

CHUK LAM MING TONG LIMITED
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2020
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

REVIEW REPORT
TO THE BOARD OF DIRECTOR OF
CHUK LAM MING TONG LIMITED
(incorporated in Hong Kong limited by guarantee)

We have audited the financial statements of The Chuk Lam Ming Tong Limited (the “Association”) for the year ended 31 March 2020 and have issued an unqualified auditors’ report thereon dated 23 September 2020.

We conducted our review of the annexed Annual Financial Report of the Association for the year ended 31 March 2020 in accordance with the 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 Association, on which the above audited financial statements of the Association 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 Association for the year ended 31 March 2020 :

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Association; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Association has not :
 - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund and other social welfare subventions and expenditure 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 Special One-off Grant and Provident Fund arrangements during the year ended 31 March 2020.

Directors: Chan Chi Bor 陳志波
FCCA FCPA (Practising) FCA FTIHK 執業資深會計師
☎ (852) 2854 3077 ☒ cbchan@chanlilaw.com.hk

Kwok Wai Choi Eddie 郭偉材
CPA (Practising) 執業會計師
☎ (852) 2528 9430 ☒ eddie@chanlilaw.com.hk

Li Fat Chung 李發中
MBA FCCA FCPA (Practising) FCA FTIHK 執業資深會計師
☎ (852) 2851 0760 ☒ johnny@chanlilaw.com.hk

Li King Man 李勁文
CPA (Practising) AAIA 執業會計師
☎ (852) 2528 9908 ☒ tony@chanlilaw.com.hk



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

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.

Chan, Li, Law CPA Limited
Certified Public Accountants (Practising)
Hong Kong, 23 SEP 2020

Kwok Wai Choi Eddie
Practising Certificate No.: P05451

ANNUAL FINANCIAL REPORT
NGO : CHUK LAM MING TONG LIMITED
1 APRIL 2019 TO 31 MARCH 2020

	Notes	2019-20 \$	2018-19 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	32,193,871.00	30,047,172.00
b. Provident Fund	1c	2,152,556.00	2,025,793.00
2. Fee Income	2	3,977,793.00	3,749,666.00
3. Central Items	3	3,546,975.00	2,907,464.00
4. Rent and Rates	4	234,500.00	162,392.00
5. Income from sale of medical appliances and milk powder		1,643,323.20	1,726,936.80
6. Other Income	5	653,686.86	459,710.10
7. Interest Received		278,115.33	225,036.67
TOTAL INCOME		44,680,820.39	41,304,170.57
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		26,233,105.49	24,487,042.52
b. Provident Fund	1c	1,470,527.27	1,422,630.27
c. Allowances		2,434,662.42	2,104,243.08
Sub-total	6	30,138,295.18	28,013,915.87
2. Other Charges	7	8,007,038.98	7,439,415.07
3. Central Items	3	3,267,894.00	2,907,464.00
4. Rent and Rates	4	234,500.00	234,000.00
5. Cost of medical appliances and milk powder		1,522,719.15	1,327,254.05
TOTAL EXPENDITURE		43,170,447.31	39,922,048.99
C. SURPLUS FOR THE YEAR	8	1,510,373.08	1,382,121.58

The Annual Financial Report from pages 1 to 9 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

Authorized Signature



Name

Ho Shing Tung


Title

Director

Date

23 September 2020

Authorized Signature



Name

Chung Chun Fung, Raymond

Title

Services Director

Date

23 September 2020

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% & Other Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	146,601.00	2,005,955.00	2,152,556.00
Provident Fund Contribution Paid during the year	(65,157.00)	(1,405,370.27)	(1,470,527.27)
	<hr/>	<hr/>	<hr/>
Surplus for the Year	81,444.00	600,584.73	682,028.73
Add : Surplus b/f	55,181.30	6,437,269.16	6,492,450.46
Additional subvention received for previous years	-	11,151.00	11,151.00
Less : Refund to Government	(39,708.00)	-	(39,708.00)
Provident Fund Contribution paid for previous year	-	(59.63)	(59.63)
	<hr/>	<hr/>	<hr/>
Surplus c/f	<u>96,917.30</u>	<u>7,048,945.26</u>	<u>7,145,862.56</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 Manual.

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 Central Items have been separately included as part of the income and expenditure of the relevant items (paragraph 3.14 of LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

NOTES ON THE ANNUAL FINANCIAL REPORT

3. Central Items (cont'd)

	2019-20	2018-19
a. Income	\$	\$
Dementia Supplement for Residential Elderly Services	2,821,364.00	2,907,464.00
Special Allowance for Staff of Subvented Residential Service Units in repect of COVID-19	446,530.00	-
Special Grant on Manapower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infectious Agent	279,081.00	-
Total	3,546,975.00	2,907,464.00
	2019-20	2018-19
b. Expenditure	\$	\$
Dementia Supplement for Residential Elderly Services	2,821,364.00	2,907,464.00
Special Allowance for Staff of Subvented Residential Service Units in repect of COVID-19	446,530.00	-
Total	3,267,894.00	2,907,464.00

NOTES ON THE ANNUAL FINANCIAL REPORT

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 reflected in the AFR.

The breakdown on Other Income is as follows :-

Other Income	2019-20	2018-19
	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	532,977.76	296,916.20
(b) Programme income	120,709.10	162,793.90
Total	653,686.86	459,710.10

6. Personal Emoluments Personal Emoluments include salary, provident fund, salary-related allowances. The analysis on number of posts with annual Personal Emoluments over \$700,000 each paid under LSG is appended below:

Analysis of Personal Emoluments paid under LSG	No of Posts	\$
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.	1	973,103.00
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.	-	-

NOTES ON THE ANNUAL FINANCIAL REPORT

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

Other Charges	2019-20 \$	2018-19 \$
(a) Utilities	1,523,209.53	1,504,413.23
(b) Food	2,259,626.97	2,012,649.02
(c) Administrative Expenses	361,953.90	267,748.06
(d) Stores and Equipment	1,177,631.76	747,692.96
(e) Repair and Maintenance	439,225.24	821,921.67
(f) Programme Expenses	189,891.70	226,383.14
(g) Transportation and Travelling	83,239.35	98,602.19
(h) Insurance	445,711.59	330,326.44
(i) Miscellaneous	151,752.90	134,743.76
(j) Medical Consultation Service by Visiting Medical Officer	369,000.00	104,000.00
(k) Medical Expenses	520,768.04	635,634.60
(l) Pharmaceutical and Nutrition Ca	234,228.00	200,200.00
(m) Speech therapists service	-	117,500.00
(n) Subscription fee of drug packaging system	250,800.00	237,600.00
Total	8,007,038.98	7,439,415.07

NOTES ON THE ANNUAL FINANCIAL REPORT

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

	Analysis of Reserve Fund			
	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$
Income				
Lump Sum Grant	34,346,427.00	-	-	34,346,427.00
Fee Income	3,977,793.00	-	-	3,977,793.00
Income from sale of medical appliances and milk powder	1,643,323.20	-	-	1,643,323.20
Other Income	653,686.86	-	-	653,686.86
Interest Received (Note (1))	278,115.33	-	-	278,115.33
Rent and Rates	-	234,500.00	-	234,500.00
Central Items	-	-	3,546,975.00	3,546,975.00
Total Income	(a) 40,899,345.39	234,500.00	3,546,975.00	44,680,820.39
Expenditure				
Personal Emoluments	30,138,295.18	-	-	30,138,295.18
Other Charges	8,007,038.98	-	-	8,007,038.98
Rent and Rates	-	234,500.00	-	234,500.00
Central Items	-	-	3,267,894.00	3,267,894.00
Cost of sale of medical appliances and milk powder	1,522,719.15	-	-	1,522,719.15
Total Expenditure	(b) 39,668,053.31	234,500.00	3,267,894.00	43,170,447.31
Surplus / (Deficit) for the Year	(a) - (b) 1,231,292.08	-	279,081.00	1,510,373.08
Less : Surplus of Provident Fund	(682,028.73)	-	-	(682,028.73)
	549,263.35	-	279,081.00	828,344.35
Surplus / (Deficit) b/f	(Note (2)) 16,689,876.30	(71,608.00)	-	16,618,268.30
	17,239,139.65	(71,608.00)	279,081.00	17,446,612.65
Add: Refund from Government	-	71,608.00	-	71,608.00
Surplus / (Deficit) c/f	(Note (4)) 17,239,139.65	-	279,081.00	17,518,220.65

Notes:

- (1) Interest received on LSG 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 Lump Sum Grant 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 Infirmiry Care Supplement, if any, as per Schedule for Central Items.
- (4) The level of LSG cumulative reserve, 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.

9. Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1 April 2019 to 31 March 2020

Name of Agency : Chuk Lam Ming Tong Limited

Unit Code and Name (Note 7)	Subvention Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3)	Deficit for the year		Surplus / (Deficit) b/f (Note 5)	Refund to / (from) Government (f)	Surplus / (Deficit) c/f (Note 6) $(g)=(e)+(b)-(d)-(f)-(h)-(i)-(j)$ HK\$
					Deficit (Note 3) (g)	Adjusted Deficit $(d)-(b)-(c)$ HK\$			
7907 - Chuk Lam Ming Tong C & A Home For The Aged - "Residential Service Units"	Dementia Supplement for Residential Elderly Services (Note Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	2,821,364.00	2,821,364.00	-	-	-	-	-	-
- "Residential and Home-based Care Service Units"	Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infectious Agent	446,530.00	446,530.00	-	-	-	-	-	-
TOTAL		3,546,975.00	3,267,894.00	279,081.00	-	-	-	-	279,081.00

Notes:

- The figures for the whole financial year are extracted from the payroll for March (Final) or remittance advice(s) issued by the Treasury of the financial year.
- Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
- Surplus / Deficit for each element represents the difference between subvention released and actual expenditure.
- Deficit i.r.o. the following central items arising from salary adjustment are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref. (33) in SWD/S/104/2 Pt. 18 dated 4 March 2020.
(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
- "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
- "Surplus carried forward (c/f)" means surplus brought forward less refund to Government plus surplus, if any, arising from operations in current year.
- Unit Codes and names / remittance advice no. are extracted from the payroll from SWD and remittance advice from the Treasury respectively.
- 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.

NOTES ON THE ANNUAL FINANCIAL REPORT

10. Schedule for Rent and Rates

Analysis of Subvention and Expenditure for the Period from 1 April 2019 to 31 March 2020

Name of Agency : Chuk Lam Ming Tong Limited

Unit Code & Name	Subvented Element	Subvention Released (Note 1) \$	Actual Expenditure \$	Surplus (Note 2) \$	Deficit (Note 2) \$
5850 Aged Chuk Lam Ming Tong C & A Home For The	Rent (Note 3)	1,000.00	1,000.00	-	-
	Rates	233,500.00	233,500.00	-	-
	Total	234,500.00	234,500.00	-	-

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 Re

NOTES ON THE ANNUAL FINANCIAL REPORT

10. Schedule for Investment

Analysis of Investment as at 31 March 2020


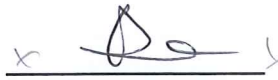
NGO : Chuk Lam Ming Tong Limited

	2019-20 HK\$	2018-19 HK\$
LSG Reserve	<u>17,239,139.65</u>	<u>16,689,876.30</u>
Represented by :		
Investments		
a. HKD Bank Account Balances	1,107,400.45	1,321,766.99
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	16,131,739.20	15,368,109.31
d. HKD Certificate of Deposits	-	-
e. HKD Bonds	-	-
	<u>17,239,139.65</u>	<u>16,689,876.30</u>

Note :


The investments should be reported at historical cost.

Confirmed by :

Signature : Chairman :	 <u>Mr. Ho Shing Tung</u>	Signature : Services Director :	 <u>Mr. Chung Chun Fung, Raymond</u>
Date :	<u>23 SEP 2020</u>	Date :	<u>23 SEP 2020</u>

We have checked the above balances of investments against the original copy of the relevant records obtained from banks and/or financial institutions, and confirm that the information reported in this Schedule is correct.

Certified by external auditor :

Signature :	 <u>Chan Li, Law CPA Limited</u>
Name of audit firm :	<u>Chan, Li, Law CPA Limited</u>
Date :	<u>23 SEP 2020</u>

