

**HONG KONG & MACAU LUTHERAN
CHURCH SOCIAL SERVICE LIMITED**

港澳信義會社會服務有限公司

**EXECUTIVE COUNCIL'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023**

NICHOLAS FUNG & CO.
Certified Public Accountants

HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED
港澳信義會社會服務有限公司

REPORT OF THE EXECUTIVE COUNCIL
FOR THE YEAR ENDED 31 MARCH 2023

The Executive Council Members have pleasure in submitting their annual report and the audited financial statements for the year ended 31 March 2023.

ASSOCIATION'S ACTIVITY

The Association is engaged in provision of social and hostel services to the elderly persons.

ACCOUNTS

The surplus for the year ended 31 March 2023 and the financial position of the Association at 31 March 2023 are set out on pages 6 to 49 of the financial statements.

EXECUTIVE COUNCIL MEMBERS

The Executive Council Members during the year and up to the date of this report were:

Leung Yat Man (President)	
Yeung Man Yuk (Vice-president)	
Wong Wai Tak	
Luk Chi Ho	
Pang Tak Kin	
Shek Shui Hung	
Wong Wan	
Mak Kwok Ting	(Appointed on 1 January 2023)
Chan Wai Hung	(Appointed on 1 January 2023)
Yu Sau Ching Rachel	(Resigned on 1 January 2023)
Li Man Tung Raymond	(Resigned on 2 January 2023)

In accordance with the Association's Articles of Association, all the remaining Executive Council Members retire and, being eligible, offer themselves for re-election in the next annual general meeting.

No contract of significance to which the Association was a party and in which an Executive Council Member had a material interest subsisted at the end of the year or at any time during the year.

At no time during the year was the Association a party to any arrangement to enable the Executive Council Members to acquire benefits by means of acquisition of shares in or debentures of the Association or any other body corporate.

BUSINESS REVIEW

The Association falls within the reporting exemption for the financial year in accordance with the Companies Ordinance and is not required to prepare a business review for the year.

MANAGEMENT CONTRACTS

No substantial contract concerning the management and administration of the Association was entered into and existed during the year.

AUDITORS

Messrs. Nicholas Fung & Co., Certified Public Accountants, retire and, being eligible, offer themselves for re-appointment.

On behalf of the Executive Council



Leung Yat Man
President

Hong Kong, 22 September 2023

馮卓堅會計師事務所
NICHOLAS FUNG & CO.

Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT
TO THE EXECUTIVE COUNCIL MEMBERS OF
HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED**

港澳信義會社會服務有限公司

(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Hong Kong and Macau Lutheran Church Social Service Limited ("the Association") set out on pages 6 to 49, which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance, the "Lump Sum Grant Manual" and the "Rules on the Use of Social Welfare Subventions" as set out in the "Guide to Social Welfare Subventions" and other instructions issued by the Director of Social Welfare from time to time.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Executive Council Members are responsible for the other information. The other information comprises the information included in the Executive Council Members' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

馮卓堅會計師事務所
NICHOLAS FUNG & CO.

Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT
TO THE EXECUTIVE COUNCIL MEMBERS OF
HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED**
港澳信義會社會服務有限公司

(Incorporated in Hong Kong with limited liability)

Responsibilities of Executive Council Members and Those Charged with Governance for the Financial Statements

The Executive Council Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, the "Lump Sum Grant Manual" and the "Rules on the Use of Social Welfare Subvention" as set out in the "Guide to Social Welfare Subventions" and other instructions issued by the Director of Social Welfare from time to time, and for such internal control as the Executive Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Council Members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Council Members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

馮卓堅會計師事務所
NICHOLAS FUNG & CO.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
TO THE EXECUTIVE COUNCIL MEMBERS OF
HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED
港澳信義會社會服務有限公司

(Incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Council Members.
- Conclude on the appropriateness of the Executive Council Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



NICHOLAS FUNG & CO.
Certified Public Accountants

Hong Kong, 22 September 2023

HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED
港澳信義會社會服務有限公司

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 HK\$	2022 HK\$
Non-current assets			
Property, plant and equipment	8	606,452.65	1,217,725.63
Current assets			
Accounts receivables		317,390.00	338,912.80
Rent and rates subvention deficit account	9	87,447.50	642,338.50
Deposits and prepayment		285,373.00	271,279.00
Prevention of antibiotic resistant bacteria deficit account	10	189,672.80	120,409.80
Other grants receivables		111,577.52	437,506.92
Special grant on manpower support for residential and home-based care service units in respect of COVID-19 deficit account	11	70,462.00	165,654.00
Special allowance for the staff of residential care homes for the elderly (“RCHes”) and residential care homes for persons with disabilities (“RCHDs”) deficit account	12	-	76,000.00
Cash and bank balances		10,267,232.36	10,536,642.05
		<u>11,329,155.18</u>	<u>12,588,743.07</u>
Current liabilities			
Receipts in advance and temporary receipts		51,268.50	52,993.70
Accounts payable and accrued charges		40,000.00	1,016,108.65
Rent and rates subvention surplus account	9	9,934.00	3,313.00
Care assistants and programme assistants surplus account	13	1,025.00	1,025.00
Special subsidy for on-site quarantine allowance surplus account	16	-	964,000.00
Time-limited programme on enhancing infection control and ventilation of residential care homes for elderly surplus account	17	9,568.00	-
Special subsidy for visiting medical practitioner Scheme for RCHes & RCHDs surplus account	18	-	195,000.00
Lotteries Fund for Wi-Fi project surplus account	19	88,498.27	78,330.63
Lotteries fund for internet access surplus account	20	3,785.20	3,785.20
Social welfare development fund surplus account	21	459,071.70	501,944.69
Time-limited posts for elderly and rehabilitation services surplus account	22	58,019.75	88,402.58
Anti-virus coating spray for residential care homes for the elderly surplus account	23	0.20	0.20
Deferred income on other grant	24	304,561.63	770,959.64
Deferred income on lotteries fund block grant	25	74,966.99	76,165.54
		<u>1,100,699.24</u>	<u>3,752,028.83</u>
Net current assets		<u>10,228,455.94</u>	<u>8,836,714.24</u>

HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED
港澳信義會社會服務有限公司

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023


	Note	2023 HK\$	2022 HK\$
Non-current liabilities			
Deferred income on other grant	24	125,801.00	178,760.63
Deferred income on lotteries fund block grant	25	48,003.66	26,963.32
		<u>173,804.66</u>	<u>205,723.95</u>
NET ASSETS		<u><u>10,661,103.93</u></u>	<u><u>9,848,715.92</u></u>
FUNDS AND RESERVES			
Accumulated surplus	26	80,174.21	166,385.26
Reserve fund	27	8,539,109.36	7,835,380.94
Flag day fund	28	1,249,767.50	1,249,767.50
F & E replenishment and minor works block grant reserve	29	<u>792,052.86</u>	<u>597,182.22</u>
		<u><u>10,661,103.93</u></u>	<u><u>9,848,715.92</u></u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

Approved by the Council on 22 September 2023



 Leung Yat Man
 President



 Yeung Man Yuk
 Vice-president

HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED
港澳信義會社會服務有限公司

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 HK\$	2022 HK\$
INCOME			
Social welfare subventions			
Lump Sum Grant		19,457,687.00	19,176,598.00
Subvention for -			
Special subsidy for visiting medical practitioner scheme for RCHEs and RCHDs	18	-	195,000.00
Infirmity care supplement for residential elderly services	14	848,070.00	1,047,002.00
Dementia supplement for residential elderly services	15	905,592.00	944,834.00
Rent and rates		1,657,052.00	1,023,688.00
		22,868,401.00	22,387,122.00
Grant received from social welfare development fund		-	37,000.00
Grant to time-limited posts for elderly and rehabilitation services	22	196,200.00	65,400.00
Grant to anti-virus coating spray for RCHEs		-	19,764.05
Special grant to staff of subvented RCHEs/NHs and their attached day service units requiring compulsory COVID-19 testing		-	83,160.00
Special grant to step up preventive measures against the spread of COVID-19		-	40,000.00
Special grant for special allowance for Staff of Subvented Residential Service Units in respect of COVID-19		199,249.00	-
Special grant on enhancing infection control and ventilation of RCHEs and RCHDs	17	9,568.00	-
Special allowance for the staff of RCHEs and RCHDs	12	310,000.00	70,000.00
Special subsidy for on-site quarantine allowance	16	-	1,484,000.00
Special subsidy from the Hong Kong Council of Social Services		142,727.00	-
One-off special allowance for vaccinations to staff of RCHEs/NHs		-	27,200.00
One-off subsidy for organising social activities for elderly persons and persons with disabilities		-	55,000.00
Training subsidy to staff of RCHEs		14,000.00	6,000.00
One-off subsidy for elderly centres for purchase of warm items		20,100.00	20,400.00
Subsidy for Wi-Fi project	19	26,400.00	51,100.00
Membership fee income		19,509.00	25,900.00
Programme income		51,745.00	58,452.70
Boarding fee income		1,687,666.90	1,804,887.50
Messing income		109,909.50	111,625.00
Bank interest income		20,113.71	163.53
Lotteries fund block grant recognised	25	124,169.21	187,904.85
Other grant recognised	24	896,760.64	814,435.77

HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED
港澳信義會社會服務有限公司

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 HK\$	2022 HK\$
Donation received		59,840.00	102,811.00
Other income		60,117.75	82,276.70
		<u>26,816,476.71</u>	<u>27,534,603.10</u>
LESS: EXPENDITURE (SCH.1)		(26,839,566.67)	(27,521,680.96)
INCOME OVER EXPENDITURE		(23,089.96)	12,922.14
Transfer of deficit/(surplus) to -			
Actuarial service deficit account		300,000.00	-
Rent and rates recoverable from Social Welfare Department (“SWD”)	9	87,448.00	642,339.00
Prevention of antibiotic resistant bacteria deficit account		69,263.00	62,173.00
Rent and rates surplus account	9	(9,934.00)	(3,313.00)
Manpower support for residential and home-based care service units in respect of COVID-19	11	(95,192.00)	165,654.00
Special allowance for the staff of RCHEs and RCHDs	12	(78,000.00)	76,000.00
Social welfare development fund surplus account	21	43,975.00	(32,150.00)
Time-limited posts for elderly and rehabilitation services surplus account	22	(35,017.17)	(23,002.58)
Time-limited programme on enhancing infection control and ventilation of residential care homes for elderly surplus account	17	(9,568.00)	9,568.00
Staff of subvented RCHEs/NHs and their attached day service units requiring compulsory COVID-19 testing surplus account		-	(66,360.00)
Special subsidy for visiting medical practitioner Scheme for RCHE and RCHD	18	102,500.00	(195,000.00)
On-site quarantine allowance	16	250,750.00	(964,000.00)
Organising social activities for elderly persons and persons with disabilities		-	(1,023.20)
Lotteries Fund for Wi-Fi project surplus account		(9,948.00)	(40,730.00)
		<u>616,276.83</u>	<u>(369,844.78)</u>
SURPLUS/(DEFICIT) FOR THE YEAR		593,186.87	(356,922.64)

HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED
港澳信義會社會服務有限公司

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

SCHEDULE 1 – EXPENDITURE

	Note	2023 HK\$	2022 HK\$
Actuarial service expenses		300,000.00	-
Auditors' remuneration		40,000.00	37,000.00
Advertising		18,715.60	28,350.30
Aromatherapy service expenses		-	270,250.00
Bank charges		1,533.55	1,055.50
Cleaning		91,036.20	119,487.50
Computer expenses		11,282.00	11,282.00
Dementia supplement for residential elderly services	15	905,592.00	944,834.00
Depreciation		1,155,264.98	1,231,290.98
Disinfection coating expenses		-	10,455.00
Electricity, gas and water		618,127.08	521,067.42
Expenses for Special allowance for Staff of RCHE and RCHD		232,000.00	146,000.00
Expenses for prevention for antibiotic resistant bacteria	10	69,263.00	62,173.00
Expenses for elderly centres for purchase of warm items		20,100.00	20,400.00
Expenses for organising social activities for elderly persons and persons with disabilities		-	53,976.80
Expenses for step up preventive measures against the spread of severe respiratory disease associated with a novel infectious agent		-	40,000.00
Expenses for anti-virus coating spray for residential care homes for the elderly	23	-	19,764.05
Expenses for time-limited programme on enhancing infection control and ventilation of RCHEs	17	-	9,568.00
Expenses for staff of subvented RCHEs/NHs and their attached day service units requiring compulsory COVID-19 testing		-	16,800.00
Expenses for time-limited posts for elderly and rehabilitation services	22	161,182.83	42,397.42
Expenses for on-site quarantine allowance	16	250,750.00	520,000.00
Expenses for manpower support for residential and home-based care service units in respect of COVID-19	11	104,057.00	165,654.00
Expenses for Training Subsidy Scheme		7,000.00	7,000.00
Expenses for vaccination allowance		-	27,200.00
Expenses for extra visiting medical practitioner Scheme for RCHE and RCHD	18	102,500.00	-
Expenses for Hong Kong Council of Social Services programme		142,727.00	-
Food		1,136,131.95	1,250,425.82
Infection control expenses		1,272.00	10,413.00
Infirmity care supplement for residential elderly services	14	848,070.00	1,047,002.00

HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED
港澳信義會社會服務有限公司

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

SCHEDULE 1 – EXPENDITURE (CONTINUED)

	Note	2023 HK\$	2022 HK\$
Insurance		114,630.08	107,589.16
Laundry charges		6,000.00	35,611.00
Legal and professional fee		5,100.00	2,000.00
Medical expenses		40,960.00	44,790.00
Medical instrument and expenses		394,059.30	290,729.86
Motor vehicle operating expenses		37,343.37	33,770.82
Newspaper and magazine		8,151.00	13,950.00
Occupational therapy and physiotherapy expenses		154,560.00	605,747.50
Patient accompany fee		79,200.00	49,720.00
Postage		13,692.60	15,492.80
Printing and stationery		55,618.07	61,121.60
Programme expenses		331,540.30	395,732.27
Provident fund contributions		807,991.98	855,919.17
Registration fee		1,800.00	1,800.00
Relief staff service fee		2,273,656.40	2,349,114.00
Rent, rates and building management fee	9		
- Rent		1,405,395.10	1,363,705.10
- Rates		83,100.00	83,100.00
- Building management fee		250,272.00	220,110.00
Repairs and maintenance		224,712.30	139,780.32
Salaries and responsibility allowance			
- Salaries		13,699,372.66	13,394,770.31
- Relief workers salaries		126,322.50	407,701.00
Speech therapy services fee		104,850.00	89,718.80
Spiritual care service expenses		111,690.00	96,111.00
Staff training expenses		53,575.00	4,850.00
Storage		6,628.00	-
Secretarial fee		2,905.00	1,800.00
Sewage charges		6,494.42	7,092.98
Sundry expenses		148,861.00	172,624.78
Telephone		48,810.90	43,644.00
Travelling and transportation		9,217.50	9,367.70
Wifi expenses	19	16,452.00	10,370.00
		<u>26,839,566.67</u>	<u>27,521,680.96</u>

HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED
 港澳信義會社會服務有限公司

STATEMENT OF CHANGES IN FUNDS
 FOR THE YEAR ENDED 31 MARCH 2023

	Accumulated surplus HK\$	Reserve fund HK\$	Flag day fund HK\$	F & E replenishment and minor works block grant reserve HK\$	Total HK\$
Balance as at 1 April 2021	180,324.62	8,199,468.22	1,249,767.50	343,067.25	9,972,627.59
Surplus of block grant over expenditure	-	-	-	254,114.97	254,114.97
Deficit for the year	(356,922.64)	-	-	-	(356,922.64)
Transfer from accumulated fund to reserve fund	342,983.28	(342,983.28)	-	-	-
Refund of provident fund to the Government	-	(21,104.00)	-	-	(21,104.00)
Balance as at 31 March 2022	166,385.26	7,835,380.94	1,249,767.50	597,182.22	9,848,715.92
Surplus of block grant over expenditure	-	-	-	194,870.64	194,870.64
Surplus for the year	593,186.87	-	-	-	593,186.87
Transfer from accumulated fund to reserve fund	(645,104.00)	645,104.00	-	-	-
Refund of provident fund from the Government	-	109,054.50	-	-	109,054.50
Refund of provident fund to the Government	-	(84,724.00)	-	-	(84,724.00)
Previous year adjustment	(34,293.92)	34,293.92	-	-	-
Balance as at 31 March 2023	80,174.21	8,539,109.36	1,249,767.50	792,052.86	10,661,103.93

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED
港澳信義會社會服務有限公司

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 HK\$	2022 HK\$
Cash flows from operating activities		
Surplus/(Deficit) for the year	593,186.87	(356,922.64)
Adjustments for:		
Depreciation	1,155,264.98	1,231,290.98
Bank interest income	(20,113.71)	(163.53)
Lotteries fund block grant	(124,169.21)	(187,904.85)
Other grant recognised	(896,760.64)	(814,435.77)
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Operating surplus/(deficit) before working capital changes	707,408.29	(128,135.81)
Decrease/(Increase) in accounts receivable	21,522.80	(337,912.80)
Decrease/(Increase) in rent and rates subvention deficit account	554,891.00	(233,298.00)
Increase in deposits and prepayment	(14,094.00)	(2,934.00)
Increase in prevention of antibiotic resistant bacteria deficit account	(69,263.00)	(62,173.00)
Decrease in other grants receivables	325,929.40	1,655,501.38
Decrease/(Increase) in special grant on manpower support for residential and home-based care service units in respect of COVID-19 deficit account	95,192.00	(165,654.00)
Decrease/(Increase) in special allowance for the staff of RCHEs and RCHDs deficit account	76,000.00	(76,000.00)
Decrease in receipts in advance and temporary receipts	(1,725.20)	(178,014.70)
Decrease in accounts payable and accrued charges	(976,108.65)	(1,045,128.65)
Increase/(Decrease) in rent and rates surplus account	6,621.00	(3,967.20)
(Decrease)/Increase in special subsidy for on-site quarantine allowance surplus account	(964,000.00)	964,000.00
Increase/(Decrease) in time-limited programme on enhancing infection control and ventilation of residential care homes for elderly surplus account	9,568.00	(13,224.00)
Decrease in special allowance for staff of subvented residential service units in respect of COVID-19 surplus account	-	(29,707.73)
(Decrease)/Increase in special subsidy for visiting medical practitioner scheme for RCHEs & RCHDs surplus account	(195,000.00)	195,000.00
Increase in Lotteries Fund for Wi-Fi project surplus account	10,167.64	40,730.46
(Decrease)/Increase in social welfare development fund surplus account	(42,872.99)	32,155.03
(Decrease)/Increase in time-limited posts for elderly and Rehabilitation services surplus account	(30,382.83)	23,002.58
Decrease in staff of subvented RCHEs/NHs and their attached day service units requiring compulsory COVID-19 testing surplus account	-	(2,000.00)
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Net cash (used in)/generated from operating activities	(486,146.54)	632,239.56
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HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED
港澳信義會社會服務有限公司

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 HK\$	2022 HK\$
Cash flows from investing activities		
Acquisition of property, plant and equipment	(543,992.00)	(731,367.90)
Interest received	20,113.71	163.53
Net cash used in investing activities	<u>(523,878.29)</u>	<u>(731,204.37)</u>
Cash flows from financing activities		
Lotteries fund block grant received	338,881.64	335,004.97
Other grants received	377,403.00	536,281.90
Refund of provident fund from the Government	24,330.50	-
Refund of provident fund to the Government	-	(21,104.00)
Net cash generated from financing activities	<u>740,615.14</u>	<u>850,182.87</u>
Net (decrease)/increase in cash and cash equivalents	<u>(269,409.69)</u>	<u>751,218.06</u>
Cash and cash equivalents at beginning of the reporting period	10,536,642.05	9,785,423.99
Cash and cash equivalents at the end of the reporting period	<u>10,267,232.36</u>	<u>10,536,642.05</u>
Analysis of cash and cash equivalents		
Cash and bank balances	<u>10,267,232.36</u>	<u>10,536,642.05</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

NAME OF AGENCY: HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED

NAME OF SUBVENTED SERVICE UNIT: SUPERVISORY SUPPORT FOR ELDERLY

AGENCY CODE: 260

UNIT CODE: 2484

BASIS: LUMP SUM GRANT

OPERATING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023

2022 HK\$		2023 HK\$	Remark/ Notes
	INCOME		
19,176,598.00	Social welfare subventions		
	Lump Sum Grant	19,457,687.00	
37,000.00	Grant received from SWDF	-	
65,400.00	Grant to time-limited posts for elderly and rehabilitation Services	196,200.00	Note 22
163.53	Bank interest income	20,113.71	
64,318.00	Donation received	-	
4,948.66	Lotteries fund block grant	500.00	Note 25
19,348,428.19	TOTAL INCOME	19,674,500.71	(A)
	EXPENDITURE		
	PERSONAL EMOLUMENTS:		
1,686,997.16	Salaries	1,752,579.16	
178,678.81	Provident fund contributions	183,453.36	
6,000.00	Medical expenses	4,675.00	
1,871,675.97	TOTAL PERSONAL EMOLUMENTS	1,940,707.52	
	OTHER CHARGES:		
	UTILITIES		
6,273.00	Electricity	9,298.00	
-	FOOD	-	
	ADMINISTRATIVE EXPENSES		
-	Actuarial services fee	300,000.00	
223.50	Postage	88.00	
7,296.00	Telephone	6,648.90	
716.20	Bank charges	715.55	
4,201.10	Rent and rates	4,201.10	
1,800.00	Secretarial fee	2,905.00	
1,240.00	Staff training	-	
	Audit fee		
8,000.00	a) Annual audit	9,000.00	
23,476.80	SUB-TOTAL	323,558.55	

NAME OF AGENCY: HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED

NAME OF SUBVENTED SERVICE UNIT: SUPERVISORY SUPPORT FOR ELDERLY

AGENCY CODE: 260

UNIT CODE: 2484

BASIS: LUMP SUM GRANT

OPERATING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023

2022 HK\$		2023 HK\$	Remark/ Notes
	STORES AND EQUIPMENT		
1,718.70	Cleaning materials	1,384.10	
8,686.10	Printing and stationery	12,934.12	
10,404.80		14,318.22	
	REPAIRS AND MAINTENANCE		
6,259.00	Minor purchases, repair and maintenance	8,269.00	
6,259.00		8,269.00	
	TRANSPORT AND TRAVELLING		
1,438.80	Other traveling expenses	1,672.50	
	INSURANCE PREMIUM		
31,392.74	Public liability	47,179.63	
64,584.82	Employees' compensation	55,838.85	
95,977.56	SUB-TOTAL	103,018.48	
	MISCELLANEOUS		
43,518.34	Depreciation	18,069.00	
2,025.00	Expenses for anti-virus coating spray for residential care homes for the elderly	-	
-	Expenses for Time-limited Posts for Elderly and Rehabilitation Services	4,000.00	
12,150.90	Sundry expenses	11,372.80	
57,694.24	SUB-TOTAL	33,441.80	
201,524.20	TOTAL OTHER CHARGES	493,576.55	
2,073,200.17	TOTAL EXPENDITURE	2,434,284.07	(B)
17,275,228.02	INCOME LESS EXPENDITURE (A) – (B)	17,240,216.64	
-	TRANSFER OF SURPLUS TO SOCIAL WELFARE DEVELOPMENT FUND SURPLUS ACCOUNT	300,000.00	

NAME OF AGENCY: HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED

NAME OF SUBVENTED SERVICE UNIT: SUPERVISORY SUPPORT FOR ELDERLY

AGENCY CODE: 260

UNIT CODE: 2484

BASIS: LUMP SUM GRANT

OPERATING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023

2022 HK\$		2023 HK\$	Remark/ Notes
(35,760.00)	TRANSFER OF SURPLUS TO SOCIAL WELFARE DEVELOPMENT FUND SURPLUS ACCOUNT	-	
(65,400.00)	TRANSFER OF SURPLUS TO TIME-LIMITED POSTS FOR ELDERLY AND REHABILITATION SERVICES SURPLUS ACCOUNT	(192,200.00)	
(17,148,319.70)	TRANSFER OF SURPLUS TO RESERVE FUND	(17,365,585.64)	
25,748.32	BALANCE FOR THE YEAR TRANSFERRED TO ACCUMULATED GENERAL FUND	(17,569.00)	

Notes: The entire activities of the centre are complied with those as set out in the Funding and Service Agreement.

NAME OF AGENCY: HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED

NAME OF SUBVENTED SERVICE UNIT: WAI KEI HOSTEL

AGENCY CODE: 260

UNIT CODE: 2486

BASIS: LUMP SUM GRANT

OPERATING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023

2022 HK\$		2023 HK\$	Remark/ Notes
	INCOME		
	Social welfare subventions		
195,000.00	Special subsidy for visiting medical practitioner scheme for RCHEs and RCHDs	-	Note 18
1,047,002.00	Subvention for infirmary care supplement for residential elderly services	848,070.00	Note 14
944,834.00	Subvention for dementia supplement for residential elderly services	905,592.00	Note 15
875,213.00	Subvention for rent and rates	915,713.00	Note 9
19,764.05	Grant to anti-virus coating spray for residential care homes for the elderly	-	
	Special grant to staff of subvented RCHEs/NHs and their attached day service units requiring compulsory COVID-19 testing	-	
83,160.00	Special grant to step up preventive measures against the spread of COVID-19	-	
20,000.00		-	
70,000.00	Special allowance for the staff of RCHEs and RCHDs	310,000.00	Note 12
	Special Grant for Special allowance for Staff of Subvented Residential Service Units in respect of COVID-19	199,249.00	Note 11
-	Special Grant on enhancing infection control for RCHEs and RCHDs	9,568.00	Note 17
-		-	
1,484,000.00	Special subsidy for on-site quarantine allowance	-	
	One-off special allowance for vaccinations to staff of RCHEs/NHs		
27,200.00			
-	Special subsidy from the Hong Kong Council of Social Services	80,400.00	
	Fee income		
1,804,887.50	Boarding fee	1,687,666.90	
111,625.00	Staff messing income	109,909.50	
	Other income		
51,792.00	Sundry income	46,743.40	
6,372.70	Programme income	400.00	
6,000.00	Training subsidy to staff of RCHEs	14,000.00	
153.00	Donation received	33,000.00	
167,415.86	Lotteries fund block grant	113,968.54	Note 25
260,296.90	Other grant income	341,002.34	Note 24
7,174,716.01	TOTAL INCOME	5,615,282.68	(A)

NAME OF AGENCY: HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED

NAME OF SUBVENTED SERVICE UNIT: WAI KEI HOSTEL

AGENCY CODE: 260

UNIT CODE: 2486

BASIS: LUMP SUM GRANT

OPERATING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023

2022 HK\$		2023 HK\$	Remark/ Notes
	EXPENDITURE		
	PERSONAL EMOLUMENTS:		
8,182,332.15	Salaries	8,756,449.96	
407,701.00	Relief workers	126,322.50	
434,980.22	Provident fund contributions	485,222.04	
28,795.00	Medical expenses	30,425.00	
<u>9,053,808.37</u>	TOTAL PERSONAL EMOLUMENTS	<u>9,398,419.50</u>	
	OTHER CHARGES:		
	UTILITIES		
328,688.00	Electricity	407,416.00	
152,357.00	Gas and fuel	164,223.00	
16,564.42	Water	15,659.08	
7,092.98	Sewage charge	6,494.42	
<u>504,702.40</u>	SUB-TOTAL	<u>593,792.50</u>	
	FOOD		
84,588.20	Food for staff	87,958.10	
1,165,837.62	Food for clients	1,048,173.85	
<u>1,250,425.82</u>	SUB-TOTAL	<u>1,136,131.95</u>	
	ADMINISTRATIVE EXPENSES		
2,119.30	Postage	1,964.80	
22,436.00	Telephone	21,551.00	
28,350.30	Advertisement for staff recruitment	15,478.00	
256.10	Bank charges for auto-pay of salaries/residential fees	738.70	
5,641.00	Computer expenses	5,641.00	
-	Legal and professional fee	2,800.00	
10,413.00	Infection control expenses	-	
1,800.00	Registration fee under Occupational Retirement Scheme Ordinance	1,800.00	
1,680.00	Staff training	37,000.00	
	Audit fee		
2,000.00	a) For Registered Occupational Retirement Scheme	2,300.00	
17,000.00	b) Annual audit	18,000.00	
<u>91,695.70</u>	SUB-TOTAL	<u>107,273.50</u>	

NAME OF AGENCY: HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED

NAME OF SUBVENTED SERVICE UNIT: WAI KEI HOSTEL

AGENCY CODE: 260

UNIT CODE: 2486

BASIS: LUMP SUM GRANT

OPERATING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023

2022 HK\$		2023 HK\$	Remark/ Notes
	STORES AND EQUIPMENT		
97,855.50	Cleaning materials	86,912.10	
35,611.00	Laundry charges	6,000.00	
24,846.50	Printing and stationery	18,512.33	
-	Storage	6,628.00	
13,950.00	Newspapers and periodicals	7,016.00	
172,263.00	SUB-TOTAL	125,068.43	
	REPAIRS AND MAINTENANCE		
87,315.82	Minor purchases, repairs and maintenance	159,280.30	
17,245.00	Fire services equipment	36,480.00	
104,560.82	SUB-TOTAL	195,760.30	
	PROGRAMME EXPENSES		
68,593.47	Programme expenses	47,103.90	
	TRANSPORT AND TRAVELLING		
	Vehicle expenses:-		
114.00	a) Vehicle license	114.00	
7,641.52	b) Third party insurance	7,426.37	
26,015.30	c) Petroleum	29,803.00	
3,214.50	Other traveling expenses	5,268.60	
36,985.32	SUB-TOTAL	42,611.97	
	THERAPY AND MEDICAL INSTRUMENT		
270,250.00	Aromatherapy service expenses	-	
290,439.86	Medical instrument and expenses	393,944.80	
136,272.50	Occupational therapy and physiotherapy expenses	154,560.00	
89,718.80	Speech therapy services fee	104,850.00	
786,681.16	SUB-TOTAL	653,354.80	
	RELIEF STAFF SERVICE		
2,349,114.00	Relief staff service fee	2,273,656.40	

NAME OF AGENCY: HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED

NAME OF SUBVENTED SERVICE UNIT: WAI KEI HOSTEL

AGENCY CODE: 260

UNIT CODE: 2486

BASIS: LUMP SUM GRANT

OPERATING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023

2022 HK\$		2023 HK\$	Remark/ Notes
	MISCELLANEOUS		
570,993.32	Depreciation	542,274.02	
20,000.00	Expenses for step up preventive measures against the spread of COVID-19	-	
19,764.05	Expenses for anti-virus coating spray for residential care homes for the elderly	-	
16,800.00	Expenses for staff of subvented RCHEs/NHs and their attached day service units requiring compulsory COVID-19 testing	-	
62,173.00	Expenses for prevention for antibiotic resistant bacteria	69,263.00	Note 10
146,000.00	Expenses for Special allowance for Staff of RCHEs and RCHDs	232,000.00	Note 12
34,332.90	Expenses for Time-limited Posts for Elderly and Rehabilitation Services	83,279.60	Note 22
520,000.00	Expenses for on-site quarantine allowance	250,750.00	Note 16
165,654.00	Expenses for manpower support for residential and home-based care service units in respect of COVID-19	104,057.00	Note 11
7,000.00	Expenses for Training Subsidy Scheme	7,000.00	
-	Expenses for Hong Kong Council of Social Services programme	80,400.00	
27,200.00	Expenses for vaccination allowance	-	
49,720.00	Patient accompany fee	79,200.00	
96,111.00	Spiritual care service	111,690.00	
111,438.70	Sundry expenses	113,250.90	
1,847,186.97	SUB-TOTAL	1,673,164.52	
7,212,208.66	TOTAL OTHER CHARGES	6,847,918.27	
	COST OF ACCOMMODATION:		
	RENT		
796,500.00	PHE rental	837,000.00	
40,560.00	Carpark rental	41,750.00	
837,060.00	SUB-TOTAL	878,750.00	Note 9
-	GOVERNMENT RENT	-	
52,600.00	RATES	52,600.00	Note 9
889,660.00	TOTAL COST OF ACCOMMODATION	931,350.00	

NAME OF AGENCY: HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED

NAME OF SUBVENTED SERVICE UNIT: WAI KEI HOSTEL

AGENCY CODE: 260

UNIT CODE: 2486

BASIS: LUMP SUM GRANT

OPERATING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023

2022 HK\$		2023 HK\$	Remark/ Notes
1,047,002.00	INFIRMARY CARE SUPPLEMENT FOR RESIDENTAL ELDERLY SERVICES	848,070.00	Note 14
944,834.00	DEMENTIA SUPPLEMENT FOR RESIDENTAL ELDERLY SERVICES	905,592.00	Note 15
-	EXTRA VISITING MEDICAL PRACTITIONER SCHEME FOR RCHE AND RCHD	102,500.00	Note 18
9,568.00	TIME-LIMITED PROGRAMME ON ENHANCING INFECTION CONTROL AND VENTILATION OF RESIDENTIAL CARE HOMES FOR ELDERLY SURPLUS ACCOUNT	-	Note 17
19,157,081.03	TOTAL EXPENDITURE	19,033,849.77	(B)
(11,982,365.02)	INCOME LESS EXPENDITURE (A)-(B)	(13,418,567.09)	
17,760.00	DEFICIT ON RENT AND RATES REFUNDABLE FROM SWD	18,950.00	Note 9
62,173.00	DEFICIT ON PREVENTION OF ANTIBIOTIC RESISTANT BACTERIA	69,263.00	Note 10
(3,313.00)	TRANSFER OF RENT AND RATES SURPLUS ACCOUNT	(3,313.00)	Note 9
165,654.00	TRANSFER OF DEFICIT TO SPECIAL GRANT ON MANPOWER SUPPORT FOR RESIDENTIAL AND HOME-BASED CARE SERVICE UNITS IN RESPECT OF COVID-19	(95,192.00)	Note 11
76,000.00	TRANSFER OF DEFICIT TO SPECIAL ALLOWANCE FOR THE STAFF OF RCHEs AND RCHDs	(78,000.00)	Note 12
1,680.00	TRANSFER OF DEFICIT TO SOCIAL WELFARE DEVELOPMENT FUND	37,000.00	
9,568.00	TRANSFER OF SURPLUS TO TIME-LIMITED PROGRAMME ON ENHANCING INFECTION CONTROL AND VENTILATION OF RCHEs	(9,568.00)	Note 17

NAME OF AGENCY: HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED

NAME OF SUBVENTED SERVICE UNIT: WAI KEI HOSTEL

AGENCY CODE: 260

UNIT CODE: 2486

BASIS: LUMP SUM GRANT

OPERATING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023

2022 HK\$		2023 HK\$	Remark/ Notes
(66,360.00)	TRANSFER OF SURPLUS TO STAFF OF SUBVENTED RCHEs/NHS AND THEIR ATTACHED DAY SERVICE UNITS REQUIRING COMPULSORY COVID-19 TESTING	-	
(195,000.00)	TRANSFER OF SURPLUS TO SPECIAL SUBSIDY FOR VISITING MEDICAL PRACTITIONER SCHEME FOR RCHEs & RCHDs	102,500.00	Note 18
(964,000.00)	TRANSFER OF SURPLUS TO SPECIAL SUBSIDY FOR ON-SITE QUARANTINE ALLOWANCE	250,750.00	Note 16
34,332.90	TRANSFER OF SURPLUS TO TIME-LIMITED POSTS FOR ELDERLY AND REHABILITATION SERVICES	83,279.60	Note 22
12,804,580.56	TRANSFER OF DEFICIT TO RESERVE FUND	13,000,955.35	
(39,289.56)	BALANCE FOR THE YEAR TRANSFERRED TO ACCUMULATED GENERAL FUND	(41,942.14)	

Notes: The entire activities of the centre are complied with those as set out in the Funding and Service Agreement.

NAME OF AGENCY: HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED

NAME OF SUBVENTED SERVICE UNIT: KEI FUK ELDERLY CENTRE

AGENCY CODE: 260

UNIT CODE: 7750

BASIS: LUMP SUM GRANT

OPERATING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023

2022 HK\$		2023 HK\$	Remark/ Notes
	INCOME		
148,475.00	Subvention for rent and rates	741,339.00	Note 9
20,000.00	Special grant to step up preventive measures against the spread of COVID-19		
55,000.00	One-off subsidy for organising social activities for elderly persons and persons with disabilities		
-	Special subsidy from the Hong Kong Council of Social Services	62,327.00	
51,100.00	Subsidy for Wi-Fi project	26,400.00	Note 19
25,900.00	Fee income (membership fee)	19,509.00	
30,484.70	Sundry income	13,374.35	
52,080.00	Programme income	51,345.00	
20,400.00	One-off subsidy for elderly centres for purchase of warm items	20,100.00	
38,340.00	Donation received	26,840.00	
15,540.33	Lotteries fund block grant	9,700.67	Note 25
554,138.87	Other grant income	555,758.30	Note 24
1,011,458.90	TOTAL INCOME	1,526,693.32	(A)
	EXPENDITURE		
	PERSONAL EMOLUMENTS:		
3,525,441.00	Salaries	3,190,343.54	
242,260.14	Provident fund contributions	139,316.58	
9,995.00	Medical expenses	5,860.00	
3,777,696.14	TOTAL PERSONAL EMOLUMENTS	3,335,520.12	
	OTHER CHARGES:		
	UTILITIES		
17,185.00	Electricity	21,531.00	
-	FOOD	-	
	ADMINISTRATIVE EXPENSES		
13,150.00	Postage	11,639.80	
13,912.00	Telephone	20,611.00	
83.20	Bank charges for auto-pay of salaries/residential fees	79.30	
5,641.00	Computer expenses	5,641.00	
-	Recruitment expenses	3,237.60	
1,930.00	Staff training	16,575.00	
	Audit fee		
12,000.00	a) Annual audit	13,000.00	
46,716.20	SUB-TOTAL	70,783.70	

NAME OF AGENCY: HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED

NAME OF SUBVENTED SERVICE UNIT: KEI FUK ELDERLY CENTRE

AGENCY CODE: 260

UNIT CODE: 7750

BASIS: LUMP SUM GRANT

OPERATING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023

2022 HK\$		2023 HK\$	Remark/ Notes
	STORES AND EQUIPMENT		
19,913.30	Cleaning materials	2,740.00	
27,589.00	Printing and stationery	24,171.62	
-	Newspapers and periodicals	1,135.00	
47,502.30	SUB-TOTAL	28,046.62	
	REPAIRS AND MAINTENANCE		
10,460.50	Minor purchases, repairs and maintenance	20,683.00	
18,500.00	Fire services equipment	-	
28,960.50	SUB-TOTAL	20,683.00	
	PROGRAMME EXPENSES		
327,138.80	Programme expenses	284,436.40	
	TRANSPORT AND TRAVELLING		
4,714.40	Transportation	2,276.40	
	INSURANCE PREMIUM		
11,611.60	Public liability	11,611.60	
	THERAPY AND MEDICAL INSTRUMENT		
290.00	Medical instrument and expenses	114.50	
469,475.00	Occupational therapy and physiotherapy expenses	-	
469,765.00		114.50	
	MISCELLANEOUS		
616,779.32	Depreciation	594,921.96	
20,400.00	Expenses for elderly centres for purchase of warm items	20,100.00	
20,000.00	Expenses for step up preventive measures against the spread of COVID-19	-	
8,430.00	Expenses for anti-virus coating spray for residential care homes for the elderly	-	
8,064.52	Expenses for time-limited posts for elderly and rehabilitation services	73,903.23	Note 22
-	Expenses for Hong Kong Council of Social Services programme	62,327.00	
-	Infection control expenses	1,272.00	
53,976.80	Expenses for organising social activities for elderly persons and persons with disabilities	-	
49,035.18	Sundry expenses	24,237.30	
10,370.00	Wi-Fi expenses	16,452.00	Note 19
787,055.82	SUB-TOTAL	793,213.49	

NAME OF AGENCY: HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED

NAME OF SUBVENTED SERVICE UNIT: KEI FUK ELDERLY CENTRE

AGENCY CODE: 260

UNIT CODE: 7750

BASIS: LUMP SUM GRANT

OPERATING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023

2022 HK\$		2023 HK\$	Remark/ Notes
1,740,649.62	TOTAL OTHER CHARGES	1,232,696.71	
	COST OF ACCOMMODATION:		
	RENT		
522,444.00	PHE rental	522,444.00	
-	Government rent	-	
522,444.00	SUB-TOTAL	522,444.00	Note 9
220,110.00	Building management fee	250,272.00	Note 9
220,110.00	SUB-TOTAL	250,272.00	
30,500.00	RATES	30,500.00	Note 9
773,054.00	TOTAL COST OF ACCOMMODATION	803,216.00	
6,291,399.76	TOTAL EXPENDITURE	5,371,432.83	(B)
(5,279,940.86)	INCOME LESS EXPENDITURE (A)-(B)	(3,844,739.51)	
624,579.00	DEFICIT ON RENT AND RATES REFUNDABLE FROM SWD	68,498.00	Note 9
-	TRANSFER OF RENT AND RATES SURPLUS ACCOUNT	(6,621.00)	Note 9
1,930.00	TRANSFER OF SURPLUS TO SOCIAL WELFARE DEVELOPMENT FUND	6,975.00	
(1,023.20)	TRANSFER OF ORGANISING SOCIAL ACTIVITIES FOR ELDERLY PERSONS AND PERSONS WITH DISABILITIES	-	
8,064.52	TRANSFER OF SURPLUS TO TIME-LIMITED POSTS FOR ELDERLY AND REHABILITATION SERVICES	73,903.23	Note 22
(40,730.00)	TRANSFER OF SURPLUS TO WI-FI PROJECT SURPLUS ACCOUNT	(9,948.00)	

NAME OF AGENCY: HONG KONG & MACAU LUTHERAN CHURCH SOCIAL SERVICE LIMITED

NAME OF SUBVENTED SERVICE UNIT: KEI FUK ELDERLY CENTRE

AGENCY CODE: 260

UNIT CODE: 7750

BASIS: LUMP SUM GRANT

OPERATING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023

2022 HK\$		2023 HK\$	Remark/ Notes
4,686,722.42	TRANSFER OF DEFICIT TO RESERVE FUND	3,719,526.29	
(398.12)	BALANCE FOR THE YEAR TRANSFERRED TO ACCUMULATED GENERAL FUND	7,594.01	

Notes: The entire activities of the centre are complied with those as set out in the Funding and Service Agreement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. STATUS OF THE ASSOCIATION

The Association was incorporated in Hong Kong on 7 January 2014 under the Hong Kong Companies Ordinance as a company limited by guarantee. Pursuant to the Association's Memorandum of Association, every member of the Association undertakes to contribute to the assets of the Association, in the event of its being wound up, to the extent of HK\$100.

The Association's registered office is located at Shek On Building, 8 Chun Yan Street, Wong Tai Sin, Kowloon, Hong Kong.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Association.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong, the Hong Kong Companies Ordinance, the "Lump Sum Grant Manual", the "Rules on the use on the Social Welfare Subvention" and the "Rules for Aided Day Nurseries" as set out in the Guide to Social Welfare Subventions and other instructions issued by the Director of Social Welfare from time to time.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Standards, amendment and interpretations

The Association has adopted all relevant standards, amendment and interpretations effective for the financial period. The management is of the opinion that the adoption does not have any impact on the Association's financial statements.

The Association has not adopted any relevant standards, amendment and interpretations issued subsequent to but not being effective at 31 March 2023 of which the management is of the opinion that there will be no material impact on the financial statements for the period of initial application.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when the revenue can be measured reliably, on the following bases:

- (i) Social welfare subvention from the government are recognised on an accrual basis.
- (ii) Government grants relating to general expenses are recognised as income as it received. Government grants relating to the purchases of property, plant and equipment are recognised as income on a systematic and rational basis over the useful life of the asset.
- (iii) Boarding fee income, messing income and programme income are recognised in the year in which the services are rendered.
- (iv) Donation received is recognised when the donation is received.
- (v) Membership fee is recognised in the accounting period to which the subscriptions are related.
- (vi) Interest income is recognised as it accrues using effective interest method.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset calculated as the difference between the net disposal proceeds and the carrying amount of the item is included in the income and expenditure account in the year in which the item is derecognised.

Depreciation is provided to write off the cost of items of property, plant and equipment using the straight line method over their estimated useful lives as follows:

Leasehold improvement	3 years
Furniture, fixtures and office equipment	3 years
Computer equipment	3 years
Motor vehicle	3 years

(c) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Association's cash management.

(d) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment unless the effect of discounting would be immaterial, in which case they are stated at cost, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income and expenditure account.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Payables

Payables are initially measured at fair value and, after initial recognition, at amortised cost, except for short-term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount.

(f) Government grants

A government grant is recognised when there is a reasonable assurance that the grant will be received and that the service units will comply with the conditions attached with it.

Grants relating to income are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are presented in the statement of financial position by setting up the grants as deferred income. The grants are recognised as income on a systematic and rational basis over the useful life of the asset.

(g) Retirement benefit schemes

The service units operate a defined contribution retirement benefits scheme under the Occupational Retirement Schemes Ordinance for those employees who are eligible and have elected to participate in the scheme. The assets of the scheme are held separately from those of the service units in an independently administered fund. Contributions are made based on a percentage of the participating employee's basic salaries and are charged to the operating income and expenditure account as they become payable in accordance with the rules of the scheme. When an employee leaves the scheme prior to his/her interest in the service units employer contributions vesting fully, the ongoing contributions payable by the service units' may be reduced by the relevant amount of forfeited contributions.

In addition, the service units also operate a defined contribution Mandatory Provident Fund ("MPF") retirement benefit scheme under the Mandatory Provident Fund Schemes Ordinance. Contributions to the MPF scheme are made based on a percentage of the employee's salaries and are charged to the operating income and expenditure account as they become payable in accordance with the rules of the MPF scheme. The service units' employer contributions are fully and immediately vested in favour of the employees.

(h) Related parties

Parties are considered to be related to the Association if the Association has the ability directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Association and the party are subject to common control or common significant influence. Related parties may be individual (being members of key management personnel, significant Executive Council Members and/or their close family members) or other entities and include entities which are under the significant of related parties of the Association where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Association or of any entity that is a related party of the Association.

4. FINANCIAL INSTRUMENTS

4A. CATEGORIES OF FINANCIAL INSTRUMENTS

Financial assets

	2023 HK\$	2022 HK\$
<u>Loans and receivable</u>		
Accounts receivable	317,390.00	338,912.80
Rent and rates subvention deficit account	87,447.50	642,338.50
Prevention of antibiotic resistant bacteria deficit account	189,672.80	120,409.80
Other grants receivables	111,577.52	437,506.92
Special grant on manpower support for residential and home-based care service units in respect of COVID-19 deficit account	-	165,654.00
Special allowance for the staff of residential care RCHEs and RCHDs deficit account	70,462.00	76,000.00
Cash and bank balances	10,267,232.36	10,536,642.05
	<u>11,043,782.18</u>	<u>12,317,464.07</u>
	=====	=====

Financial liabilities

	2023 HK\$	2022 HK\$
<u>Amortised costs</u>		
Accounts payable and accrued charges	40,000.00	1,016,108.65
Rent and rates subvention surplus account	9,934.00	3,313.00
Care assistants and programme assistants surplus account	1,025.00	1,025.00
Special subsidy for on-site quarantine allowance surplus account	-	964,000.00
Time-limited programme on enhancing infection control and ventilation of residential care homes for elderly surplus account	9,568.00	-
Special subsidy for visiting medical practitioner Scheme for RCHEs & RCHDs surplus account	-	195,000.00
Lotteries Fund for Wi-Fi project surplus account	88,498.27	78,330.63
Lotteries fund for internet access surplus account	3,785.20	3,785.20
Social welfare development fund surplus account	459,071.70	501,944.69
Time-limited posts for elderly and rehabilitation services surplus account	58,019.75	88,402.58
Anti-virus coating spray for residential care homes for the elderly surplus account	0.20	0.20
	<u>669,902.12</u>	<u>2,851,909.95</u>
	=====	=====

4. FINANCIAL INSTRUMENTS (CONTINUED)

4B. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

Exposure to interest-rate risk, credit risk, liquidity risk and foreign currency risk arises in the normal course of the Association's operation. The board reviews and agrees the policies for managing each of these risks and they are summarised below:

(i) Credit risk

The Association's maximum exposure to risk in the event of the counterparties failure to perform their obligations as at 31 March 2023 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position. The management reviews the recoverable amount of each individual debt at each the end of the reporting period to ensure that the adequate impairment losses are made for measurable amounts. In this regard, the management considers that the Association's credit risk is significantly reduced.

The Association risk on liquid funds is limited because the counterparties are banks with high credit ratings.

Exposure to credit risk

At the end of the reporting period, the financial assets of the Association that were exposed to credit risk and their maximum exposure were as follows:

	2023		2022	
	Carrying amount in balance <u>sheet</u> HK\$	Maximum exposure to credit <u>risk</u> HK\$	Carrying amount in balance <u>sheet</u> HK\$	Maximum exposure to credit <u>risk</u> HK\$
Accounts receivables	317,390.00	317,390.00	338,912.80	338,912.80
Rent and rates subvention deficit account	87,447.50	87,447.50	642,338.50	642,338.50
Prevention of antibiotic resistant bacteria deficit account	189,672.80	189,672.80	120,409.80	120,409.80
Other grants receivables	111,577.52	111,577.52	437,506.92	437,506.92
Special grant on manpower support for residential and home-based care service units in respect of COVID-19 deficit account	-	-	165,654.00	165,654.00
Special allowance for the staff of residential care RCHEs and RCHDs deficit account	70,462.00	70,462.00	76,000.00	76,000.00
Cash and bank balances	10,267,232.36	10,267,232.36	10,536,642.05	10,536,642.05
	<u>11,043,782.18</u>	<u>11,043,782.18</u>	<u>12,317,464.07</u>	<u>12,317,464.07</u>

4. FINANCIAL INSTRUMENTS (CONTINUED)

4B. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (continued)

(ii) Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due, and it results from amount and maturity mismatches of assets and liabilities.

The Association's policy is to regularly monitor current and expected requirements to ensure that it maintains sufficient reserve of cash to meet its liquidity requirements in the short and longer terms.

The following table details the remaining contractual maturities at the end of the reporting period of the Association's financial liabilities which are based on contractual undiscounted cash flows and the earliest date the Association can be required to pay.

	2023		
	Carrying	Total	Within 1
	<u>amount</u>	contractual	year or on
	HK\$	undiscounted	demand
	HK\$	cash flow	demand
	HK\$	HK\$	HK\$
Accounts payable and accrued charges	40,000.00	(40,000.00)	(40,000.00)
Rent and rates subvention surplus account	9,934.00	(9,934.00)	(9,934.00)
Care assistants and programme assistants surplus account	1,025.00	(1,025.00)	(1,025.00)
Time-limited programme on enhancing infection control and ventilation of residential care homes for elderly surplus account	9,568.00	(9,568.00)	(9,568.00)
Lotteries Fund for Wi-Fi project surplus account	88,498.27	(88,498.27)	(88,498.27)
Lotteries fund for internet access surplus account	3,785.20	(3,785.20)	(3,785.20)
Social welfare development fund surplus account	459,071.70	(459,071.70)	(459,071.70)
Time-limited posts for elderly and rehabilitation services surplus account	58,019.75	(58,019.75)	(58,019.75)
Anti-virus coating spray for residential care homes for the elderly surplus account	0.20	(0.20)	(0.20)
	<u>669,902.12</u>	<u>(669,902.12)</u>	<u>(669,902.12)</u>
	=====	=====	=====

4. FINANCIAL INSTRUMENTS (CONTINUED)

4B. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (continued)

(ii) Liquidity risk (continued)

	2022	2022	2022
	Carrying	Total	Within 1
	amount	contractual	year or on
	<u>amount</u>	<u>cash flow</u>	<u>demand</u>
	HK\$	HK\$	HK\$
Accounts payable and accrued charges	1,016,108.65	(1,016,108.65)	(1,016,108.65)
Rent and rates subvention surplus account	3,313.00	(3,313.00)	(3,313.00)
Care assistants and programme assistants surplus account	1,025.00	(1,025.00)	(1,025.00)
Special subsidy for on-site quarantine allowance surplus account	964,000.00	(964,000.00)	(964,000.00)
Special subsidy for visiting medical practitioner Scheme for RCHes & RCHDs surplus account	195,000.00	(195,000.00)	(195,000.00)
Lotteries Fund for Wi-Fi project surplus account	78,330.63	(78,330.63)	(78,330.63)
Lotteries fund for internet access surplus account	3,785.20	(3,785.20)	(3,785.20)
Social welfare development fund surplus account	501,944.69	(501,944.69)	(501,944.69)
Time-limited posts for elderly and rehabilitation services surplus account	88,402.58	(88,402.58)	(88,402.58)
Anti-virus coating spray for residential care homes for the elderly surplus account	0.20	(0.20)	(0.20)
	<u>2,851,909.95</u>	<u>(2,851,909.95)</u>	<u>(2,851,909.95)</u>
	=====	=====	=====

(iii) Interest rate risk

Other than the bank balances which carry interest at prevailing market rates, the Association has no other significant interest-bearing assets or liabilities. Therefore, the interest risk mainly arises from interest-bearing bank deposits.

Since the Association's income and operating cash flows are substantially independent of changes in market interest rates, the changes in interest rates will have no material impact on the result of the Association. Accordingly, the sensitivity analysis in respect of changes in interest rates is not required.

(iv) Foreign currency risk

The Association operates in Hong Kong with almost all of the transactions settled in Hong Kong dollars therefore there would not be any significant expense to foreign exchange risks during the year.

4. FINANCIAL INSTRUMENTS (CONTINUED)

4B. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Fair value estimation

All financial instruments are carried at the amounts not materially different from their fair values at the end of the reporting period because of the immediate or short term maturity of these instruments.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates with, by definition, seldom equal to the related actual results. The estimates and assumption that have a significant risk of carrying a material adjustment to the carrying amounts of assets and liabilities within next financial year are discussed below.

Depreciation of property, plant and equipment:

The Association's management determines the estimated useful lives and residual values for the related depreciation charges for property, plant and equipment. Management will revise the depreciation charge where useful lives and residual values are different to previous estimates, or will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

6. SURPLUS FOR THE YEAR

Surplus for the year is arrived at after charging:-

	2023	2022
	HK\$	HK\$
Auditors' remuneration	40,000.00	37,000.00
Depreciation	1,155,264.98	1,231,290.98
Operating lease charges – land and buildings	1,366,094.00	1,324,404.00
Staff cost -		
Salaries and allowances	13,825,695.16	13,802,471.31
Provident fund contributions	807,991.98	855,919.17
Staff training	53,575.00	4,850.00
Medical expenses	40,960.00	44,790.00
	=====	=====

7. TAXATION

No provision has been made for Hong Kong Profits Tax since, under section 88 of the Inland Revenue Ordinance, the Association is an approved charitable institution.

8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement HK\$	Furniture, fixtures and office equipment HK\$	Computer equipment HK\$	Motor vehicle HK\$	Total HK\$
2023					
Cost					
As at 1 April 2022	12,296,585.20	7,490,239.12	437,417.00	534,661.40	20,758,902.72
Additions	58,573.00	485,419.00	-	-	543,992.00
As at 31 March 2023	12,355,158.20	7,975,658.12	437,417.00	534,661.40	21,302,894.72
Accumulated depreciation and impairment loss					
As at 1 April 2022	11,667,280.87	6,902,319.82	436,915.00	534,661.40	19,541,177.09
Charge for the year	601,645.32	553,119.66	500.00	-	1,155,264.98
As at 31 March 2023	12,268,926.19	7,455,439.48	437,415.00	534,661.40	20,696,442.07
Net carrying amount					
As at 31 March 2023	86,232.01	520,218.64	2.00	-	606,452.65
As at 31 March 2022	629,304.33	587,919.30	502.00	-	1,217,725.63
2022					
Cost					
As at 1 April 2021	12,155,035.20	6,900,421.22	437,417.00	534,661.40	20,027,534.82
Additions	141,550.00	589,817.90	-	-	731,367.90
As at 31 March 2022	12,296,585.20	7,490,239.12	437,417.00	534,661.40	20,758,902.72
Accumulated depreciation and impairment loss					
As at 1 April 2021	11,085,159.87	6,268,099.18	421,965.66	534,661.40	18,309,886.11
Charge for the year	582,121.00	634,220.64	14,949.34	-	1,231,290.98
As at 31 March 2022	11,667,280.87	6,902,319.82	436,915.00	534,661.40	19,541,177.09
Net carrying amount					
As at 31 March 2022	629,304.33	587,919.30	502.00	-	1,217,725.63
As at 31 March 2021	1,069,875.33	632,322.04	15,451.34	-	1,717,648.71

9. RENT AND RATES SUBVENTION (DEFICIT)/SURPLUS ACCOUNT

Unit no: 7750

Subvented service unit: Kei Fuk Elderly Centre (Basis: Lump Sum Grant)

<u>Subvention element</u>	2023			
	<u>Subvention released</u>	<u>Actual expenditure</u>	<u>Surplus</u>	<u>Deficit</u>
	HK\$	HK\$	HK\$	HK\$
Rent	516,538.00	522,444.00	-	(5,906.00)
Rates	37,121.00	30,500.00	6,621.00	-
Management fee	187,680.00	250,272.00	-	(62,592.00)
Backpay - rent	506,750.00	-	-	-
Backpay - rates	1,879.00	-	-	-
Backpay - management fee	115,950.00	-	-	-
	<u>1,365,918.00</u>	<u>803,216.00</u>	<u>6,621.00</u>	<u>(68,498.00)</u>

<u>Subvention element</u>	2022			
	<u>Subvention released</u>	<u>Actual expenditure</u>	<u>Surplus</u>	<u>Deficit</u>
	HK\$	HK\$	HK\$	HK\$
Rent	15,694.00	522,444.00	-	(506,750.00)
Rates	28,621.00	30,500.00	-	(1,879.00)
Management fee	104,160.00	220,110.00	-	(115,950.00)
Backpay - rent	300,561.00	-	-	-
Backpay - management fee	90,720.00	-	-	-
	<u>539,756.00</u>	<u>773,054.00</u>	<u>-</u>	<u>(624,579.00)</u>

Unit no: 2486

Subvented service unit: Wai Kei Hostel (Basis: Lump Sum Grant)

<u>Subvention element</u>	2023			
	<u>Subvention released</u>	<u>Actual expenditure</u>	<u>Surplus</u>	<u>Deficit</u>
	HK\$	HK\$	HK\$	HK\$
Rent	859,800.00	878,750.00	-	(18,950.00)
Rates	55,913.00	52,600.00	3,313.00	-
Backpay - rent	17,760.00	-	-	-
	<u>933,473.00</u>	<u>931,350.00</u>	<u>3,313.00</u>	<u>(18,950.00)</u>

<u>Subvention element</u>	2022			
	<u>Subvention released</u>	<u>Actual expenditure</u>	<u>Surplus</u>	<u>Deficit</u>
	HK\$	HK\$	HK\$	HK\$
Rent	819,300.00	837,060.00	-	(17,760.00)
Rates	55,913.00	52,600.00	3,313.00	-
Backpay - rent	17,760.00	-	-	-
	<u>892,973.00</u>	<u>889,660.00</u>	<u>3,313.00</u>	<u>(17,760.00)</u>

9. **RENT AND RATES SUBVENTION (DEFICIT)/SURPLUS ACCOUNT
(CONTINUED)**

Deficit account at year end date -

	Wai <u>Kei Hostel</u> HK\$	Kei Fuk <u>Elderly Centre</u> HK\$	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	17,760.00	624,578.50	642,338.50	409,040.50
Backpay from SWD	(17,760.00)	(624,579.00)	(642,339.00)	(409,041.00)
Deficit for the year	18,950.00	68,498.00	87,448.00	642,339.00
	-----	-----	-----	-----
Balance at the end of the reporting period	18,950.00	68,497.50	87,447.50	642,338.50
	=====	=====	=====	=====

Surplus account at year end date -

	Wai <u>Kei Hostel</u> HK\$	Kei Fuk <u>Elderly Centre</u> HK\$	2023 HK\$	2022 HK\$
Surplus for the year and balance at end of the reporting period	3,313.00	6,621.00	9,934.00	3,313.00
	=====	=====	=====	=====

10. **PREVENTION OF ANTIBIOTIC RESISTANT BACTERIA DEFICIT ACCOUNT**

Subvented service unit: Wai Kei Hostel

	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	(120,409.80)	(58,236.80)
Actual expenditure	(69,263.00)	(62,173.00)
	-----	-----
Balance at end of the reporting period	(189,672.80)	(120,409.80)
	=====	=====

11. SPECIAL GRANT ON MANPOWER SUPPORT FOR RESIDENTIAL AND HOME-BASED CARE SERVICE UNITS IN RESPECT OF COVID-19 DEFICIT ACCOUNT

Subvented service unit: Wai Kei Hostel

	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	(165,654.00)	-
Subsidy received	199,249.00	-
Actual expenditure	(104,057.00)	(165,654.00)
Surplus/(Deficit) for the year	95,192.00	(165,654.00)
Balance at end of the reporting period	(70,462.00)	(165,654.00)

12. SPECIAL ALLOWANCE FOR THE STAFF OF RESIDENTIAL CARE HOMES FOR THE ELDERLY (“RCHEs”) AND RESIDENTIAL CARE HOMES FOR PERSONS WITH DISABILITIES (“RCHDs”) DEFICIT ACCOUNT

Subvented service unit: Wai Kei Hostel

	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	(76,000.00)	-
Subsidy received	310,000.00	70,000.00
Actual expenditure	(232,000.00)	(146,000.00)
Surplus/(Deficit) for the year	78,000.00	(76,000.00)
Refund to the Government	(2,000.00)	-
Balance at end of the reporting period	-	(76,000.00)

13. CARE ASSISTANTS AND PROGRAMME ASSISTANTS SURPLUS ACCOUNT

Subvented service unit: Wai Kei Hostel

	2023 HK\$	2022 HK\$
Balance at end of the reporting period	1,025.00	1,025.00

14. INFIRMARY CARE SUPPLEMENT FOR RESIDENTIAL ELDERLY SERVICES SURPLUS ACCOUNT

Subvention service unit: Wai Kei Hostel

<u>Subvention element</u>	<u>Subvention released</u> HK\$	2023		<u>Surplus</u> HK\$
		<u>Actual expenditure</u> HK\$		
Personal emoluments (PE)	848,070.00	848,070.00		-
Other charges (OC)	-	-		-
Total	<u>848,070.00</u>	<u>848,070.00</u>		-

<u>Subvention element</u>	<u>Subvention released</u> HK\$	2022		<u>Surplus</u> HK\$
		<u>Actual expenditure</u> HK\$		
Personal emoluments (PE)	1,047,002.00	1,047,002.00		-
Other charges (OC)	-	-		-
Total	<u>1,047,002.00</u>	<u>1,047,002.00</u>		-

15. DEMENTIA SUPPLEMENT FOR RESIDENTIAL ELDERLY SERVICES SURPLUS ACCOUNT

Subvented service unit: Wai Kei Hostel

<u>Subvention element</u>	<u>Subvention released</u> HK\$	2023		<u>Surplus</u> HK\$
		<u>Actual expenditure</u> HK\$		
Personal emoluments (PE)	905,592.00	905,592.00		-
Other charges (OC)	-	-		-
Total	<u>905,592.00</u>	<u>905,592.00</u>		-

<u>Subvention element</u>	<u>Subvention released</u> HK\$	2022		<u>Surplus</u> HK\$
		<u>Actual expenditure</u> HK\$		
Personal emoluments (PE)	944,834.00	944,834.00		-
Other charges (OC)	-	-		-
Total	<u>944,834.00</u>	<u>944,834.00</u>		-

16. SPECIAL SUBSIDY FOR ON-SITE QUARANTINE ALLOWANCE SURPLUS ACCOUNT

Subvented service unit: Wai Kei Hostel

	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	964,000.00	-
Subsidy received	-	1,484,000.00
Actual expenditure	(250,750.00)	(520,000.00)
(Deficit)/Surplus for the year	(250,750.00)	964,000.00
Refund to the Government	(713,250.00)	-
Balance at end of the reporting period	-	964,000.00

17. TIME-LIMITED PROGRAMME ON ENHANCING INFECTION CONTROL AND VENTILATION OF RESIDENTIAL CARE HOMES FOR ELDERLY SURPLUS ACCOUNT

Subvented service unit: Wai Kei Hostel

	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	-	13,224.00
Subsidy received	9,568.00	-
Actual expenditure	-	(9,568.00)
Surplus/(Deficit) for the year	9,568.00	(9,568.00)
Refund to the Government	-	(3,656.00)
Balance at end of the reporting period	9,568.00	-

18. SPECIAL SUBSIDY FOR VISITING MEDICAL PRACTITIONER SCHEME FOR RCHEs & RCHDs SURPLUS ACCOUNT

Subvented service unit: Wai Kei Hostel

	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	195,000.00	-
Subsidy received	-	195,000.00
Actual expenditure	(102,500.00)	-
(Deficit)/Surplus for the year	(102,500.00)	195,000.00
Refund to the Government	(92,500.00)	-
Balance at end of the reporting period	-	195,000.00

19. LOTTERIES FUND FOR WI-FI PROJECT SURPLUS ACCOUNT

Subvented service unit: Kei Fuk Elderly Centre

	2023 HK\$	2022 HK\$
Income		
- Lotteries Fund Grant	26,400.00	51,100.00
- Interest income	219.64	0.46
	26,619.64	51,100.46
Expenditure		
Other Expenditure		
(i) Technical set-up and installation cost	-	-
(ii) Operating expenses	16,452.00	10,370.00
	16,452.00	10,370.00
Surplus for the year	10,167.64	40,730.46
Add : Cumulated income b/f	92,400.63	41,300.17
Cumulated expenditure b/f	(14,070.00)	(3,700.00)
Cumulated surplus	78,330.63	37,600.17
Cumulated surplus c/f	88,498.27	78,330.63

20. LOTTERIES FUND FOR INTERNET ACCESS SURPLUS ACCOUNT**Subvented service unit: Kei Fuk Elderly Centre**

	2023 HK\$	2022 HK\$
Balance at beginning and at end of the reporting period	3,785.20	3,785.20
	=====	=====

21. SOCIAL WELFARE DEVELOPMENT FUND SURPLUS ACCOUNTSWDF Phase III

	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	501,944.69	469,789.66
Annual allocation from social welfare development fund during the year	-	37,000.00
Interest received during the year	1,102.01	5.03
Less: Expenditure for Project under Scope A	(43,975.00)	(4,850.00)
Balance at end of the reporting period	459,071.70	501,944.69
	=====	=====

22. TIME-LIMITED POSTS FOR ELDERLY AND REHABILITATION SERVICES SURPLUS ACCOUNT**Subvented service units: Wai Kei Hostel and Kei Fuk Elderly Centre**

	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	88,402.58	65,400.00
Subsidy received	196,200.00	65,400.00
Actual expenditure	(161,182.83)	(42,397.42)
	35,017.17	23,002.58
	-----	-----
Refund to the Government	(65,400.00)	-
Balance at end of the reporting period	58,019.75	88,402.58
	=====	=====

23. ANTI-VIRUS COATING SPRAY FOR RESIDENTIAL CARE HOMES FOR THE ELDERLY SURPLUS ACCOUNT

Subvented service unit: Wai Kei Hostel

	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	0.20	-
Subsidy received	-	19,764.05
Actual expenditure	-	(19,764.05)
Balance at end of the reporting period	0.20	0.20

24. DEFERRED INCOME ON OTHER GRANT

Grant from Innovation and Technology Fund for Application in Elderly and Rehabilitation Care ("I&T Fund")

Subvented service unit: Kei Fuk Elderly Centre

	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	163,786.00	-
Subsidy recognised during the year	-	245,679.00
Recognised as income during the year	(81,893.00)	(81,893.00)
Deferred income	81,893.00	163,786.00
Less: Current portion	(81,893.00)	(81,893.00)
Non-current portion	-	81,893.00

Subvented service unit: Wai Kei Hostel

	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	-	-
Subsidy recognised during the year	318,830.00	-
Recognised as income during the year	(106,276.67)	-
Deferred income	212,553.33	-
Less: Current portion	(106,276.67)	-
Non-current portion	106,276.66	-

24. DEFERRED INCOME ON OTHER GRANT (CONTINUED)

Grant from Ho Tung Fund

Subvented service unit: Wai Kei Hostel

	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	48,000.00	-
Subsidy recognised during the year	-	72,000.00
Recognised as income during the year	(24,000.00)	(24,000.00)
	<hr/>	<hr/>
Deferred income	24,000.00	48,000.00
Less: Current portion	(24,000.00)	(24,000.00)
	<hr/>	<hr/>
Non-current portion	-	24,000.00
	<hr/> <hr/>	<hr/> <hr/>

Lotteries Fund Grant - Renovation works and purchase of furniture and equipment

Subvented service unit: Wei Kei Hostel

	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	144,866.66	289,733.33
Recognised as income during the year	(144,866.66)	(144,866.67)
	<hr/>	<hr/>
Deferred income	-	144,866.66
Less: Current portion	-	(144,866.66)
	<hr/>	<hr/>
Non-current portion	-	-
	<hr/> <hr/>	<hr/> <hr/>

Lotteries Fund Grant - Fitting out works for setting up a sub-base

Subvented service unit: Kei Fuk Elderly Centre

	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	517,280.93	782,802.00
Fund recognised during the year	58,573.00	188,819.90
Recognised as income during the year	(473,865.30)	(454,340.97)
	<hr/>	<hr/>
Deferred income	101,988.63	517,280.93
Less: Current portion	(82,464.29)	(454,340.97)
	<hr/>	<hr/>
Non-current portion	19,524.34	62,939.96
	<hr/> <hr/>	<hr/> <hr/>

24. DEFERRED INCOME ON OTHER GRANT (CONTINUED)

The Hong Kong Jockey Club Charities Trust - Jockey Club Facilities Enhancement Scheme for Pandemic Preparedness at Residential Care Home

Subvented service unit: Wei Kei Hostel

	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	75,786.68	111,862.67
Fund recognised during the year	-	29,783.00
Recognised as income during the year	(65,859.01)	(65,858.99)
Deferred income	9,927.67	75,786.68
Less: Current portion	(9,927.67)	(65,859.01)
Non-current portion	-	9,927.67

	Wai Kei Hostel HK\$	Kei Fuk Elderly Centre HK\$	2023 Total HK\$	2022 Total HK\$
Balance at beginning of the reporting period	268,653.34	681,066.93	949,720.27	1,227,874.14
Fund recognised during the year	318,830.00	58,573.00	377,403.00	536,281.90
Recognised as income during the year	(341,002.34)	(555,758.30)	(896,760.64)	(814,435.77)
Deferred income	246,481.00	183,881.63	430,362.63	949,720.27
Less: Current portion	(140,204.34)	(164,357.29)	(304,561.63)	(770,959.64)
Non-current portion	106,276.66	19,524.34	125,801.00	178,760.63

25. DEFERRED INCOME ON LOTTERIES FUND BLOCK GRANT

	2023 HK\$	2022 HK\$
Balance at beginning of the reporting period	103,128.86	210,143.71
Grants received for the year		
- Amount received during the year		
Block grant received – (Note 29a)	337,000.00	335,000.00
Interest income received – (Note 29a)	1,881.64	4.97
Lotteries fund recognised during the year	442,010.50 (124,169.21)	545,148.68 (187,904.85)
Amount transfer to F & E Replenishment and minor works block grant reserve – (Note 29a)	317,841.29 (194,870.64)	357,243.83 (254,114.97)
Deferred income	122,970.65	103,128.86
Less: Current portion	(74,966.99)	(76,165.54)
Non-current portion	48,003.66	26,963.32

26. ACCUMULATED SURPLUS

The movement of the general fund is as follows:

	2023 HK\$	2022 HK\$
Surplus at beginning of the reporting period	166,385.26	180,324.62
Surplus for the year	593,186.87	(356,922.64)
	<u>759,572.13</u>	<u>(176,598.02)</u>
Transfer to reserve fund		
- Reserve from Lump Sum Grant	(124,536.98)	793,769.11
- Provident fund reserve	(520,567.02)	(450,785.83)
	<u>(645,104.00)</u>	<u>342,983.28</u>
Previous year adjustment	<u>(34,293.92)</u>	-
Surplus balance at the end of the reporting period	<u><u>80,174.21</u></u>	<u><u>166,385.26</u></u>

27. RESERVE FUND

	2023 HK\$	2022 HK\$
Reserve from lump sum grant		
Balance at beginning of the reporting period	4,506,699.09	5,300,468.20
Transfer of surplus/(deficit) from operating income and expenditure account	124,536.98	(793,769.11)
Balance at the end of the reporting period	<u>4,631,236.07</u>	<u>4,506,699.09</u>
Provident fund reserve		
Balance at the beginning of the reporting period	3,328,681.85	2,899,000.02
Transfer of surplus from operating income and expenditure account	520,567.02	450,785.83
Refund of provident fund from/(to) the Government	24,330.50	(21,104.00)
Previous year adjustment	34,293.92	-
Balance at the end of the reporting period	<u>3,907,873.29</u>	<u>3,328,681.85</u>
	<u><u>8,539,109.36</u></u>	<u><u>7,835,380.94</u></u>

28. FLAG DAY FUND

	2023 HK\$	2022 HK\$
Balance at beginning and at end of the reporting period	<u>1,249,767.50</u>	<u>1,249,767.50</u>

The flag day income is used for supporting the followings :-

- (i) To cover recurrent expenses of Care and Attention Home; and
- (ii) To cover recurrent expenses of Neighbourhood Elderly Centre.

The flag day income has not been utilised by the Association and has been reserved in Flag Day Fund.

29. (a) MOVEMENT OF THE F & E REPLENISHMENT AND MINOR WORKS BLOCK GRANT RESERVE

	2023 HK\$	2022 HK\$
Credit balance at beginning of the reporting period	597,182.22	343,067.25
Add: Amount received during the year		
Block grant received	337,000.00	335,000.00
Interest income received	1,881.64	4.97
Less: Expenditure during the year -		
Minor works	-	-
Furniture and equipment	(129,951.00)	(55,720.00)
Vehicle overhauling	(14,060.00)	(25,170.00)
Surplus for the year	194,870.64	254,114.97
Credit balance at the end of the reporting period	792,052.86	597,182.22

(b) DETAILS OF BLOCK GRANT EXPENDITURE

	2023 HK\$	2022 HK\$
Name of the SWD - Subvented Service Units		
- Supervisory Support for Elderly	-	-
- Wai Kei Hostel	141,983.00	69,470.00
- Kei Fuk Elderly Centre	2,028.00	11,420.00
	144,011.00	80,890.00

(c) CAPITAL COMMITMENTS UNDER LOTTERIES FUND BLOCK GRANT

As at 31 March 2022 the outstanding commitments in respect of F&E Replenishment and Minor Works Grant were as follows:-

	2023 HK\$	2022 HK\$
Contracted for but not provided in the financial statements	-	-
Authorised but not contracted for	-	-

30. EXECUTIVE COUNCIL MEMBERS' EMOLUMENTS

Executive Council Members' remunerations disclosed pursuant to section 383(1) of Hong Kong Companies Ordinance is as follows:-

	2023 HK\$	2022 HK\$
Fee	-	-
Other emoluments	-	-

31. RELATED PARTY TRANSACTIONS

- (a) During the year, the Association entered into the following transactions with Hong Kong And Macau Lutheran Church Limited:-

	2023 HK\$	2022 HK\$
Spiritual care services expenses	111,690.00	96,111.00
Rent and rates paid	4,201.10	4,201.10

- (b) Compensation of key management personnel

	2023 HK\$	2022 HK\$
Salaries and other employee benefits	2,509,680.53	2,526,374.04

32. RETIREMENT BENEFIT SCHEMES

Staff provident fund and mandatory provident fund are managed by HSBC Life (International) Limited, the balances of which have not been dealt with in these financial statements.

33. LEASE COMMITMENTS

At 31 March 2023, the Association had the following total future minimum lease payments payable under a non-cancellable operating lease:-

	2023 HK\$	2022 HK\$
Not later than one year	1,324,344.00	1,324,344.00
Later than one year	1,040,060.00	2,364,404.00
	<u>2,364,404.00</u>	<u>3,688,748.00</u>

34. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

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