

**LOK CHI ASSOCIATION LIMITED**

INDEPENDENT AUDITOR'S ASSURANCE REPORT

AND ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH, 2025



**Yuen & Chu** CPA Limited

**Certified Public Accountants**

**LOK CHI ASSOCIATION LIMITED**  
**INDEPENDENT AUDITOR'S ASSURANCE REPORT**  
**AND ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2025**

<b>INDEX</b>	<b>PAGES</b>
<b>INDEPENDENT AUDITOR'S ASSURANCE REPORT</b>	<b>1 - 2</b>
<b>ANNUAL FINANCIAL REPORT</b>	<b>3</b>
<b>NOTES ON THE ANNUAL FINANCIAL REPORT</b>	<b>4 - 7</b>

## **INDEPENDENT AUDITOR'S ASSURANCE REPORT**

### **TO THE MANAGEMENT COMMITTEE OF**

### **LOK CHI ASSOCIATION LIMITED**

We have audited the financial statements of Lok Chi Association Limited (hereinafter called "the Association") for the year ended 31st March, 2025 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

28 OCT 2025

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 31st March, 2025.

#### **Responsibilities of the Management Committee**

In relation to this report, the Management Committee are responsible for ensuring the AFR of the Association for the year ended 31st 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 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 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 (Cont'd)**

### **TO THE MANAGEMENT COMMITTEE OF**

### **LOK CHI ASSOCIATION LIMITED**

#### **Auditor's Responsibility (Cont'd)**

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 31st 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 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.



YUEN & CHU CPA LIMITED  
CERTIFIED PUBLIC ACCOUNTANTS  
Hong Kong  
Date : 28 OCT 2025

Chu Wai Yin

Practising certificate number : P03995

**LOK CHI ASSOCIATION LIMITED**


**NON-GOVERNMENTAL ORGANISATION**


**ANNUAL FINANCIAL REPORT**

**1 APRIL 2024 TO 31 MARCH 2025**

	Notes	Total 2024-25 \$	Total 2023-24 \$
<b>A. INCOME</b>			
1. Lump Sum Grant		4,300,464.25	4,171,802.00
a. Lump Sum Grant (excluding Provident Fund)	1b	4,008,802.00	3,894,937.00
b. Provident Fund	1c	291,662.25	276,865.00
2. Fee Income	2	-	-
3. Central Items	3	-	-
4. Rent and Rates	4	42,160.00	42,376.00
5. Other Income	5	1,086,602.50	337,026.00
6. Interest Received		18,806.21	17,520.88
<b>TOTAL INCOME</b>		<b>5,448,032.96</b>	<b>4,568,724.88</b>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments	6	4,237,200.79	3,714,664.67
a. Salaries - LSG		3,537,271.80	3,430,915.85
Salaries - Other Funds		416,073.80	-
b. Provident Fund - LSG	1c	263,658.75	283,748.82
Provident Fund - Other Funds		20,196.44	-
c. Allowances		-	-
2. Other Charges	7	1,238,682.87	813,159.13
3. Central Items	3	53,764.88	-
4. Rent and Rates	4	32,644.00	30,224.00
<b>TOTAL EXPENDITURE</b>		<b>5,562,292.54</b>	<b>4,558,047.80</b>
<b>C. (DEFICIT) / SURPLUS FOR THE YEAR</b>	8	<b>(114,259.58)</b>	<b>10,677.08</b>

The Annual Financial Report from pages 3 to 7 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Subvention Manual.

Authorised  
Signature   
Name Mr Chan Wong Yuen  
Title Chairperson  
Date 28 OCT 2025

Authorised  
Signature   
Name Ms Kwan Pui Ying  
Title Executive Director  
Date 28 OCT 2025

# LOK CHI ASSOCIATION LIMITED

## NOTES ON THE ANNUAL FINANCIAL REPORT

YEAR ENDED 31 MARCH 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 :

<b><u>Provident Fund Contribution</u></b>	<b><u>Snapshot Staff</u></b>	<b><u>Other Posts</u></b>	<b><u>Total</u></b>
	<b><u>HK\$</u></b>	<b><u>HK\$</u></b>	<b><u>HK\$</u></b>
Subvention Received	59,234.00	232,428.25	291,662.25
Provident Fund Contribution			
Paid during the Year	<u>(59,234.00)</u>	<u>(204,424.75)</u>	<u>(263,658.75)</u>
Surplus / (Deficit) for the Year	-	28,003.50	28,003.50
Add : Surplus / (Deficit) b/f	-	604,321.17	604,321.17
Surplus / (Deficit) c/f	<u>-</u>	<u>632,324.67</u>	<u>632,324.67</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 Subvention Manual.

# LOK CHI ASSOCIATION LIMITED

## NOTES ON THE ANNUAL FINANCIAL REPORT (Cont'd)

### YEAR ENDED 31 MARCH 2025

- 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:

	<u>2024-25</u>	<u>2023-24</u>
	<u>\$</u>	<u>\$</u>
<b><u>a. Income</u></b>		
One-off Allocation for Providing Assistance to Persons with Disabilities under the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities	-	93,804.00
<b>Total</b>	<u>-</u>	<u>93,804.00</u>
<b><u>b. Expenditure</u></b>		
One-off Allocation for Providing Assistance to Persons with Disabilities under the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities	53,764.88	19,623.50
<b>Total</b>	<u>53,764.88</u>	<u>19,623.50</u>

Remark: The carried forward balance of the one-off allocation, which was previously omitted, has been added to the financial year ended 2023-24

- 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 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:

	<u>2024-25</u>	<u>2023-24</u>
<b>Other Income</b>	<u>HK\$</u>	<u>HK\$</u>
(a) Programme income	235,370.00	176,755.00
(b) Other Funds or Donations for Designated Purposes	850,086.70	159,829.80
(c) Miscellaneous income	<u>1,145.80</u>	<u>441.20</u>
<b>Total</b>	<u>1,086,602.50</u>	<u>337,026.00</u>

# LOK CHI ASSOCIATION LIMITED

## NOTES ON THE ANNUAL FINANCIAL REPORT (Cont'd)

### YEAR ENDED 31 MARCH 2025

**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:

<b>Analysis of Personal Emoluments paid under LSG</b>	<b>No. of Posts</b>	<b>HK\$</b>
HK\$1,000,001 - HK\$1,100,000 p.a.	Nil	Nil
HK\$1,100,001 - HK\$1,200,000 p.a.	0.80	890,654.40
HK\$1,200,001 - HK\$1,300,000 p.a.	Nil	Nil
HK\$1,300,001 - HK\$1,400,000 p.a.	Nil	Nil
HK\$1,400,001 - HK\$1,500,000 p.a.	Nil	Nil
>HK\$1,500,000 p.a.	Nil	Nil

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

<b>Other Charges</b>	<u>2024-25</u>	<u>2023-24</u>
	<u>HK\$</u>	<u>HK\$</u>
(a) Utilities	40,400.37	44,045.48
(b) Food (including food for service users)	-	-
(c) Administrative Expenses	69,555.37	57,542.94
(d) Stores and Equipment	97,602.48	89,396.42
(e) Minor Repair and Maintenance	7,293.00	9,315.50
(f) Special Allowances	-	-
(g) Programme Expenses	978,411.45	549,852.50
(h) Transportation and Travelling	6,375.90	3,661.70
(i) Insurance	16,936.00	19,937.10
(j) Miscellaneous	22,108.30	39,407.49
<b>Total</b>	<u>1,238,682.87</u>	<u>813,159.13</u>

**LOK CHI ASSOCIATION LIMITED**

**NOTES ON THE ANNUAL FINANCIAL REPORT (Cont'd)**

**YEAR ENDED 31 MARCH 2025**

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

	Lump Sum Grant (LSG) HK\$	Holding Account (HA) HK\$	Other Funds or Donations for Designated Purposes HK\$	Rent and Rates HK\$	Central Items (CI) HK\$	Total HK\$
<b>Income</b>						
Lump Sum Grant	4,300,464.25	-	-	-	-	4,300,464.25
Fee Income	-	-	-	-	-	-
Other Income	234,262.50	-	852,340.00	-	-	1,086,602.50
Interest Received	18,806.21	-	-	-	-	18,806.21
Rent	-	-	-	28,356.00	-	28,356.00
Rates	-	-	-	13,804.00	-	13,804.00
Central Items	-	-	-	-	-	-
<b>Total Income (a)</b>	<b>4,553,532.96</b>	<b>-</b>	<b>852,340.00</b>	<b>42,160.00</b>	<b>-</b>	<b>5,448,032.96</b>
<b>Expenditure</b>						
Personal Emoluments	3,800,930.55	-	436,270.24	-	-	4,237,200.79
Other Charges	715,315.23	3,120.00	520,247.64	-	-	1,238,682.87
Rent	-	-	-	16,824.00	-	16,824.00
Rates	-	-	-	15,820.00	-	15,820.00
Central Items	-	-	-	-	53,764.88	53,764.88
<b>Total Expenditure (b)</b>	<b>4,516,245.78</b>	<b>3,120.00</b>	<b>956,517.88</b>	<b>32,644.00</b>	<b>53,764.88</b>	<b>5,562,292.54</b>
Surplus / (Deficit) for the Year (a) - (b)	37,287.18	(3,120.00)	(104,177.88)	9,516.00	(53,764.88)	(114,259.58)
Less : Surplus/(Deficit) of Provident Fund	28,003.50	-	-	-	-	28,003.50
Surplus/(Deficit) for the Year (excl. PF)	9,283.68	(3,120.00)	(104,177.88)	9,516.00	(53,764.88)	(142,263.08)
Surplus / (Deficit) b/f	778,340.04	25,744.86	102,709.95	12,152.00	74,180.50	993,127.35
	787,623.72	22,624.86	(1,467.93)	21,668.00	20,415.62	850,864.27
Add: Refund from Government	-	-	-	16.00	-	16.00
Less: Refund to Government Ref: 4-35-40-35-15-20-P1 (SAS012)	-	-	-	(12,168.00)	-	(12,168.00)
Surplus / (Deficit) c/f	787,623.72	22,624.86	(1,467.93)	9,516.00	20,415.62	838,712.27

Note : (A) Total Expenditure excluding Provident Fund Expenditure

Total Expenditure of LSG	4,519,365.78	
Less: Total Expenditure of PF	(263,658.75)	
	<u>4,255,707.03</u>	<u>1,063,926.76</u>
	T	25% of T

(B) Total Surplus of LSG and interest received excluding Provident Fund

Total Surplus of LSG	810,248.58
Less: 06/07 Surplus	(22,624.86)
Total Surplus excluding 06/07 Surplus	<u>787,623.72</u>

(C) Total of (B) cannot exceed 25% of T