



Barnabas Charitable Service Association Limited
基督教巴拿巴愛心服務團有限公司

Note

- a. The Annual Financial Report (AFR) does not constitute the subvented agencies' statutory annual financial statements. The AFR is prepared on cash basis, in accordance with the requirements set out in Lump Sum Grant Manual issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region, Which is different from the financial reporting standards issued by the Hong Kong Institute of Certified Public Accountants normally adopted in statutory annual financial statements.
- b. The 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.

BARNABAS CHARITABLE SERVICE ASSOCIATION LIMITED
基督教巴拿巴愛心服務團有限公司

(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023
FOR SUBMISSION TO THE SOCIAL WELFARE DEPARTMENT



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香港九龍觀塘道 370 號
創紀之城 3 期 20 樓 2002 室

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**INDEPENDENT AUDITOR'S ASSURANCE REPORT ON
THE ANNUAL FINANCIAL REPORT
TO THE BOARD OF DIRECTORS OF
BARNABAS CHARITABLE SERVICE ASSOCIATION LIMITED**
基督教巴拿巴愛心服務團有限公司
(incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of Barnabas Charitable Service Association Limited ("the association") for the year ended 31 March 2023 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and have issued an unmodified auditor's report thereon dated 23 September 2023.

Pursuant to the Lump Sum Grant ("LSG") Manual issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region ("SWD"), we have been requested to issue this assurance report in connection with the Annual Financial Report ("AFR") of the association for the year ended 31 March 2023.

Responsibilities of the Directors

In relation to this report, the directors are responsible for ensuring the AFR of the association for the year ended 31 March 2023 is properly prepared in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD; and the use of the funds from the LSG by the association has complied with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to form a conclusion, based on our engagement, and to report our conclusion to you. We do not assume or accept any responsibility or liability or duty of care to any other person for the contents of this report.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 851 (Revised), *Reporting on the Annual Financial Reports of Non-governmental Organisations* issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance for giving conclusion 1 and obtain limited assurance for giving conclusion 2 below.

The work undertaken in connection with this engagement is less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**INDEPENDENT AUDITOR'S ASSURANCE REPORT ON
THE ANNUAL FINANCIAL REPORT
TO THE BOARD OF DIRECTORS OF
BARNABAS CHARITABLE SERVICE ASSOCIATION LIMITED**
基督教巴拿巴愛心服務團有限公司
(incorporated in Hong Kong and limited by guarantee)

Auditor's Responsibility (continued)

In relation to our conclusion 1 below, we have planned and performed such procedures as we considered necessary with reference to the procedures recommended in PN 851 (Revised), to satisfy ourselves that the AFR has been properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.

In relation to our conclusion 2 below, we have obtained an understanding in respect of the purposes of the use of the funds as specified in the LSG Manual and other instructions issued by the SWD and obtaining an understanding of the control procedures. We are not required to perform any procedures to search for instances of the use of funds from the LSG by the association being non-complied with the specified purposes. Our work was limited to reporting non-compliances identified as a result of the procedures performed in relation to conclusion 2 and during the normal course of our work relating to conclusion 1. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Conclusion

1. In our opinion, the AFR of the association for the year ended 31 March 2023 is properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.
2. Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the use of the funds from the LSG by the association has not complied, in all material respects, with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

Intended Users and Purpose

This report is intended solely for submission by the association to the SWD and is not intended to be, and should not be, used for any other purpose. We agree that a copy of this report may be provided to the SWD without further comment from us.



K.W. Tam & Co.
Certified Public Accountants (Practising)
Unit 2002, 20th Floor,
Millennium City 3,
370 Kwun Tong Road,
Kowloon, Hong Kong

23 September 2023

ANNUAL FINANCIAL REPORT

NGO 53: BARNABAS CHARITABLE SERVICE ASSOCIATION LIMITED

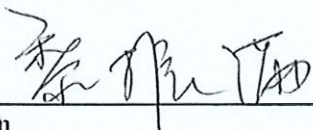
(基督教巴拿巴愛心服務團有限公司)

(1 APRIL 2022 TO 31 MARCH 2023)

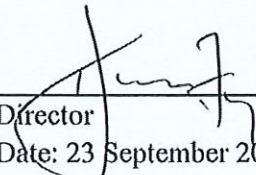
| | Note | 2022-23 HK\$ | 2021-22 HK\$ |
|--|------|---------------------|----------------------|
| A. INCOME | | | |
| 1. Lump Sum Grant | | | |
| a. Lump Sum Grant (excluding Provident Fund) | 1b | 7,294,626.00 | 7,189,282.00 |
| b. Provident Fund | 1c | 459,480.00 | 452,800.00 |
| 2. Fee Income | 2 | 1,195,904.38 | 1,145,568.80 |
| 3. Central Items | 3 | - | - |
| 4. Rent and Rates | 4 | 507,240.00 | 484,920.00 |
| 5. Other Income | 5 | 32,427.00 | 357,991.15 |
| 6. Interest Received | | 5,146.31 | 41.67 |
| TOTAL INCOME | | 9,494,823.69 | 9,630,603.62 |
| B. EXPENDITURE | | | |
| 1. Personal Emoluments | | | |
| a. Salaries | | 6,865,265.22 | 7,011,654.95 |
| b. Provident Fund | 1c | 436,244.96 | 448,218.00 |
| c. Allowances | | --- | --- |
| Sub-total | 6 | 7,301,510.18 | 7,459,872.95 |
| 2. Other Charges | 7 | 1,682,049.50 | 2,157,959.65 |
| 3. Central Items | 3 | - | - |
| 4. Rent and Rates | 4 | 502,688.00 | 479,896.00 |
| TOTAL EXPENDITURE | | 9,486,247.68 | 10,097,728.60 |
| C. SURPLUS/(DEFICIT) FOR THE YEAR | 8 | 8,576.01 | (467,124.98) |

The Annual Financial Report from pages 3 to 8 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE



 Chairman
 Date: 23 September 2023



 Director
 Date: 23 September 2023

NOTES ON THE ANNUAL FINANCIAL REPORT

NGO 53: BARNABAS CHARITABLE SERVICE ASSOCIATION LIMITED

(基督教巴拿巴愛心服務團有限公司)

(1 APRIL 2022 TO 31 MARCH 2023)

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") services (including support services to FSA services) funded by the Social Welfare Department ("SWD") under the Lump Sum Grant ("LSG") 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 which are separately included as part of the income and expenditure of the relevant items have been shown under Note 3.
Details are analysed below :

| <u>Provident Fund Contribution</u> | Snapshot staff HK\$ | 6.8% and Other Posts HK\$ | Total HK\$ |
|--|---------------------------|------------------------------------|-------------------|
| Subvention Received | --- | 459,480.00 | 459,480.00 |
| Provident Fund Contribution Paid during the Year | --- | (436,244.96) | (436,244.96) |
| Surplus for the Year | --- | 23,235.04 | 23,235.04 |
| <u>Add:</u> Surplus/(Deficit) b/f | --- | 479,968.88 | 479,968.88 |
| Additional subvention received for previous year(s) | --- | --- | --- |
| <u>Less:</u> Refund to Government | --- | --- | --- |
| Surplus/(Deficit) c/f | --- | 503,203.92 | 503,203.92 |

2. **Fee Income** This represents social welfare fee income received for the year in respect of the fees and charges recognised for the purpose of subvention as set out in the LSG Manual.

3. **Central Items** These are subsidies allocated to NGOs for specified purposes on a recurrent, time-limited or one-off basis 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.

Any surplus, which is not allowed to be offset by any deficit of another item, is subject to claw-back by SWD according to the terms and conditions of individual central items.

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).

There is no income received or expenditure paid for the year.

NOTES ON THE ANNUAL FINANCIAL REPORT

NGO 53: BARNABAS CHARITABLE SERVICE ASSOCIATION LIMITED

(基督教巴拿巴愛心服務團有限公司)

(1 APRIL 2022 TO 31 MARCH 2023)

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 need not be included as Other Income in the AFR. In this respect, donations have been included if it is used to finance expenditure of the FSA services/FSA-related activities reflected in the AFR.

The breakdown on Other Income is as follows:

| Other Income | 2022-23 | | | 2021-22 |
|--------------------------|-------------------|-------------------|------------------|-------------------|
| | Unit 7875 HK\$ | Unit 7874 HK\$ | Total HK\$ | Total HK\$ |
| (a) Programme income | --- | --- | --- | --- |
| (b) Miscellaneous income | 12,911.00 | 19,516.00 | 32,427.00 | 357,991.15 |
| Total | 12,911.00 | 19,516.00 | 32,427.00 | 357,991.15 |

6. **Personal Emoluments** Personal Emoluments include salary, provident fund and salary-related allowances.

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

| Analysis of Personal Emoluments paid under LSG | No of Posts | HK\$ |
|--|-------------|------|
| HK\$700,001 - HK\$800,000 p.a. | --- | --- |
| HK\$800,001 - HK\$900,000 p.a. | --- | --- |
| HK\$900,001 - HK\$1,000,000 p.a. | --- | --- |
| HK\$1,000,001 - HK\$1,100,000 p.a. | --- | --- |
| HK\$1,100,001 - HK\$1,200,000 p.a. | --- | --- |
| >HK\$1,200,000 p.a. | --- | --- |

7. **Other Charges** The breakdown on Other Charges is as follows:

| Other Charges | 2022-23 | | | 2021-22 |
|-----------------------------------|---------------------|-------------------|---------------------|---------------------|
| | Unit 7875 HK\$ | Unit 7874 HK\$ | Total HK\$ | Total HK\$ |
| (a) Utilities | 142,983.10 | 66,763.50 | 209,746.60 | 214,452.70 |
| (b) Food | 170,787.00 | 183,708.55 | 354,495.55 | 369,496.28 |
| (c) Administrative Expenses | 174,828.85 | 36,975.50 | 211,804.35 | 133,017.40 |
| (d) Stores and Equipment | 56,847.09 | 2,545.30 | 59,392.39 | 76,625.71 |
| (e) Repair and Maintenance | 57,809.00 | 36,083.50 | 93,892.50 | 92,417.50 |
| (f) Programme Expenses | 367,063.97 | 35,422.90 | 402,486.87 | 338,779.25 |
| (g) Transportation and Travelling | 7,520.23 | 77,053.10 | 84,573.33 | 118,315.70 |
| (h) Insurance | 154,723.68 | 2,097.10 | 156,820.78 | 174,007.67 |
| (i) Miscellaneous | 81,780.53 | 27,056.60 | 108,837.13 | 640,847.44 |
| Total | 1,214,343.45 | 467,706.05 | 1,682,049.50 | 2,157,959.65 |

NOTES ON THE ANNUAL FINANCIAL REPORT

NGO 53: BARNABAS CHARITABLE SERVICE ASSOCIATION LIMITED
(基督教巴拿巴愛心服務團有限公司)
(1 APRIL 2022 TO 31 MARCH 2023)

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

| | Lump Sum Grant (LSG) | Rent and Rates | Central Items (CI) | Total |
|---|----------------------|---------------------|--------------------|---------------------|
| | HK\$ | HK\$ | HK\$ | HK\$ |
| Income | | | | |
| Lump Sum Grant | 7,754,106.00 | --- | --- | 7,754,106.00 |
| Fee Income | 1,195,904.38 | --- | --- | 1,195,904.38 |
| Other Income | 32,427.00 | --- | --- | 32,427.00 |
| Interest Received (Note (1)) | 5,146.31 | --- | --- | 5,146.31 |
| Rent and Rates | --- | 507,240.00 | --- | 507,240.00 |
| Central Items | --- | --- | --- | --- |
| Total Income (a) | 8,987,583.69 | 507,240.00 | --- | 9,494,823.69 |
| Expenditure | | | | |
| Personal Emoluments | 7,301,510.18 | --- | --- | 7,301,510.18 |
| Other Charges | 1,682,049.50 | --- | --- | 1,682,049.50 |
| Rent and Rates | --- | 502,688.00 | --- | 502,688.00 |
| Central Items | --- | --- | --- | - |
| Total Expenditure (b) | 8,983,559.68 | 502,688.00 | --- | 9,486,247.68 |
| Surplus/(Deficit) for the Year (a) - (b) | 4,024.01 | 4,552.00 | --- | 8,576.01 |
| <u>Less:</u> Surplus/(Deficit) of Provident Fund | 23,235.04 | --- | --- | 23,235.04 |
| | (19,211.03) | 4,552.00 | --- | (14,659.03) |
| Surplus/(Deficit) b/f (Note (2)) | 1,458,802.42 | (206,655.00) | (5,593.27) | 1,246,554.15 |
| | 1,439,591.39 | (202,103.00) | (5,593.27) | 1,231,895.12 |
| <u>Add:</u> Adjustment per SWD letter SWD SF/SI/4-65/16(053) III | 93,750.00 | --- | --- | 93,750.00 |
| <u>Less:</u> Refund to Government | --- | (12,600.00) | --- | (12,600.00) |
| Surplus/(Deficit) c/f (Note (3)) | 1,533,341.39 | (214,703.00) | (5,593.27) | 1,313,045.12 |
| | | | | |

Notes:

- (1) Interest received on LSG (including Holding accounts ("HA")) and Provident Fund reserves, rent and rates, central items are included as one item under LSG; and the item is considered as part of LSG reserve.
- (2) Accumulated balance of LSG Surplus b/f from previous years (including all interest received in previous years (see (1) above) and the balance of HA should be separately reported as in the surplus b/f under LSG and HA respectively.
- (3) For NGOs without HAs, separate disclosure of the movement in HA in their respective AFRs is not necessary. The level of LSG cumulative reserve will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year.

For any amount above the cap, SWD would arrange the claw-back (including provisional in the following financial year) accordingly.

**SCHEDULE FOR RENT AND RATES
ANALYSIS OF SUBVENTION AND EXPENDITURE
FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023**

Appendix 1

**NGO 53: BARNABAS CHARITABLE SERVICE ASSOCIATION LIMITED
(基督教巴拿巴愛心服務團有限公司)**

| Unit Code and Name | Subvented Element | Subvention Released (Note 1) | Actual Expenditure | Surplus (Note 2) | Deficit (Note 2) |
|---|--------------------|------------------------------|--------------------|------------------|-------------------|
| | | HK\$ | HK\$ | HK\$ | HK\$ |
| Unit 7874 Training Centre at Lamma Island | Rent (Note 3) | 7,560.00 | 13,968.00 | --- | (6,408.00) |
| | Rates | 12,600.00 | 40.00 | 12,560.00 | --- |
| | <i>Total</i> | 20,160.00 | 14,008.00 | 12,560.00 | (6,408.00) |
| Unit 7875 Half-way House at Ma On Shan | Rent (Note 3) | 461,280.00 | 461,280.00 | --- | --- |
| | Rates | 25,800.00 | 27,400.00 | --- | (1,600.00) |
| | <i>Total</i> | 487,080.00 | 488,680.00 | --- | (1,600.00) |
| | | | | | |
| | Grand Total | 507,240.00 | 502,688.00 | 12,560.00 | (8,008.00) |

Note:

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year. Reimbursement for rent and rates relating to previous financial year(s) (i.e. back payments) should not be included.
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.

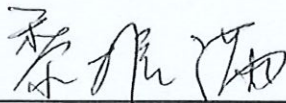
**SCHEDULE FOR INVESTMENT
ANALYSIS OF INVESTMENT AS AT 31 MARCH 2023**

**NGO 53: BARNABAS CHARITABLE SERVICE ASSOCIATION LIMITED
(基督教巴拿巴愛心服務團有限公司)**

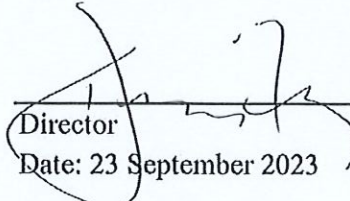
| | <u>2023</u> <u>HK\$'000</u> | <u>2022</u> <u>HK\$'000</u> |
|-----------------------------------|--------------------------------|--------------------------------|
| LSG Reserve as at 31 March | <u>1,533.34</u> | <u>1,458.80</u> |
| Represented by: | | |
| Investments | | |
| a. HKD Bank Account Balances | 1,533.34 | 1,458.80 |
| b. HKD 24-hour Call Deposits | --- | --- |
| c. HKD Fixed Deposits | --- | --- |
| d. HKD Certificate of Deposits | --- | --- |
| e. HKD Bonds | --- | --- |
| | <u>1,533.34</u> | <u>1,458.80</u> |

Note: The investments should be reported at historical cost.

Confirmed by:-



Chairman
Date: 23 September 2023



Director
Date: 23 September 2023