

## **Thomas So & Partners CPA Limited**

*Certified Public Accountants (Practising)*

Unit A, 9/F., Two Chinachem Plaza, 68 Connaught Road Central, Hong Kong. TEL: 2543 3906 FAX: 2542 1543

### **THE HONG KONG CATHOLIC MARRIAGE ADVISORY COUNCIL**

(Incorporated in Hong Kong and limited by guarantee)

#### **Review Report to the Executive Committee of The Hong Kong Catholic Marriage Advisory Council (the “Council”)**

We have audited the financial statements of the Council for the year ended 31st March 2019 and have issued an unqualified auditor’s report thereon dated 12 September 2019.

We conducted our review of the attached Annual Financial Report on pages 3 to 7 of the Council for the year ended 31st March 2019 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 Council, on which the above audited financial statements of the Council 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 Council for the year ended 31st March 2019:

- (a) in our opinion the Annual Financial Report has been properly prepared from the books and records of the Council; and
- (b) no matters have come to our attention during the course of our review, which cause us to believe that the Council has not:
  - (i) properly accounted for the receipt of Lump Sum Grant, Provident Fund, Tide-over Grant and other social welfare subventions and expenditures in respect of Funding and Services Agreement activities and support services;
  - (ii) kept separate Operating Income and Expenditure Account for each subvented service unit as required by the Lump Sum Grant Manual (LSG Manual) published by the Social Welfare Department of the Government of the HKSAR;
  - (iii) prepared the Annual Financial Report in accordance with the format and requirements set out in the LSG Manual; and
  - (iv) employed the staff quoted in the Tide-over Grant and Provident Fund arrangements during the year ended 31st March 2019.

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.

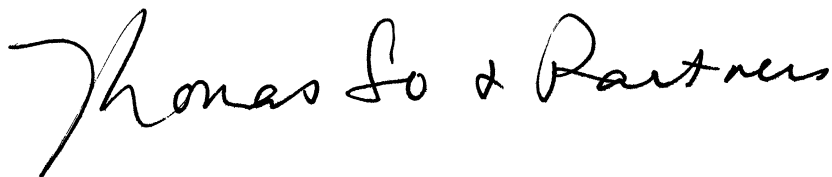
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A handwritten signature in black ink that reads "Thomas So & Partners". The signature is written in a cursive, flowing style.

Thomas So & Partners CPA Limited

Certified Public Accountants (Practising)

Mak Moon Tong

Practising Certificate number P06777

Hong Kong, 12 September 2019

**ANNUAL FINANCIAL REPORT**

**NGO: THE HONG KONG CATHOLIC MARRIAGE ADVISORY COUNCIL**

**1 APRIL 2018 TO 31 MARCH 2019**

	Notes	Total 2018-19 \$	Total 2017-18 \$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	14,039,960.00	13,469,781.00
b. Provident Fund	1c	1,354,569.00	1,372,331.00
2. Special One-off Grant			
3. Fee Income	2	-	-
4. Central Items	3	-	-
5. Rent and Rates	4	114,660.00	171,864.00
6. Other Income	5	302,583.40	261,782.30
7. Interest Received		19,453.18	779.14
<b>TOTAL INCOME</b>		<u>15,831,225.58</u>	<u>15,276,537.44</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		13,046,461.29	11,902,782.35
b. Provident Fund	1c	1,249,135.72	1,162,400.45
c. Allowances		-	-
Sub-total	6	<u>14,295,597.01</u>	<u>13,065,182.80</u>
2. Other Charges	7	1,098,551.59	954,585.46
3. Central Items	3	-	-
4. Rent and Rates	4	151,436.94	153,933.22
<b>TOTAL EXPENDITURE</b>		<u>15,545,585.54</u>	<u>14,173,701.48</u>
<b>C. SURPLUS / (DEFICIT) FOR THE YEAR</b>	8	<u>285,640.04</u>	<u>1,102,835.96</u>

The Annual Financial Report from pages 1 to 5 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE



MR. JOSEPH K. C. LEE, BBS  
CHAIRMAN

DATE: 12 September 2019

SIGNATURE



MRS. ANGELA CHIU  
EXECUTIVE DIRECTOR

DATE: 12 September 2019

## NOTES ON THE ANNUAL FINANCIAL REPORT

### 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>
	\$	\$	\$
Subvention Received	672,192.00	682,377.00	1,354,569.00
Provident Fund Contribution Paid during the Year	<u>(637,740.00)</u>	<u>(611,395.72)</u>	<u>(1,249,135.72)</u>
Surplus/(Deficit) for the Year	34,452.00	70,981.28	105,433.28
<b>Add:</b> Surplus b/f	55,031.63	623,789.11	678,820.74
<b>Less:</b> Refund to Government	<u>(15,159.00)</u>	-	<u>(15,159.00)</u>
<b>Surplus c/f</b>	<u>74,324.63</u>	<u>694,770.39</u>	<u>769,095.02</u>

### 2. Fee Income

This represents social welfare fee income received for the year in respect of the fees and charges recognised for the purpose of subvention as set out in the LSG

**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:

	2018-19 \$	2017-18 \$
<b><u>a. Income</u></b>		
Nil	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
	2018-19 \$	2017-18 \$
<b><u>b. Expenditure</u></b>		
Nil	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

**4. Rent and Rates**

This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditure on rent and rates in respect of premises not recognised by SWD have not been included in AFR.

**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

The breakdown on Other Income is as follows:

	2018-19 \$	2017-18 \$
<b><u>Other Income</u></b>		
(a) Fees and charges for services incidental to the operation of subvented	-	-
(b) Others	302,583.40	261,782.30
<b>Total</b>	<u>302,583.40</u>	<u>261,782.30</u>

## 6. Personal Emoluments

Personal Emoluments include salary, provident fund and salary-related

The analysis on number of posts with annual Personal Emoluments over \$700,000 each paid under LSG is appended below:

<b>Analysis of Personal Emoluments paid under LSG</b>	<b>No of Posts</b>	<b>\$</b>
HK\$700,001 - HK\$800,000 p.a.	2	1,435,974.00
HK\$800,001 - HK\$900,000 p.a.	3	2,646,702.00
HK\$900,001 - HK\$1,000,000 p.a.	-	-
HK\$1,000,001 - HK\$1,100,000 p.a.	1	1,081,644.00
HK\$1,100,001 - HK\$1,200,000 p.a.	1	1,131,255.00
>HK\$1,200,000 p.a.	-	-

## 7. Other Charges

The breakdown on Other Charges is as follows:

<b>Other Charges</b>	<b>2018-19</b>	<b>2017-18</b>
	<b>\$</b>	<b>\$</b>
(a) Utilities	174,106.76	149,483.34
(b) Food	-	-
(c) Administrative Expenses	98,718.57	73,531.70
(d) Stores and Equipment	187,785.86	174,626.63
(e) Repair and Maintenance	16,057.00	22,798.40
(f) Special Allowances	-	-
(g) Programme Expenses	531,978.40	447,376.40
(h) Transportation and Travelling	5,677.60	5,347.00
(i) Insurance	54,499.25	50,533.12
(j) Miscellaneous	29,728.15	30,888.87
<b>Total</b>	<b><u>1,098,551.59</u></b>	<b><u>954,585.46</u></b>

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

	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$
<b>Income</b>				
Lump Sum Grant	15,394,529.00	-	-	15,394,529.00
Special One-off Grant	-	-	-	-
Fee Income	-	-	-	-
Other Income	302,583.40	-	-	302,583.40
Interest Received (Note (1))	19,453.18	-	-	19,453.18
Rent and Rates	-	114,660.00	-	114,660.00
Central Items	-	-	-	-
<b>Total Income (a)</b>	<b>15,716,565.58</b>	<b>114,660.00</b>	<b>-</b>	<b>15,831,225.58</b>
<b>Expenditure</b>				
Personal Emoluments	14,295,597.01	-	-	14,295,597.01
Other Charges	1,098,551.59	-	-	1,098,551.59
Rent and Rates	-	151,436.94	-	151,436.94
Central Items	-	-	-	-
Special One-off Grant Payments	-	-	-	-
<b>Total Expenditure (b)</b>	<b>15,394,148.60</b>	<b>151,436.94</b>	<b>-</b>	<b>15,545,585.54</b>
<b>Surplus/(Deficit) for the Year (a) - (b)</b>	<b>322,416.98</b>	<b>(36,776.94)</b>	<b>-</b>	<b>285,640.04</b>
Less : Surplus of Provident Fund	(105,433.28)	-	-	(105,433.28)
<b>Surplus/(Deficit) b/f (Note (2))</b>	<b>216,983.70</b>	<b>(36,776.94)</b>	<b>-</b>	<b>180,206.76</b>
	5,772,001.97	(128,246.42)	-	5,643,755.55
<u>Add:</u> Prior Year Adjustment as stipulated in letter [SWD Ref (84) in SWD SF/SAS/4-65/61 (280)]	78,552.00			78,552.00
Backpayment on Rent and Rates for 2015/16 - 2017/18		130,877.00		130,877.00
<u>Less:</u> Refund to Government	-	-	-	-
Transfer from LSG Reserve to cover the salary adjustment for Programme Assistants, Care Assistants, Dementia Supplement and Infirmary Care Supplementary (Note (3))	-	-	-	-
<b>Surplus/(Deficit) c/f (Note (4))</b>	<b>6,067,537.67</b>	<b>(34,146.36)</b>	<b>-</b>	<b>6,033,391.31</b>

### Notes:

- (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant 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 Infirmary Care Supplement, if any, as per Schedule for Central Items.
- (4) The level of LSG cumulative reserve (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.

**Schedule for Rent and Rates**  
**Analysis of Subvention and Expenditure for the period from 1 April 2018 to 31 March 2019**

Name of Agency : THE HONG KONG CATHOLIC MARRIAGE ADVISORY COUNCIL

Unit Code and Name	Subvented Element	Subvention Released (Note 1) (a)	Actual Expenditure (b)	Surplus (Note 2) (c) = (a) - (b)	Deficit (Note 2)
		\$	\$	\$	\$
Unit 1240 Grace and Joy Integrated Family Service Centre	Rent (Note 3)	76,852.00	84,436.94	-	(7,584.94)
	Rates	37,808.00	52,000.00	-	(14,192.00)
	Total	114,660.00	136,436.94	-	(21,776.94)
	Grand Total	114,660.00	136,436.94	-	(21,776.94)

**Notes:**

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year.
2. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
3. Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.



**Schedule for Investment**  
**Analysis of Investment as at 31 March 2019**  
**Agency : HONG KONG CATHOLIC MARRIAGE ADVISORY COUNCIL**

	2018/19 HK\$	2017/18 HK\$
<b>LSG Reserve as at 31 March (Interest Included)</b>	<u>6,067,537.67</u>	<u>5,772,001.97</u>
<b>Represented by:</b>		
<b>Investments</b>		
a. HKD Bank Accounts Balances	456,195.20	4,455,931.71
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	5,611,342.47	1,316,070.26
d. HKD Certificate of Deposits	-	-
e. HKD Bonds	-	-
	<u>6,067,537.67</u>	<u>5,772,001.97</u>

**Confirmed by:-**



MR. JOSEPH K. C. LEE, BBS  
CHAIRMAN

DATE: 12 September 2019



MRS. ANGELA CHIU  
EXECUTIVE DIRECTOR

DATE: 12 September 2019

**Schedule for Central Items**  
**Analysis of Subvention and Expenditure for the Period from 1 April 2018 to 31 March 2019**

Name of Agency : The Hong Kong Catholic Marriage Advisory Council (280)

Unit Code and Name (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the year			Surplus b/f (Note 5) (e)	Surplus c/f (Note 6) (f)=(e)+(a)-(d)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d) = (b) - (c)		
N/A		\$	\$	\$	\$	\$	\$	\$	
<b>TOTAL</b>		-	-	-	-	-	-	-	-

**Note:**

1. The figures for the whole financial year can be extracted from the payroll for March (Final) of the financial year.
2. Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
3. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
4. Deficit i.r.o. the following central item arising from salary adjustment are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref. (9) in SWD/S/104/2 Pt. 16 dated 20 July 2016
  - (i) Dementia Supplement for Elderly with Disabilities
  - (ii) infirmity Care Supplement for the Aged Blind Persons
  - (iii) Dementia Supplement for Residential Elderly Services
  - (iv) Infirmity Care Supplement for Residential Elderly services
5. "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
6. "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
7. Unit code and name are extracted from the payroll from SWD.
8. The income and expenditure for the Special one-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmity Care as allocated via SWD's letter ref SWD/S/E/RC/3 Pt. 6 dated 4 February 2016 should also be included in the income/expenditure of the respective items.
9. The central items as listed above may not be exhaustive and any relevant details of central items released and/or expended during the year, where appropriate, should also be included.