44		(511,337.00)	669,153.00	1,096,050.44
Surplus/(Deficit) b/f (Note (2))	15,072,018.58		(447,174.40)	1,343,476.77	15,968,320.95
Adjustment of previous year balance	-		(0.60)	-	(0.60)
	16,010,253.02		(958,512.00)	2,012,629.77	17,064,370.79
<u>Add:</u> Refund from Government	-		513,035.00	-	513,035.00
<u>Less:</u> Refund to Government	-		(65,860.00)	(152,081.00)	(217,941.00)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplement (Note (3))	-		-	-	-
Adjustment for utilised allocation under <u>Enhanced</u> ASCP-FWSS (over-estimated)/under-estimated in previous year(s)					
Surplus/(Deficit) c/f (Note (4))	16,010,253.02		(511,337.00)	1,860,548.77	17,359,464.79

Notes :

- (1) Interest received on LSG 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 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 Infirmity 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 Provident Fund expenditure) for the year.