

FUNG KAI PUBLIC SCHOOL (Non-Government Organisation Number : 214)
Social Welfare Subsidised Service Units

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED MARCH 31, 2025



Chan Kin Cheong CPA(Practising)
CERTIFIED PUBLIC ACCOUNTANT

Chan Kin Cheong CPA(Practising)

Certified Public Accountant

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**INDEPENDENT AUDITORS' ASSURANCE REPORT
TO THE MANAGEMENT BOARD OF DIRECTORS OF
FUNG KAI PUBLIC SCHOOL
(incorporated in Hong Kong with limited guarantee)**

I have audited the financial statements of the Fung Kai Public School Fung Kai Care and Attention. Home for the Elderly - Home Section 鳳溪護理安老院-安老部, Fung Kai Public School Fung Kai Care and Attention Home for the Elderly - Day Care Centre for the Elderly 鳳溪護理安老院-日間護理中心 and Fung Kai Public School Fung Kai Neighbourhood Elderly Centre 鳳溪長者鄰舍中心(Collectively known as "Charity") for the year ended 31 March 2025 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Pursuit to the Lump Sum Grant ("LSG") Manual issued by the Social Welfare Department of the Government of the Hong Kong special Administrative Region ("SWD"), I have been requested to issue this assurance report in connection with the Annual Financial Report ("AFR") of the Charity for the year ended 31 March 2025.

Responsibilities of the Management Board

In relation to this report, the Management Board are responsible for ensuring the AFR of the Charity for the year ended 31 March 2025 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 Charity has complied with the purposes as specified in the LSG Manual and other instructions issued by the SWD,

Our Independence and Quality Management

I 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.

My firm applies Hong Kong Standard on Quality Management 1 issued by the HKICPA, 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.

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Auditor's Responsibility

My responsibility is to form a conclusion, based on our engagement, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. I do not assume responsibility towards or accept liability to any other person for the contents of this report.

I conducted my 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. I have planned and performed my 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 me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

In relation to my conclusion 1 below, I have planned and performed such procedures as I 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 my conclusion 2 below, I 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. I am not required to perform any procedures to search for instances of the use of funds from the LSG by the Charity being non-complied with the specified purposes. My 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 my 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

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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.

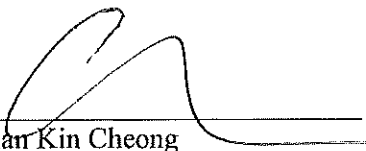
Conclusion

1. In my opinion, except for the possible effects of matter described in my conclusion 3, the AFR of the Charity for the year ended 31 March 2025 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 me to believe that the use of the funds from the LSG by the Charity has not complied, in all material respects, with the purposes as specified in the LSG Manual and other instructions issued by the SWD.
3. The Company had understate administrative fee and thus required to make prior year adjustment of HK\$5,812,400.07 debit to the LSG Reserve and HK\$47,241.36 credit to PF Reserve.

Intended Users and Purpose

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

For and on behalf of



Chan Kin Cheong
Certified Public Accountant (Practising)
Hong Kong,
Date: 15 OCT 2025

FUNG KAI PUBLIC SCHOOL (Non-Government Organisation Number : 214)
 Social Welfare Subsidised Service Units
 ANNUAL FINANCIAL REPORT
 For the period from April 1, 2024 to March 31, 2025

	Notes	<u>2024-25</u> HK\$	<u>2023-24</u> HK\$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	32,170,600	29,463,651
b. Provident Fund	1c	2,056,157	1,908,214
2. Fee Income	2	2,996,902	2,836,377
3. Central Items	3	191,758	1,973,318
4. Rent and Rates	4	386,244	386,244
5. Other Income	5	336,847	868,275
6. Interest Received		102,279	46,075
		<u>38,240,787</u>	<u>37,482,153</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		29,110,447	25,865,117
b. Provident Fund		<u>1,657,648</u>	<u>1,509,201</u>
Sub-total	6	30,768,095	27,374,318
2. Other Charges	7	6,664,417	6,031,653
3. Central Items	3	191,758	1,973,318
4. Rent and Rates	4	433,853	430,080
TOTAL EXPENDITURE		<u>38,058,123</u>	<u>35,809,368</u>
C. SURPLUS FOR THE YEAR	8	<u>182,664</u>	<u>1,672,785</u>

The Annual Financial Report from pages 4 to 11 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Subvention Manual.

SIGNATURE



Chairman: Liu Sui Biu

Date: 15 OCT 2025

SIGNATURE



Head of Social Welfare Service: Kwok Man Wah

Date: 15 OCT 2025

1. Lump Sum Grant (LSG)

- a. Basis of preparation
- The Annual Financial Report (AFR) is prepared in respect of all services defined in Funding and Service Agreement (FSA) (including support services to FSA services) funded by the Social Welfare Department (SWD) under the Lump Sum Grant Subvention System and also FSA services/ FSA-related activities funded by Other Funds or Donations for Designated Purposes. 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. Other posts represent those staff that are employed after 1 April 2000. The Provident Fund received and contributed for staff under the Central Items and Other Funds or Donations for Designated Purposes which are separately included as part of the income and expenditure of the relevant disclosures have been shown under Note 3 and 8. Details are analysed below:

	Snapshot Staff HK\$	6.80% Posts HK\$	Total HK\$
<u>Provident Fund Contribution</u>			
Subvention Received	72,207	1,983,950	2,056,157
Provident Fund Contribution			
Paid during the Year	(73,287)	(1,584,361)	(1,657,648)
(Deficit) / Surplus for the Year	(1,080)	399,589	398,509
Add: (Deficit) / Surplus b/f	(3,594)	6,438,249	6,434,655
Additional subvention received for previous years			
- Refund from Government	1,776	-	1,776
Provident Fund- 2016/17-2023/24			
Year adjustment	-	47,241	47,241
(Deficit) / Surplus c/f	(2,898)	6,885,079	6,882,181

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 Subvention Manual.

NOTES TO THE ACCOUNTS

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 5.5.4(c) of the LSG Subvention Manual). The income and expenditure of each of the Central Items are as follows:

	2025 HK\$	2024 HK\$
a. Income		
Dementia Supplement for Elderly with Disabilities and Infirmary Care Supplement for Residential Elderly Services	-	1,973,318
Infirmary Care Supplement for Residential Elderly Services	191,758	-
Total	<u>191,758</u>	<u>1,973,318</u>
b. Expenditure		
Dementia Supplement for Elderly with Disabilities and Infirmary Care Supplement for Residential Elderly Services	-	1,973,318
Infirmary Care Supplement for Residential Elderly Services	191,758	-
Total	<u>191,758</u>	<u>1,973,318</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.

NOTES TO THE ACCOUNTS

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 Other Funds or Donations for Designated Purposes may be included in AFR if they are used to finance expenditure of the FSA services/ FSA-related activities as reflected in the AFR.

The breakdown on Other Income is as follows:

	2025 HK\$	2024 HK\$
Other Income		
(a) Charges for ancillary services provided in the course of operating subsidised services	188,345	184,755
(b) Reimbursement of Maternity Leave Pay from Labour Department	14,267	-
(c) Other	134,235	683,520
Total	<u>336,847</u>	<u>868,275</u>

6. **Personal Emoluments**

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

The analysis on number of posts with annual Personal Emoluments over \$1,000,000 each paid under LSG is appended below:

Analysis of Personal Emoluments paid under LSG	No of Posts	HK\$
HK\$1,000,001 - HK\$1,100,000 p.a.	-	
HK\$1,100,001 -	-	
HK\$1,200,001 -	-	
HK\$1,300,001 -	-	
HK\$1,400,001 -	-	
>HK\$1,500,000 p.a.	1	1,688,520
	<u>1</u>	<u>1,688,520</u>

7. **Other Charges**

The breakdown on Other Charges is as follows:

	2025 HK\$	2024 HK\$
Other Charges		
(a) Utilities	1,563,925	1,482,892
(b) Food (including food for service users)	1,202,327	1,065,596
(c) Administrative Expenses	223,636	137,065
(d) Stores and Equipment	538,515	467,289
(e) Minor Repair and Maintenance	324,905	388,866
(f) Programme Expenses	561,851	466,852
(g) Transportation and Travelling	135,946	102,134
(h) Insurance	279,265	276,161
(i) Security guard fee	291,000	272,875
(j) Board management fee	840,000	840,000
(k) Miscellaneous	703,047	531,924
	<u>6,664,417</u>	<u>6,031,653</u>

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

	Lump Sum Grant (LSG)	Holding Account (HA)	Other Funds or Donations for Designated Purposes	Rent and Rates	Central Items (CI)	Total	Remark
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	
Income							
Lump Sum Grant	34,226,757	-	-	-	-	34,226,757	Appendix II Annex 1 (a)
Fee Income	2,996,902	-	-	-	-	2,996,902	Appendix II Annex 1 (a)
Other Income	336,847	-	-	-	-	336,847	Appendix II Annex 1 (a)
Interest Received (Note (1))	102,279	-	-	-	-	102,279	Appendix II Annex 1 (a)
Rent and Rates	-	-	-	386,244	-	386,244	Appendix II Annex 1 (a)
Central Items	-	-	-	-	191,758	191,758	Appendix II Annex 1 (a)
Total Income (a)	37,662,785	-	-	386,244	191,758	38,240,787	Appendix II Annex 1 (a)
Expenditure							
Personal Emoluments	30,768,095	-	-	-	-	30,768,095	Appendix II Annex 1 (a)
Other Charges	6,664,417	-	-	-	-	6,664,417	Appendix II Annex 1 (a)
Rent and Rates	-	-	-	433,853	-	433,853	Appendix II Annex 1 (a)
Central Items	-	-	-	-	191,758	191,758	Appendix II Annex 1 (a)
Special one-off Lump Sum Grant							Appendix II Annex 1 (a)
Total Expenditure (b)	37,432,512	-	-	453,853	191,758	38,058,123	Appendix II Annex 1 (a)
Surplus/(Deficit) for the Year	230,273	-	-	(47,609)	-	182,664	Appendix II Annex 1 (a)
Less : Surplus/ (Deficit) of Provident Fund	398,509	-	-	-	-	398,509	Appendix II Annex 1 (a)
Deficit for the Year	(168,236)	-	-	(47,609)	-	(215,845)	Appendix II Annex 1 (a)
Surplus/ (Deficit) b/f	7,614,237	85,056	-	221	-	7,699,514	Appendix II Annex 1 (a)
Less: LSG Reserve -2016/17-2023/24 Year Adjustment	(5,812,400)	-	-	-	-	(5,812,400)	Appendix II Annex 1 (a)
Add: Provident Fund Reserve - 2016/17-2023/24 Year Adjustment	47,241	-	-	-	-	47,241	Appendix II Annex 1 (a)
Less : Refund to Government	-	-	-	-	-	-	Appendix II Annex 1 (a)
Add : Refund from Government for government rent	-	-	-	19,485	-	19,485	Appendix II Annex 1 (a)
Add : Refund from Government for government rate	-	-	-	24,351	-	24,351	Appendix II Annex 1 (a)
Surplus/ (Deficit) c/f	1,680,842	85,056	-	(3,552)	-	1,762,346	Appendix II Annex 1 (a)

FUNG KAI PUBLIC SCHOOL (Non-Government Organisation Number : 214)
Social Welfare Subsidised Service Units
NOTES TO THE ACCOUNTS

9. Income and expenditure analysis of services and support services according to the scope of services and the provisions of the subvention services agreement

Income												Expenditure				Surplus/(Deficit) for the Year
Lump Sum Grant and transitional subsidy	Fee income	Central items	Rent and rate	Other income	Total	Personal Emoluments	Other charges	Central items	Rent and rate	Total						
Scope of services Subvention services agreement (2.7 & 16) Service Unit 2366 Fung Kai Day Care & Attention Home for the Elderly - Day Care Centre for the Elderly Service Unit 2367 Fung Kai Care and Attention Home for the Elderly - Home Section Service Unit 2368 Fung Kai Care and Attention Home for the Elderly - Home Section (Infirmary Care Supplement for Residential Elderly Services) Service Unit 2369 Fung Kai Neighbourhood Elderly Centre Service Unit 2367 Interest income																
	5,839,337	355,100	-	19,553	-	6,213,990	5,584,146	531,138	-	28,760	6,144,043				69,947	
	23,727,767	2,513,462	-	336,047	143,954	26,721,231	21,042,220	5,520,622	-	361,453	26,924,296				(203,065)	
	-	-	191,758	-	-	191,758	-	-	-	191,758	191,758				-	
	4,659,653	128,340	-	30,644	192,893	5,011,530	4,141,729	612,657	-	43,640	4,798,026				213,504	
102,279	-	-	-	-	102,279	-	-	-	-	-	-				102,279	
	34,329,036	2,996,902	191,758	386,244	336,847	38,240,787	30,768,095	6,664,417	191,758	433,853	38,058,123				182,664	

Schedule for Central Items
Analysis of subvention and expenditure for the year ended March 31, 2025

Unit code and name	Subvented element	Subvention released	Actual expenditure	Surplus / (deficit)	Deficit for the year			Refund to government	Adjustment	Surplus c/f (h) = (e) - (a) - (d) - (f) - (g) HK\$
					Deficit	Deficit absorbed	Adjusted deficit			
				(a)	HK\$	HK\$	HK\$	(f)	(g)	HK\$
2368 - Home Section (Infirmary Care Supplement for Residential Elderly Services)	Subvention for Infirmary Care Supplement for Residential Elderly Services	HK\$ 191,758	HK\$ 191,758	-	-	-	-	HK\$ -	HK\$ -	HK\$ -
Total		191,758	191,758	-	-	-	-	-	-	-

Remark:

1. The whole fiscal year's amount can be taken from the payment schedule of March within that fiscal year, together with the subsidies disbursed at the end of March.
2. The actual expenditure should be reported on the total amount, including provident fund contribution, but net of income from the related activity items.
3. The surplus or deficit of each subsidy item refers only to the difference between the amount of subsidies disbursed and the actual expenditure.

Schedule for Rent and rates

Analysis of subvention and expenditure for the year ended March 31, 2025

Unit code and name	Subvented element	Subvention released	Actual expenditure	Surplus	Deficit
2366 Fung Kai Day Care & Attention Home for the Elderly					
- Day Care Centre for the Elderly	Rent	9,535	11,160		(1,625)
	Rates	10,018	17,600		(7,582)
	Total	19,553	28,760		(9,207)
2367 Fung Kai Care and Attention Home for the Elderly - Home Section					
	Rent	123,170	135,913		(12,743)
	Rates	212,877	225,540		(12,663)
	Total	336,047	361,453		(25,406)
2369 Fung Kai Neighbourhood Elderly Centre					
	Rent	11,324	16,740		(5,416)
	Rates	19,320	26,900		(7,580)
		30,644	43,640		(5,416)
	Grand total	386,244	433,853		(47,609)

FUNG KAI PUBLIC SCHOOL (Non-Government Organisation Number : 214)
 Social Welfare Subsidised Service Units
NOTES TO THE ACCOUNTS

Schedule for Investments
 Analysis of investments as at March 31, 2025

	2025 HK\$000	2024 HK\$000
LSG Reserve as at March 31, 2025	<u>1,762</u>	<u>7,699</u>
Represented by:		
Investments		
a. HKD Bank Account Balances	1,762	7,699
b. HKD Fixed deposit	<u>-</u>	<u>-</u>
	<u>1,762</u>	<u>7,699</u>

Remark: The investment is recorded at original cost.


Chairman: Liu Sui Biu
 15 OCT 2025


Head of Social Welfare Service: Kwok Man Wah
 15 OCT 2025