

ANNUAL FINANCIAL REPORT

NGO: Chung Shak Hei (Cheung Chau) Home for the Aged Limited (Agency code:164)

1 APRIL 2020 TO 31 MARCH 2021

	Notes	Total 2020-2021 HK\$	Total 2019-2020 HK\$	Remarks
A INCOME				
1 Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	39,356,345.00	38,744,059.00	
b. Provident Fund	1c	3,230,457.00	3,342,715.00	
2 Fee Income	2	4,528,949.50	4,790,599.00	
3 Central Items	3	6,258,914.00	5,194,334.00	
4 Rent and Rates	4	121,304.00	143,834.00	
5 Other Income	5	314,479.40	739,892.00	
6 Interest Received		279,002.35	502,290.86	
TOTAL INCOME		54,089,451.25	53,457,723.86	
B EXPENDITURE				
1 Personal Emoluments				
a. Salaries		34,846,631.03	34,411,618.65	
b. Provident Fund	1c	2,993,987.36	3,065,516.94	
c. Allowances		927,690.64	1,243,100.55	
	Sub-total	38,768,309.03	38,720,236.14	
2 Other Charges	7	8,566,947.22	8,171,943.88	
3 Central Items	3	6,200,117.79	4,895,656.60	
4 Rent and Rates	4	121,304.00	143,834.00	
TOTAL EXPENDITURE		53,656,678.04	51,931,670.62	
C SURPLUS/(DEFICIT) FOR THE YEAR		432,773.21	1,526,053.24	

The Annual Financial Report from Pages 2 to 8 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



Chairman : Chung Man Chai

16 July 2021

Date



Chief Executive Officer : Ms. Tan To

16 July 2021

Date

NOTES ON THE ANNUAL FINANCIAL REPORT

1 Lump Sum Grant

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>	Snapshot Staff	6.8% and Other Posts	Total
	HK\$	HK\$	HK\$
Subvention Received	1,083,194.00	2,147,263.00	3,230,457.00
Provident Fund Contribution Paid during the Year	(909,048.00)	(2,084,939.36)	(2,993,987.36)
Surplus / (Deficit) for the Year	174,146.00	62,323.64	236,469.64
<u>Add:</u> Surplus / (Deficit) b/f	456,964.00	2,985,314.84	3,442,278.84
Additional subvention received for 2017-18	-	24,371.00	24,371.00
<u>Less:</u> Refund to Government	(236,088.00)	-	(236,088.00)
Surplus / (Deficit) c/f	395,022.00	3,072,009.48	3,467,031.48

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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.

NOTES ON THE ANNUAL FINANCIAL REPORT

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 3.14 of LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	<u>2020-2021</u>	<u>2019-2020</u>
	HK\$	HK\$
a. Income		
Dementia Supplement for Residential Elderly Services	1,941,706.00	1,844,738.00
Infirmiry Care Supplement for Residential Elderly Services	3,807,280.00	2,622,441.00
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	-	279,675.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	447,480.00	447,480.00
Time-Limites Programme On Enhancing Infection Control And Ventilation Of Residential Care Homes For The Elderly And Residential Care Homes For Persons With Disabilities On-Site Ventilation Assessment	62,448.00	-
Total	<u>6,258,914.00</u>	<u>5,194,334.00</u>
b. Expenditure		
Dementia Supplement for Residential Elderly Services	1,942,630.54	1,846,596.50
Infirmiry Care Supplement for Residential Elderly Services	3,805,793.62	2,619,955.53
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	-	7,300.00
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	447,043.63	421,804.57
Time-Limites Programme On Enhancing Infection Control And Ventilation Of Residential Care Homes For The Elderly And Residential Care Homes For Persons With Disabilities On-Site Ventilation Assessment	4,650.00	-
Total	<u>6,200,117.79</u>	<u>4,895,656.60</u>
c. Net (Deficit) / Surplus	<u>58,796.21</u>	<u>298,677.40</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.

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:

	<u>2020-2021</u>	<u>2019-2020</u>
	HK\$	HK\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	314,479.40	739,892.00
(b) Others	-	-
	<u>314,479.40</u>	<u>739,892.00</u>

NOTES ON THE ANNUAL FINANCIAL REPORT

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:

<u>Analysis of Personal Emoluments paid under LSG</u>	No. of Posts	<u>2020-2021</u>	<u>2019-2020</u>
		HK\$	HK\$
HK\$700,001- HK\$800,000 p.a.	Nil	-	750,581.81
HK\$800,001- HK\$900,000 p.a.	Nil	-	-
HK\$900,001- HK\$1,000,000 p.a.	Nil	-	-
HK\$1,000,001- HK\$1,100,000 p.a.	1	1,027,330.71	1,027,187.88
HK\$1,100,001- HK\$1,200,000 p.a.	1	1,156,089.52	1,105,345.92
>HK\$1,200,000 p.a.	Nil	-	-

7 Other Charges

The breakdown on Other Charges is as follows:

Other Charges	<u>2020-2021</u>	<u>2019-2020</u>
	HK\$	HK\$
(a) Utilities	1,227,064.04	1,330,915.00
(b) Food	2,932,275.00	3,000,580.32
(c) Administrative Expenses	311,335.05	315,074.98
(d) Stores and Equipment	647,849.24	487,815.68
(e) Repair and Maintenance	660,019.41	524,601.74
(f) Special Allowances	-	-
(g) Programme Expenses	111,984.04	1,826,341.16
(h) Transportation and Travelling	17,308.66	12,701.90
(i) Insurance	335,907.82	275,147.55
(j) Miscellaneous	226,846.36	225,444.52
(k) Outsourcing Services	1,928,340.10	-
(l) Staff Training and Development	29,423.50	2,141.70
(m) Other Staff-related Benefits	138,594.00	171,179.33
Total	8,566,947.22	8,171,943.88

8 Analysis of Lump Sum Grant Reserve and balance of other SWD subventions

	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$
INCOME				
Lump Sum Grant	42,586,802.00	-	-	42,586,802.00
Fee Income	4,528,949.50	-	-	4,528,949.50
Other Income	314,479.40	-	-	314,479.40
Interest Received (Note (1))	279,002.35	-	-	279,002.35
Rent and Rates	-	121,304.00	-	121,304.00
Central Items	-	-	6,258,914.00	6,258,914.00
TOTAL INCOME (a)	47,709,233.25	121,304.00	6,258,914.00	54,089,451.25
EXPENDITURE				
Personal Emoluments	38,768,309.03	-	-	38,768,309.03
Other Charges	8,566,947.22	-	-	8,566,947.22
Rent and Rates	-	121,304.00	-	121,304.00
Central Items	-	-	6,200,117.79	6,200,117.79
TOTAL EXPENDITURE (b)	47,335,256.25	121,304.00	6,200,117.79	53,656,678.04
Surplus / (Deficits) for the year (a)-(b)	373,977.00		58,796.21	432,773.21
Less: Surplus / (Deficit) of Provident Fund	236,469.64		-	236,469.64
	137,507.36		58,796.21	196,303.57
Surplus / (Deficit) b/f (Note (2))	19,563,440.03		299,446.89	19,862,886.92
	19,700,947.39		358,243.10	20,059,190.49
Less: Refund 2019-2020 DE Service Fee Elder members	(37,238.50)		-	(37,238.50)
Less: Refund 2019-2020 NEC Program Fee to Elder members	(3,000.00)		-	(3,000.00)
Less: Refund to Government	-		(298,677.40)	(298,677.40)
Surplus/Deficit c/f (Note (4))	19,660,708.89		59,565.70	19,720,274.59

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 LSG 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 Infirmary Care Supplement, if any, as per Schedule of Central Items.
- (4) The level of LSG cumulative reserves (i.e. S), 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.

Remark: Surplus of Central Items c/f includes the following:

Surplus of Blister Programme (no need to claw back, used to cover the deficit of centr	769.49
Surplus of Supplement	58,796.21
	59,565.70

Schedule for Central Items

Analysis of Subvention and Expenditure for the Period from 1 April 2020 to 31 March 2021

Name of Agency: Agency 164 Chung Shak Hei (Cheung Chau) Home for the Aged Limited

Unit Code and Name (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus		Deficit for the Year			Surplus b/f (Note 5)	Refund to Government / Transfer to LSG	Surplus-c/f (Note 6)
				a	b	Deficit (Note 3)	Deficit transferred to LSG (Note 4)	Adjusted Deficit (d)=(b)-(c)			
2105-Chung Shak Hei Home-DCS	Dementia Supplement for Residential Elderly Services	1,085,071.00	1,084,115.84	955.16	-	-	-	1,966.44	1,966.44	955.16	
7908-Wan Ho Kan C&A Home-DCS	Dementia Supplement for Residential Elderly Services	856,635.00	858,514.70	(1,879.70)	-	(1,879.70)	-	(3,824.94)	(3,824.94)	(1,879.70)	
2072-Chung Shak Hei Home-ICS	Infirmary Care Supplement for Residential Elderly Services	1,713,276.00	1,713,717.52	(441.52)	-	(441.52)	-	3,481.39	3,481.39	(441.52)	
2078-Wan Ho Kan C&A Home-ICS	Infirmary Care Supplement for Residential Elderly Services	2,094,004.00	2,092,076.10	1,927.90	-	-	-	(995.92)	(995.92)	1,927.90	
	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	-	-	-	-	-	N/A	272,375.00	272,375.00	-	
	Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	447,480.00	447,043.63	436.37	-	-	N/A	25,675.43	25,675.43	436.37	
	Time-Limites Programme On Enhancing Infection Control And Ventilation Of Residential Care Homes For The Elderly And Residential Care Homes For Persons With Disabilities On-Site Ventilation Assessment	62,448.00	4,650.00	57,798.00	-	-	N/A	-	-	57,798.00	
	Total	6,258,914.00	6,200,117.79	61,117.43	(2,321.22)	(2,321.22)	-	298,677.40	298,677.40	58,796.21	

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/104/2 Pt.18 dated 4 March 2020.
 - Dementia Supplement for Elderly with Disabilities
 - Infirmary Care Supplement for the Aged Blind Persons
 - Dementia Supplement for Residential Elderly Services
 - Infirmary 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 code and name / 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 item released and/or expended during the year, where appropriate, should also be included.

Name of Agency: **Chung Shak Hei (Cheung Chau) Home for the Aged Limited**

Schedule for Rent and Rates

Analysis of Subvention and Expenditure for the period from 1 April 2020 to 31 March 2021

Unit Code and Name	Subvention Element	Subvention Released	Actual Expenditure	Surplus	Deficit
		(Note 1)		(Note 2)	(Note 2)
		\$	\$	\$	\$
2074 Chung Shak Hei Home for the Aged	Rent (Note 3)	15,840.00	15,840.00	-	-
	Rates	6,400.00	6,400.00	-	-
	Total	22,240.00	22,240.00	-	-
2075 Wan Ho Kan Care and Attention Home	Rent (Note 3)	42,840.00	42,840.00	-	-
	Rates	51,400.00	51,400.00	-	-
	Total	94,240.00	94,240.00	-	-
2106 Wan Ho Kan Neighbourhood Elderly Centre	Rent (Note 3)	4,824.00	4,824.00	-	-
	Rates	-	-	-	-
	Total	4,824.00	4,824.00	-	-
	Grand Total	121,304.00	121,304.00	-	-

Notes:

1. The figures can be extracted from the payroll for March plus subvention released in late March of the financial year. Reimbursement for rent and rates relating to previous financial year(s) (i.e. back payment) should not be included.
2. Surplus / Deficit for each element represents the difference between subvention released and actual
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 2021
Agency : Chung Shak Hei (C.C.) Home for the Aged Limited

	2021	2020
LSG Reserve as at 31 March	19,660,708.89	19,563,440.03

Represented by :

Investments

a. HKD Bank Account Balances	1,160,708.89	1,163,440.03
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	18,500,000.00	18,400,000.00
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	19,660,708.89	19,563,440.03

Note : The investments should be reported at historical cost.

Confirmed by : —



Chairman : Mr Chung Man Chai

Date : 16 July 2021

SINCE 1969



Chief Executive Officer: Ms Tan To

Date : 16 July 2021