

九龍城浸信會社會服務處  
**KOWLOON CITY BAPTIST CHURCH**  
**SOCIAL SERVICES**  
**2025**

**REPORT(S) AND ACCOUNTS**



**陳李羅會計師事務所有限公司**  
**Chan, Li, Law CPA Limited**

香 港 執 業 會 計 師

CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

HONG KONG

**九龍城浸信會社會服務處**  
**KOWLOON CITY BAPTIST CHURCH SOCIAL SERVICES**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**九龍城浸信會社會服務處**  
**KOWLOON CITY BAPTIST CHURCH SOCIAL SERVICES**  
**REPORT OF THE DIRECTORS**

The directors submit herewith their annual report together with the audited financial statements for the year ended 31 March 2025.

**PRINCIPAL PLACE OF BUSINESS**

Kowloon City Baptist Church Social Services (the “Association”) is incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Flat 903, 9/F., Yee Kuk Industrial Centre, 555 Yee Kuk Street, Cheung Sha Wan, Kowloon.

**PRINCIPAL ACTIVITY**

The principal activity of the Association during the year was the provision of social welfare services to the community, provision of regional elderly services and to bring the gospel of Jesus Christ along with services to the community.

**RESULTS**

The financial performance and cash flows for the year ended 31 March 2025 and the financial position of the Association at that date are set out in the financial statements on pages 7 to 22.

**DIRECTORS**

The directors who held office during the financial year were :-

Wong Ling Tim

Ho Kin Chung

Ho Kang Wai Eddie

Cheung Kai Man Albert

Chan Kwok Wai William

Fung Kwok Hung

Chao Lai Man Alice

Tang Kam Fai

Lai Tat Keung

(resigned on 11 November 2024)

Tam Wing Cheung Eric

Yau Kit Ying Veronica

Ip Yiu Cheong

Siu Kwok Keung

Ng Fong Wing Elvis

Cheung Tat Yin

Fong Sui Man Chapman

Chan Chi Keung

## **DIRECTORS (continued)**

Ko Hay Ching Brian	
Mak Wan Han	(appointed on 11 November 2024)
Pang Siu Ling	(appointed on 11 November 2024)
Ho Kang Ming Samson	(appointed on 11 November 2024)

Mr. Lai Tat Keung resigned as director of the Association due to his personal reason. He has confirmed that he has no disagreement with the Board and nothing relating to the affairs of the Association needed to be brought to the attention of the members of the Association.

In accordance with article 38 of the Association's articles of association, all remaining directors shall retire from office in the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

## **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

No transactions, arrangements or contracts of significance to which the Association was a party, and in which a director of the Association had a material interest, whether directly or indirectly, subsisted during or at end of the financial year.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

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

## **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Association were entered into or existed during the year.

## **BUSINESS REVIEW**

No business review is presented for the period as the Association has been able to claim an exemption under section 388(3) of the Hong Kong Companies Ordinance since it falls within the reporting exemption.

## **PERMITTED INDEMNITY PROVISIONS**

No permitted indemnity provision for the benefit of any of the directors of the Association is currently in force and was in force throughout this year.

## AUDITORS

These financial statements were audited by Chan, Li, Law CPA Limited, Certified Public Accountants (Practising), which retires and, being eligible, offers itself for re-appointment.

On behalf of the board

A handwritten signature in black ink, appearing to read 'Eric Tam'.

Tam Wing Cheung Eric  
Chairman

Hong Kong, 15 September 2025



**Chan, Li, Law CPA Limited**  
*Certified Public Accountants (Practising)*  
**陳李羅會計師事務所有限公司**

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
KOWLOON CITY BAPTIST CHURCH SOCIAL SERVICES  
九龍城浸信會社會服務處**  
*(incorporated in Hong Kong with liability limited by guarantee)*

***Opinion***

We have audited the financial statements of Kowloon City Baptist Church Social Services (the "Association") set out on pages 7 to 22, which comprise the statement of financial position as at 31 March 2025 and the statement of comprehensive income, statement of changes in reserves 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 2025, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards for Private Entities Accounting Standard ("HKFRS for Private Entities") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

***Basis for Opinion***

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as 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 directors are responsible for the other information. The other information comprises all the information included in the directors' report set out on pages 1 to 3, 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.

### ***Responsibilities of Directors for the Financial Statements***

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors 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 directors 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 directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The directors 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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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 :-



*Chan, Li, Law CPA Limited*

*Certified Public Accountants (Practising)*

陳李羅會計師事務所有限公司

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- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 the directors 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.

Chan, Li, Law CPA Limited

Certified Public Accountants (Practising)

Hong Kong, 15 September 2025

Kwok Wai Choi Eddie

Practising Certificate No.: P05451



九龍城浸信會社會服務處  
**KOWLOON CITY BAPTIST CHURCH SOCIAL SERVICES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2025**  
*(Expressed in Hong Kong dollars)*

	<u>2025</u> HK\$	<u>2024</u> HK\$
<b>Income</b>		
Bank interest income	192,726	172,867
Community Care Fund - Elderly Dental Assistance	39,300	43,800
Donation received	1,477,958	1,923,921
Fee income	60,314	64,140
Lotteries Fund - Block Grant	104,000	93,000
Lump Sum Grant	6,773,771	6,319,332
One-off Subsidy for Elderly Centre for Purchase of Warm Items	20,300	20,800
Other government subvention income	427,220	273,720
Programme income	5,244,088	7,188,092
Subsidy for Adult Education	80,679	144,360
Subsidy from the Church	3,684,575	3,850,450
Subvention for rent and rates	315,421	315,421
Sundry income	177,372	117,872
The Scheme on Living Allowance for Careers	74,000	12,000
	<u>18,671,724</u>	<u>20,539,775</u>
<b>Expenditure</b>		
<b>Total expenditure – page 8</b>	(18,535,768)	(19,611,041)
<b>Surplus for the year</b>	<u><u>135,956</u></u>	<u><u>928,734</u></u>

九龍城浸信會社會服務處  
**KOWLOON CITY BAPTIST CHURCH SOCIAL SERVICES**  
**STATEMENT OF COMPREHENSIVE INCOME (continued)**  
**AS AT 31 MARCH 2025**  
*(Expressed in Hong Kong dollars)*

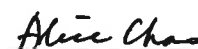
	<u>2025</u> HK\$	<u>2024</u> HK\$
<b>Expenditure</b>		
Auditors' remuneration	41,300	45,980
Bank charges	4,589	5,311
Block Grant expenses	104,242	93,881
Building management fee	84,000	84,000
Cleaning expenses	31,888	76,816
Contributions to defined retirement plan	524,465	530,189
Depreciation	251,933	266,873
Electricity, water and gas	129,093	122,556
Expense for I&T Fund for Application in Elderly and Rehabilitation Care	-	175,172
Expense for Subsidy for Elderly Centre for Purchase of Warm Items	20,308	20,902
Expenses for subsidy from the Church	895,200	522,237
Information system	254,050	106,710
Insurance	128,232	144,927
Medical expenses	60,081	55,452
Minor purchase	13,042	18,241
Postage	3,114	4,323
Printing and stationery	83,190	112,711
Professional fee	15,390	15,450
Programme expense	5,808,371	6,930,391
Recruitment expenses	12,950	9,031
Rent and rates	889,560	1,137,879
Repairs and maintenance	84,129	75,202
Salaries	8,964,875	8,909,503
Sundry expense	37,039	37,965
Telephone	32,572	39,354
Training expense	31,047	40,660
Travelling	31,108	29,325
<b>Total expenditure – page 7</b>	<u><u>18,535,768</u></u>	<u><u>19,611,041</u></u>

九龍城浸信會社會服務處  
**KOWLOON CITY BAPTIST CHURCH SOCIAL SERVICES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2025**  
*(Expressed in Hong Kong dollars)*

	<u>Note</u>	<u>2025</u> HK\$	<u>2024</u> HK\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	391,722	580,256
		<hr/>	<hr/>
<b>Current assets</b>			
Other receivables		1,128,022	31,256
Deposit and prepayment		359,805	180,030
Cash and bank balances		8,699,719	9,732,240
		<hr/>	<hr/>
		10,187,546	9,943,526
		<hr/>	<hr/>
<b>Current liabilities</b>			
Accruals		36,100	39,500
Receipt in advance		90,056	111,772
		<hr/>	<hr/>
		126,156	151,272
		<hr/>	<hr/>
<b>Net current assets</b>		10,061,390	9,792,254
		<hr/>	<hr/>
<b>NET ASSETS</b>		10,453,112	10,372,510
		<hr/>	<hr/>
<b>FUNDS AND RESERVES</b>			
General fund	7	3,873,574	3,895,676
Neighbourhood Elderly Centre fund	8	2,081,821	2,095,156
SWD Lump Sum Grant Reserve	9	377,540	373,201
SWD Provident Fund Reserve	10	900,404	839,358
SWD Social Welfare Subvention Surplus Account	11	52,146	(5,419)
SWD Social Welfare Development Fund	12	-	54,882
Furniture and Equipment Replenishment and Minor Works Block Grant Reserve	13	-	-
Other funds		3,167,627	3,119,656
		<hr/>	<hr/>
		10,453,112	10,372,510
		<hr/>	<hr/>

Approved and authorised for issue by the board of directors on 15 September 2025

  
 Tam Wing/Cheung Eric  
 Chairman

  
 Chao Lai Man Alice  
 Treasurer

The notes on pages 13 to 22 form part of these financial statements.

**九龍城浸信會社會服務處**  
**KOWLOON CITY BAPTIST CHURCH SOCIAL SERVICES**  
**STATEMENT OF CHANGES IN FUNDS AND RESERVES**  
**FOR THE YEAR ENDED 31 MARCH 2025**  
*(Expressed in Hong Kong dollars)*

	General fund (Note 7) HK\$	Neighbourhood Elderly Centre fund (Note 8) HK\$	SWD Lump Sum Grant Reserve (Note 9) HK\$	SWD Provident Fund Reserve (Note 10) HK\$	SWD Social Welfare Subvention Surplus Account (Note 11) HK\$	SWD Social Welfare Development Fund (Note 12) HK\$	Furniture and Equipment Replenishment and Minor Works Block Grant Reserve (Note 13) HK\$	Other funds HK\$	Total HK\$
Balance at 1 April 2023	3,874,716	2,061,034	361,996	823,002	16,981	54,882	-	2,293,719	9,486,330
Surplus/(deficit) for the year	645,453	40,703	11,205	16,356	(5,419)	-	(881)	221,317	928,734
Transfer to other funds	(624,493)	(5,700)	-	-	-	-	-	630,193	-
Transfer to Furniture and Equipment Replenishment and Minor Works Block Grant Reserve	-	(881)	-	-	-	-	881	-	-
Refund rent and rates to SWD	-	-	-	-	(16,981)	-	-	-	(16,981)
Clawback of unused subvention to Labour and Welfare Bureau	-	-	-	-	-	-	-	(25,573)	(25,573)
Balance at 31 March 2024	3,895,676	2,095,156	373,201	839,358	(5,419)	54,882	-	3,119,656	10,372,510

The notes on pages 13 to 22 form part of these financial statements.

**九龍城浸信會社會服務處**  
**KOWLOON CITY BAPTIST CHURCH SOCIAL SERVICES**  
**STATEMENT OF CHANGES IN FUNDS AND RESERVES**  
**FOR THE YEAR ENDED 31 MARCH 2025**  
*(Expressed in Hong Kong dollars)*

	General fund (Note 7) HK\$	Neighbourhood Elderly Centre fund (Note 8) HK\$	SWD Lump Sum Grant Reserve (Note 9) HK\$	SWD Provident Fund Reserve (Note 10) HK\$	SWD Social Welfare Subvention Surplus Account (Note 11) HK\$	SWD Social Welfare Development Fund (Note 12) HK\$	Furniture and Equipment Replenishment and Minor Works Block Grant Reserve (Note 13) HK\$	Other funds	Total HK\$
Balance at 1 April 2024	3,895,676	2,095,156	373,201	839,358	(5,419)	54,882	-	3,119,656	10,372,510
Surplus/(deficit) for the year	(22,102)	(13,110)	4,364	61,046	57,565	-	(242)	48,435	135,956
Transfer to Furniture and Equipment Replenishment and Minor Works Block Grant Reserve	-	(242)	-	-	-	-	242	-	-
Clawback of unused subvention to Labour and Welfare Bureau	-	-	-	-	-	-	-	(472)	(472)
Clawback of unused subvention to Social Welfare Department	-	(8)	-	-	-	(54,882)	-	-	(54,882)
Transfer to other fund	-	-	-	-	-	-	-	8	-
Transfer from Lump Sum Grant Reserve	-	25	(25)	-	-	-	-	-	-
Balance at 31 March 2025	<u>3,873,574</u>	<u>2,081,821</u>	<u>377,540</u>	<u>900,404</u>	<u>52,146</u>	<u>-</u>	<u>-</u>	<u>3,167,627</u>	<u>10,453,112</u>

The notes on pages 13 to 22 form part of these financial statements.

九龍城浸信會社會服務處  
**KOWLOON CITY BAPTIST CHURCH SOCIAL SERVICES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2025**  
*(Expressed in Hong Kong dollars)*

	Note	2025 HK\$	2024 HK\$
<b>Cash flows from operating activities</b>			
Surplus for the year		135,956	928,734
Adjustments for :-			
Depreciation		251,933	266,873
Bank interest income		(192,726)	(172,867)
<b>Operating surplus before changes in working capital</b>		195,163	1,022,740
Increase in other receivables		(1,096,766)	(31,256)
(Increase)/decrease in deposit and prepayment		(179,775)	56,959
Decrease in accruals		(3,400)	(23,120)
Decrease in receipt in advance		(21,716)	(18,890)
<b>Net cash (used in)/generated from operating activities</b>		(1,106,494)	1,006,433
<b>Cash flows from investing activities</b>			
Bank interest income		192,726	172,867
Purchase of property, plant, and equipment		(63,399)	(63,890)
<b>Net cash generated from investing activities</b>		129,327	108,977
<b>Cash flows from financing activities</b>			
Refund of rent and rates to SWD	11	-	(16,981)
Clawback of unused subvention to SWD	12	(54,882)	-
Clawback of unused subvention to Labour and Welfare Bureau		(472)	(25,573)
<b>Net cash used in financing activities</b>		(55,354)	(42,554)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(1,032,521)	1,072,856
<b>Cash and cash equivalents at the beginning of the year</b>		9,732,240	8,659,384
<b>Cash and cash equivalents at the end of the year</b>		8,699,719	9,732,240
<b>Analysis of the balances of cash and cash equivalents</b>			
Cash and bank balances		8,699,719	9,732,240

The notes on pages 13 to 22 form part of these financial statements.

**九龍城浸信會社會服務處**  
**KOWLOON CITY BAPTIST CHURCH SOCIAL SERVICES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**  
*(Expressed in Hong Kong dollars)*

**1. GENERAL INFORMATION**

Kowloon City Baptist Church Social Services (the “Association”) is a company with liability limited by guarantee and a charitable organisation incorporated in Hong Kong. The registered office and principal place of business locates at Flat 903, 9/F., Yee Kuk Industrial Centre, 555 Yee Kuk Street, Cheung Sha Wan, Kowloon. The principal activities of the Association during the year were the provision of social welfare services to the community, provision of regional elderly services and to bring the gospel of Jesus Christ along with services to the community.

**2. LIABILITY OF MEMBERS**

In accordance with the articles of association of the Association, every member shall, in the event of the Association being wound up, contribute such amount as may be required to meet the Association’s liabilities but not exceeding HK\$100.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basic of preparation of financial statements**

The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities Accounting Standard (“HKFRS for Private Entities”) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and requirements of the Hong Kong Companies Ordinance.

The financial statements comply with all applicable sections of HKFRS for Private Entities and have been prepared under the historical cost convention, the accrual basis of accounting and on the basis that the Association is a going concern. The financial statements are presented in Hong Kong dollars.

The preparation of financial statements in conformity with HKFRS for Private Entities 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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (a) Basis of preparation of financial statements (continued)

The estimates and underlying assumptions are reviewed on a going concern 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.

#### (b) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values, if any, over their estimated useful lives, using the straight-line method. The following estimated useful lives are used for the depreciation of property, plant and equipment:

Leasehold improvements	5 years
Office equipment	5 years

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

#### (c) Receivables

Receivables are recognised initially at the transaction price and do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of other 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 the receivables.

#### (d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

#### (e) Payables

Payables are initially recognised at the transaction price and subsequently measured at amortised cost using the effective interest method.



### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (f) Related parties

- (a) A person, or a close member of that person's family, is related to the Association if that person :-
- (i) has control or joint control over the Association ;
  - (ii) has significant influence over the Association ; or
  - (iii) is a member of the key management personnel of the Association or the Association's parent.
- (b) An entity is related to the Association if any of the following conditions applies :-
- (i) The entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Association or the Association's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include (i) that person's spouse and children; (ii) children of that person's spouse; and (iii) dependents of that person or that person's spouse.

#### (g) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Association. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to surplus or deficit on a straight-line basis over the term of the relevant lease.

#### (h) Income tax

No provision for Hong Kong profits tax has been made in the financial statements as the Association is an approved charitable body exempted from tax under the provision of section 88 of the Inland Revenue Ordinance.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(j) Provisions and contingencies

Provisions are recognised for liabilities of uncertain timing or amount when the Association has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(k) Impairment of assets

At each reporting date, property, plant and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **(1) Revenue and other income recognition**

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Association and the revenue and the costs, if applicable, can be measured reliably, revenue is recognised in statement of comprehensive income as follows :

- (i) Income from Government and related organisations in the form of transfer of resources in return for past or future compliance with certain conditions relating to the operating activities of the Association are recognised when there is reasonable assurance that the conditions have been complied with ;
- (ii) Operating income including membership fee, programme fee, service and accommodation income are recognised on cash basis ;
- (iii) Subsidy or donations received is recognised on cash receipt basis or in the period as specified by the donor ;
- (iv) Interest income is recognised as it accrues using the effective interest method.

### **4. DIRECTORS' REMUNERATION**

No directors' benefits and interests required to be disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation was incurred for the current and preceding years.

### **5. INCOME TAX**

No provision for Hong Kong profits tax has been made as the Association is an approved charitable organisation and is exempt from tax under section 88 of the Hong Kong Inland Revenue Ordinance.

**6. PROPERTY, PLANT AND EQUIPMENT**

	<u>Office equipment</u> HK\$	<u>Leasehold improvements</u> HK\$	<u>Total</u> HK\$
At 1 April 2024	1,302,851	2,059,798	3,362,649
Additions	63,399	-	63,399
At 31 March 2025	<u>1,366,250</u>	<u>2,059,798</u>	<u>3,426,048</u>
Accumulated depreciation :-			
At 1 April 2024	1,195,515	1,586,878	2,782,393
Charge for the year	50,473	201,460	251,933
At 31 March 2025	<u>1,245,988</u>	<u>1,788,338</u>	<u>3,034,326</u>
Net book value :-			
At 31 March 2025	<u>120,262</u>	<u>271,460</u>	<u>391,722</u>
At 31 March 2024	<u>107,336</u>	<u>472,920</u>	<u>580,256</u>

**7. GENERAL FUND**

	<u>2025</u> HK\$	<u>2024</u> HK\$
At the beginning of the year	3,895,676	3,874,716
(Deficit)/surplus for the year	(22,102)	645,453
Transfer to other funds	-	(624,493)
At the end of the year	<u>3,873,574</u>	<u>3,895,676</u>

**8. NEIGHBOURHOOD ELDERLY CENTRE FUND**

	<u>Note</u>	<u>2025</u> HK\$	<u>2024</u> HK\$
At the beginning of the year		2,095,156	2,061,034
(Deficit)/surplus for the year		(13,110)	40,703
Transfer to Furniture and Equipment Replenishment and Minor Works Block Grant Reserve	13	(242)	(881)
Transfer to other funds		(8)	(5,700)
Transfer from SWD Lump Sum Grant Reserve	9	25	-
At the end of the year		<u>2,081,821</u>	<u>2,095,156</u>

**9. SWD LUMP SUM GRANT RESERVE**

	<u>Note</u>	<u>2025</u> HK\$	<u>2024</u> HK\$
Income			
Lump Sum Grant		6,773,771	6,319,332
Fee income		55,484	60,800
Other income		1,906,641	3,163,404
Interest received		21,743	42,965
		<u>8,757,639</u>	<u>9,586,501</u>
Expenditure			
Personal Emoluments		6,945,460	7,023,621
Other Charges		1,746,769	2,535,319
		<u>8,692,229</u>	<u>9,558,940</u>
Surplus for the year		65,410	27,561
Less : Surplus of Provident Fund		(61,046)	(16,356)
		<u>4,364</u>	<u>11,205</u>
At the beginning of the year		373,201	361,996
Transfer to general fund	8	(25)	-
At the end of the year		<u>377,540</u>	<u>373,201</u>
Represented for :-			
Lump Sum Grant		371,693	367,354
Lump Sum Grant – holding account		5,847	5,847
		<u>377,540</u>	<u>373,201</u>

**10. SWD PROVIDENT FUND RESERVE**

	<u>2025</u> HK\$	<u>2024</u> HK\$
At the beginning of the year	839,358	823,002
Surplus for the year	61,046	16,356
At the end of the year	<u>900,404</u>	<u>839,358</u>

**11. SWD SOCIAL WELFARE SUBVENTION SURPLUS ACCOUNT**

	<u>2025</u> HK\$	<u>2024</u> HK\$
At the beginning of the year	(5,419)	16,981
Surplus/(deficit) for the year	57,565	(5,419)
Refund rent and rates to SWD related to :- - 2023-2024	-	(16,981)
At the end of the year	<u>52,146</u>	<u>(5,419)</u>

**12. SWD SOCIAL WELFARE DEVELOPMENT FUND**

	<u>2025</u> HK\$	<u>2024</u> HK\$
Total fund approved in Phase 3 :- At the beginning of the year	54,882	54,882
Add: Allocation from SWDF during the year	-	-
Less: Expenditure under SWDF during the year:- Expenditure for projects under Scope A Expenditure for projects under Scope B Expenditure for projects under Scope C Expenditure for projects under Scope D	- - - -	- - - -
Total expenditure during the year	-	-
Less: Clawback of unused subvention to SWD	(54,882)	-
At the end of the year	<u>-</u>	<u>54,882</u>

Unspent balance of the SWD Social Welfare Development Fund will have to be returned to the Social Welfare Department.

### 13. FURNITURE AND EQUIPMENT REPLENISHMENT AND MINOR WORKS BLOCK GRANT RESERVE

Movement of the Furniture and Equipment Replenishment and Minor Works Block Grant Reserve :-

	<u>Note</u>	<u>2025</u> HK\$	<u>2024</u> HK\$
At the beginning of the year		-	-
Add : Block Grant received during the year		104,000	93,000
Less : Minor works projects		-	-
Purchase of furniture and equipment	(a)	(104,242)	(93,881)
Repair and maintenance		-	-
		(104,242)	(93,881)
Deficit for the year		(242)	(881)
Transfer from Neighbourhood Elderly Centre fund	8	242	881
		-	-
At the end of the year		-	-

Note :-

- (a) Expenditure charged to Block Grant during the year was the full expenditure amount, i.e. the actual expenditure incurred in 2024-25.
- (b) Surplus from the Block Grant can only be used for the replenishment of furniture and equipment and minor works. At 31 March 2025, there is no outstanding commitments in respect of Block Grant Reserve.

### 14. OPERATING LEASE COMMITMENT

At 31 March 2025, total future minimum lease payments under non-cancellable operating leases were as follows :-

	<u>2025</u> HK\$	<u>2024</u> HK\$
Within one year	78,000	70,000
Later than one year	323,400	-
	401,400	70,000

**15. MATERIAL RELATED PARTY TRANSACTIONS**

In addition to the transactions and balances which are disclosed elsewhere in these financial statements, the Association had received subsidy of HK\$3,684,575 (2024: HK\$3,850,450) from the Church. The Church is related to the Association as the deacons of the Church has the right to elect more than half of the directors of the Association.