

竹林明堂有限公司

**CHUK LAM MING TONG LIMITED**

**ANNUAL FINANCIAL REPORT**

**2023**

**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 Chuk Lam Ming Tong Limited (the “Association”) for the year ended 31 March 2023 and 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 27 October 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.

Our firm applies Hong Kong Standard on Quality Management 1, which requires our 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.

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 Practice Note 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.



*Chan, Li, Law CPA Limited*

*Certified Public Accountants (Practising)*

陳李羅會計師事務所有限公司

*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.



Chan, Li, Law CPA Limited  
Certified Public Accountants (Practising)  
Hong Kong, 27 October 2023

Kwok Wai Choi Eddie  
Practising Certificate No.: P05451

**ANNUAL FINANCIAL REPORT**  
**NGO : CHUK LAM MING TONG LIMITED**  
**1 APRIL 2022 TO 31 MARCH 2023**

	Notes	2022-23 \$	2021-22 \$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	33,295,039.00	32,817,640.00
b. Provident Fund	1c	2,121,160.00	2,117,287.00
2. Fee Income	2	3,767,669.00	4,031,846.00
3. Central Items	3	2,837,464.00	2,890,081.00
4. Rent and Rates	4	172,046.00	203,000.00
5. Income from sale of medical appliances and milk powder		1,363,163.00	1,580,541.30
6. Other Income	5	476,760.89	686,441.32
7. Interest Received		227,688.67	31,246.65
<b>TOTAL INCOME</b>		<b>44,260,990.56</b>	<b>44,358,083.27</b>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		27,747,267.66	27,225,896.76
b. Provident Fund	1c	1,578,605.50	1,537,146.15
c. Allowances		3,683,458.16	2,522,211.37
Sub-total	6	33,009,331.32	31,285,254.28
2. Other Charges	7	7,489,892.23	7,805,316.18
3. Central Items	3	2,871,505.94	2,910,183.23
4. Rent and Rates	4	203,000.00	203,000.00
5. Cost of medical appliances and milk powder		1,108,747.43	1,426,104.70
<b>TOTAL EXPENDITURE</b>		<b>44,682,476.92</b>	<b>43,629,858.39</b>
<b>C. (DEFICIT)/SURPLUS FOR THE YEAR</b>	8	<b>(421,486.36)</b>	<b>728,224.88</b>

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	x  x	Authorized Signature	x  x
Name	<u>Mr. Yung Kon Ham</u>	Name	<u>Mr. Ma Lok Steve</u>
Title	<u>Director</u>	Title	<u>Superintendent</u>
Date	<u>27 October 2023</u>	Date	<u>27 October 2023</u>



## 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) services (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 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	6.8% & Other Posts	Total
	\$	\$	\$
Subvention Received	41,931.00	2,079,229.00	2,121,160.00
Provident Fund Contribution Paid during the year	(38,778.11)	(1,539,827.39)	(1,578,605.50)
Surplus for the Year	3,152.89	539,401.61	542,554.50
<b>Add</b> : Surplus b/f Additional subvention received for previous	0.30	8,289,780.53	8,289,780.83
<b>Less</b> : Refund to Government	-	-	-
<b>Surplus c/f</b>	3,153.19	8,829,182.14	8,832,335.33

#### 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). The income and expenditure of each of the Central Items are as follows:



**NOTES ON THE ANNUAL FINANCIAL REPORT**

**3. Central Items (cont'd)**

	<b>2022-23</b>	<b>2021-22</b>
	<b>\$</b>	<b>\$</b>
<b>a. Income</b>		
Dementia Supplement for Residential Elderly Services	2,770,045.00	2,890,081.00
Special allowance for manpower support	67,419.00	-
<b>Total</b>	<u>2,837,464.00</u>	<u>2,890,081.00</u>
	<b>2022-23</b>	<b>2021-22</b>
	<b>\$</b>	<b>\$</b>
<b>b. Expenditure</b>		
Dementia Supplement for Residential Elderly Services	2,824,189.93	2,890,081.00
Special allowance for manpower support	47,316.01	20,102.23
<b>Total</b>	<u>2,871,505.94</u>	<u>2,910,183.23</u>



## 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 need not be included as Other Income in 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:

	<b>2022-23</b>	<b>2021-22</b>
<b>Other Income</b>	<b>\$</b>	<b>\$</b>
(a) Fees and charges for services incidental to the operation of	453,389.00	418,887.99
(b) Others	23,371.89	267,553.33
<b>Total</b>	<b>476,760.89</b>	<b>686,441.32</b>

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

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

<b>Analysis of Personal Emoluments paid under LSG</b>	<b>No of Posts</b>	<b>\$</b>
HK\$700,001 - HK\$800,000 p.a.	4	2,999,697.57
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.	-	-





**NOTES ON THE ANNUAL FINANCIAL REPORT**

**7. Other Charges**

The breakdown on Other Charges is as follows:

<b>Other Charges</b>	<b>2022-23</b>	<b>2021-22</b>
	<b>\$</b>	<b>\$</b>
(a) Utilities	1,819,827.90	1,560,272.00
(b) Food	2,424,748.07	2,532,897.51
(c) Administrative Expenses	401,975.68	140,048.26
(d) Stores and Equipment	529,609.40	1,152,481.14
(e) Repair and Maintenance	753,243.27	577,933.14
(f) Programme Expenses	96,385.03	114,258.28
(g) Transportation and Travelling	112,720.18	123,988.21
(h) Insurance	174,184.33	434,704.01
(i) Miscellaneous	125,826.24	10,009.53
(j) Medical Consultation Service by Visiting Medical Officer	372,000.00	392,000.00
(k) Medical Expenses	335,982.13	611,864.10
(l) Pharmaceutical and Nutrition Care	99,060.00	138,060.00
(m) Speech therapists service	244,330.00	16,800.00
<b>Total</b>	<u><u>7,489,892.23</u></u>	<u><u>7,805,316.18</u></u>



NOTES ON THE ANNUAL FINANCIAL REPORT

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

	Lump Sum Grant (LSG)	Holding Account (HA)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP / ASCP(PC) - FWSS	Rent and Rates	Central Items (CI)	Total
	\$			\$	\$	\$
<b>Income</b>						
Lump Sum Grant	35,416,199.00					35,416,199.00
Fee Income	3,767,669.00					3,767,669.00
Income from sale of medical appliances and milk	1,363,163.00					1,363,163.00
Other Income	476,760.89		-			476,760.89
Interest Received (Note (1))	227,688.67					227,688.67
Rent and Rates				172,046.00		172,046.00
Central Items					2,837,464.00	2,837,464.00
<b>Total Income (a)</b>	<b>41,251,480.56</b>	<b>-</b>	<b>-</b>	<b>172,046.00</b>	<b>2,837,464.00</b>	<b>44,260,990.56</b>
<b>Expenditure</b>						
Personal Emoluments	33,009,331.32					33,009,331.32
Other Charges	7,489,892.23		-			7,489,892.23
Rent and Rates				203,000.00		203,000.00
Central Items					2,871,505.94	2,871,505.94
Cost of sale of medical appliances and milk powder	1,108,747.43					1,108,747.43
<b>Total Expenditure (b)</b>	<b>41,607,970.98</b>	<b>-</b>	<b>-</b>	<b>203,000.00</b>	<b>2,871,505.94</b>	<b>44,682,476.92</b>
<b>Surplus / (Deficit) for the Year (a) - (b)</b>	<b>(356,490.42)</b>	<b>-</b>	<b>-</b>	<b>(30,954.00)</b>	<b>(34,041.94)</b>	<b>(421,486.36)</b>
Less : Surplus of Provident Fund	542,554.50					542,554.50
	(899,044.92)			(30,954.00)	(34,041.94)	(964,040.86)
<b>Surplus / (Deficit) b/f (Note (2))</b>	<b>9,538,139.99</b>	<b>7,892,062.51</b>	<b>-</b>	<b>-</b>	<b>(20,102.23)</b>	<b>17,410,100.27</b>
	8,639,095.07	7,892,062.51		(30,954.00)	(54,144.17)	16,446,059.41
<u>Add:</u> Refund from Government						
<b>Surplus / (Deficit) c/f Note (4)</b>	<b>8,639,095.07</b>	<b>7,892,062.51</b>	<b>-</b>	<b>(30,954.00)</b>	<b>(54,144.17)</b>	<b>16,446,059.41</b>

**Notes:**

- Interest received on LSG (including 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.
- 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.
- Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule for Central Items.
- For NGOs without HA, separate disclosure of the movement of HA in their respective AFRs is not necessary. The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.

For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows:

(i) With Snapshot Staff (SS) [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year was greater than zero]  
The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution (K)) for the year.

(ii) Without SS [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year (which is regarded as Year 0) was zero]

For the next three years (Year 1 to Year 3), the level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.

From the fourth financial year (Year 4) onwards, the level of LSG cumulative reserve and HA reserve will be counted altogether and the combined reserve amount (i.e. S1+S2) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution (K)) for the year. In this regard, separate disclosure of the movement of HA in their respective AFRs is not necessary.

[For (4)(i) and (4)(ii) above, please also refer to SWD's letter under reference (11) in SWD/S/109/1/10 of 4 April 2022.]

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



9. Schedule for Central Items  
 Analysis of Subvention and Expenditure for the Period from 1 April 2022 to 31 March 2023

Name of NGO : CHUK LAM MING TONG LIMITED

Unit Code and Name / Remittance Advice No. (Note 7)	Subvented Element	Subvention Released (Note 1a) (a)	Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received (Note 1b) (b)	Actual Expenditure (Note 2a) (c)	Actual Expenditure Incurred under RMLP Scheme (Note 2b) (d)	Surplus (Note 3) (a) = (a1) - (d2) HKS	Deficit for the year		Surplus / (Deficit) b/f (Note 5) (e) HKS	Refund From (to) Government (f) HKS	Adjustment to LSG (Note 9) (g) HKS	Surplus / (Deficit) c/f (Note 6) (b) = (e) + (g) - (f) - (h) HKS
							Deficit (Note 3) (b) = (d1) - (d2) HKS	Deficit transferred to LSG (Note 4) (c) HKS				
7907 - Chuk Lam Ming Tong C & A Home For The Aged (DS)	Dementia Supplement for Residential Elderly Services	2,770,045.00	-	2,824,189.93	-	-	54,144.93	-	-	-	-	(54,144.93)
- "Residential Service Units"	"人力支援-新亞歷羅呼吸道傳染病"	67,419.00	-	47,316.01	-	20,102.99	-	-	(20,102.23)	-	-	0.76
<b>TOTAL</b>		2,837,464.00	-	2,871,505.94	-	20,102.99	54,144.93	0.00	(20,102.23)	-	-	(54,144.17)

Notes:

- 1(a). The figures for the whole financial year are extracted from the payroll for March (Final) or remittance advice(s) issued by the Treasury or allocation letter(s) issued by Social Welfare Department of the financial year.
- 1(b). This amount represents any reimbursement received from the RMLP Scheme if the NGO has temporarily paid the expenditure out of the allocation from the subvented element (see Note 2(b) below).
- 2(a). Actual expenditure represents the total expenditure incurred including provision fund for the respective services after netting off (i) programme income and (ii) expenditure under RMLP Scheme mentioned in Note 2(b) below, if any.
- 2(b). This amount represents the additional four weeks' MLP (i.e. the 11th to 14th weeks) paid to the employee out of the corresponding allocation.
3. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
4. Deficit i.e. 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/IS/104/2 Pt. 18 dated 4 March 2020.
  - (i) Dementia Supplement for Elderly with Disabilities
  - (ii) Infirmary Care Supplement for the Aged Blind Persons
  - (iii) Dementia Supplement for Residential Elderly Services
  - (iv) Infirmary Care Supplement for Residential Elderly services
5. "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
6. "Surplus carried forward (c/f)" means surplus brought forward less refund to Government plus surplus, if any, arising from operations in current year.
7. Unit code and name / remittance advice no. are extracted from the payroll from SWD and remittance advice from the Treasury respectively.
8. 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.
9. For ASCP/ Enhanced ASCP, the adjustment includes the amount of expenditure overstated / (understated) in previous year(s) after taking into account the actual claw-back amount(s) per SWD's allocation letter(s), if any.
10. For NGOs with Visiting Medical Practitioner Service Team which arrange delivery of the service under the Programme to all private and self-financing RCHes, RCHDs as well as contract homes operated by private operators only.



10. Schedule for Rent and Rates

Analysis of Subvention and Expenditure for the Period from 1 April 2022 to 31 March 2023

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 Chuk Lam Ming Tong C & A Home For The Aged	Rent (Note 3)	1,000.00	1,000.00	-	-
	Rates	171,046.00	202,000.00	-	30,954.00
Grand Total		172,046.00	203,000.00	-	30,954.00

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 Rent.





**Schedule for Investment  
Analysis of Investment as at 31 March 2023**

**NGO :** **Chuk Lam Ming Tong Limited**

	31 March 2023 HK\$	31 March 2022 HK\$
<b>LSG Reserve</b>	16,531,157.58	17,430,202.95
 <b>Represented by :</b>		
Investments		
a. HKD Bank Account Balances	-	-
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	16,531,157.58	17,430,202.95
d. HKD Certificate of Deposits	-	-
e. HKD Bonds	-	-
	16,531,157.58	17,430,202.95


**Note :**  
The investments should be reported at historical cost.

**Confirmed by :**

<p>Signature : <u></u></p> <p>Chairman : <u>Mr. Yung Kon Ham</u></p> <p>Date : <u>27 October 2023</u></p>	<p>Signature : <u></u></p> <p>Superintendent : <u>Mr. Ma Lok Steve</u></p> <p>Date : <u>27 October 2023</u></p>
--	--

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 : 

Name of audit firm : Chan, Li, Law CPA Limited

Date : 27 October 2023



