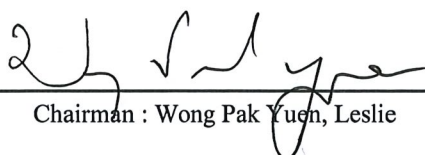


ANNUAL FINANCIAL REPORT
NGO: Chung Shak Hei (Cheung Chau) Home for the Aged Limited (Agency code:164)
1 APRIL 2023 TO 31 MARCH 2024

| | Notes | 2023-24 \$ | 2022-23 \$ |
|--|-------|----------------------|----------------------|
| A. INCOME | | | |
| 1 Lump Sum Grant | | | |
| a. Lump Sum Grant (excluding Provident Fund) | 1b | 41,169,051.00 | 39,085,785.00 |
| b. Provident Fund | 1c | 3,011,071.00 | 3,057,836.00 |
| 2 Fee Income | 2 | 4,218,072.00 | 3,990,702.00 |
| 3 Central Items | 3 | 6,030,098.00 | 5,316,830.00 |
| 4 Rent and Rates | 4 | 159,252.00 | 159,252.00 |
| 5 Other Income | 5 | 1,102,558.66 | 578,004.71 |
| 6 Interest Received | | 743,737.39 | 238,890.48 |
| TOTAL INCOME | | 56,433,840.05 | 52,427,300.19 |
| B. EXPENDITURE | | | |
| 1 Personal Emoluments | | | |
| a. Salaries | | 34,301,062.60 | 34,625,212.20 |
| b. Provident Fund | 1c | 2,657,728.91 | 2,670,016.35 |
| c. Allowances | | 742,885.75 | 301,761.60 |
| Sub-total | 6 | 37,701,677.26 | 37,596,990.15 |
| 2 Other Charges | 7 | 11,282,319.32 | 8,438,199.46 |
| 3 Central Items | 3 | 6,035,664.22 | 5,372,098.45 |
| 4 Rent and Rates | 4 | 143,088.00 | 114,008.00 |
| TOTAL EXPENDITURE | | 55,162,748.80 | 51,521,296.06 |
| C SURPLUS/(DEFICIT) FOR THE YEAR | | 1,271,091.25 | 906,004.13 |

The Annual Financial Report from Pages 3 to 9 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.


Chairman : Wong Pak Yuen, Leslie

23 July 2024

Date


Chief Executive Officer : Fung Yip, Angela

23 July 2024

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) services (including support services to FSA services) 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 which are separately included as part of the income and expenditure of the relevant disclosures have been shown under Note 3.

Details are analysed below :

| <u>Provident Fund Contribution</u> | Snapshot Staff | 6.8% and Other Posts | Total |
|---|----------------|-------------------------|----------------|
| | \$ | \$ | \$ |
| Subvention Received | 538,360.00 | 2,472,711.00 | 3,011,071.00 |
| Provident Fund Contribution Paid during the Year | (362,231.00) | (2,295,497.91) | (2,657,728.91) |
| Surplus / (Deficit) for the Year | 176,129.00 | 177,213.09 | 353,342.09 |
| <u>Add: Surplus / (Deficit) b/f</u> | 465,233.00 | 3,209,194.95 | 3,674,427.95 |
| Additional subvention received for previous year(s) | - | 43,688.00 | 43,688.00 |
| <u>Less: Refund to Government</u> | (141,317.00) | - | (141,317.00) |
| Surplus / (Deficit) c/f | 500,045.00 | 3,430,096.04 | 3,930,141.04 |

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

| | 2023-24 | 2022-23 |
|---|---------------------|---------------------|
| | \$ | \$ |
| a. Income | | |
| Dementia Supplement for Residential Elderly Services | 1,780,138.00 | 1,811,184.00 |
| Infirmary Care Supplement for Residential Elderly Services | 4,249,960.00 | 3,486,510.00 |
| Time-Limited 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 | - | 19,136.00 |
| One-off Subsidy for Strengthened Provision of VMO for Residential Elderly Services | - | - |
| Total | 6,030,098.00 | 5,316,830.00 |
| | \$ | \$ |
| b. Expenditure | | |
| Dementia Supplement for Residential Elderly Services | 1,820,272.31 | 1,851,088.56 |
| Infirmary Care Supplement for Residential Elderly Services | 4,208,693.51 | 3,442,589.89 |
| Time-Limited 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 | 6,698.40 | 8,420.00 |
| One-off Subsidy for Strengthened Provision of VMO for Residential Elderly Services | - | 70,000.00 |
| Total | 6,035,664.22 | 5,372,098.45 |
| c. Net (Deficit) / Surplus | (5,566.22) | (55,268.45) |

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 be included as Other Income in AFR. In this respect, donations should be 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:

| | \$ | \$ |
|--|---------------------|-------------------|
| Other Income | | |
| (a) Programme income | 96,690.50 | 16,554.50 |
| (b) Donation | 29,500.00 | 27,500.00 |
| (c) Income from Other Activities | 322,788.00 | 262,482.00 |
| (d) Miscellaneous Income | 651,080.16 | 271,468.21 |
| (e) Allowance for Carers of the Elderly (Appendix D) | 2,500.00 | - |
| Total | 1,102,558.66 | 578,004.71 |



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> | <u>No. of Posts</u> | <u>\$</u> HK\$ |
|---|---------------------|-------------------|
| HK\$700,001- HK\$800,000 p.a. | 1 | 744,171.67 |
| HK\$800,001- HK\$900,000 p.a. | 1 | 844,936.58 |
| HK\$900,001- HK\$1,000,000 p.a. | Nil | - |
| HK\$1,000,001- HK\$1,100,000 p.a. | Nil | - |
| HK\$1,100,001- HK\$1,200,000 p.a. | Nil | - |
| >HK\$1,200,000 p.a. | 1 | 1,465,464.00 |

7 Other Charges

The breakdown on Other Charges is as follows:

| <u>Other Charges</u> | <u>2023-24</u> \$ | <u>2022-23</u> \$ |
|------------------------------------|----------------------|----------------------|
| (a) Utilities | 1,387,631.96 | 1,234,036.12 |
| (b) Food | 3,529,560.70 | 2,618,530.50 |
| (c) Administrative Expenses | 512,597.09 | 200,147.59 |
| (d) Stores and Equipment | 1,012,917.70 | 1,637,401.55 |
| (e) Repair and Maintenance | 1,151,616.05 | 808,840.80 |
| (f) Special Allowances | - | - |
| (g) Programme Expenses | 181,522.02 | 62,554.07 |
| (h) Transportation and Travelling | 15,336.88 | 20,397.25 |
| (i) Insurance | 322,293.53 | 322,547.53 |
| (j) Miscellaneous | 231,715.97 | 267,607.09 |
| (k) Outsourcing Services | 2,486,966.90 | 1,116,800.80 |
| (l) Staff Training and Development | 38,508.50 | 21,200.69 |
| (m) Other Staff-related Benefits | 411,652.02 | 128,135.47 |
| Total | 11,282,319.32 | 8,438,199.46 |

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

| | Lump Sum Grant (LSG) | Holding Account (HA) | Rent and Rates | Central Items | Total |
|--|-------------------------|-------------------------|-------------------|---------------------|----------------------|
| | \$ | \$ | \$ | \$ | \$ |
| INCOME | | | | | |
| Lump Sum Grant | 44,180,122.00 | - | - | - | 44,180,122.00 |
| Fee Income | 4,218,072.00 | - | - | - | 4,218,072.00 |
| Other Income | 1,102,558.66 | - | - | - | 1,102,558.66 |
| Interest Received (Note (1)) | 743,737.39 | - | - | - | 743,737.39 |
| Rent and Rates | - | - | 159,252.00 | - | 159,252.00 |
| Central Items | - | - | - | 6,030,098.00 | 6,030,098.00 |
| TOTAL INCOME (a) | 50,244,490.05 | - | 159,252.00 | 6,030,098.00 | 56,433,840.05 |
| EXPENDITURE | | | | | |
| Personal Emoluments | 37,701,677.26 | - | - | - | 37,701,677.26 |
| Other Charges | 11,282,319.32 | - | - | - | 11,282,319.32 |
| Rent and Rates | - | - | 143,088.00 | - | 143,088.00 |
| Central Items | - | - | - | 6,035,664.22 | 6,035,664.22 |
| TOTAL EXPENDITURE (b) | 48,983,996.58 | - | 143,088.00 | 6,035,664.22 | 55,162,748.80 |
| Surplus / (Deficits) for the year (a)-(b) | 1,260,493.47 | - | 16,164.00 | (5,566.22) | 1,271,091.25 |
| Less: Surplus / (Deficit) of Provident Fund | 353,342.09 | - | - | - | 353,342.09 |
| | 907,151.38 | - | 16,164.00 | (5,566.22) | 917,749.16 |
| Surplus / (Deficit) b/f (Note (2)) | 10,789,616.58 | 8,799,464.81 | 45,244.00 | 15,501.04 | 19,649,826.43 |
| | 11,696,767.96 | 8,799,464.81 | 61,408.00 | 9,934.82 | 20,567,575.59 |
| Less: Refund to Government | - | - | (45,244.00) | (8,033.15) | (53,277.15) |
| Surplus/Deficit c/f (Note (4)) | 11,696,767.96 | 8,799,464.81 | 16,164.00 | 1,901.67 | 20,514,298.44 |

Inconsistent figures between the Final Paylist (March 2024) and Paylist of March 2024 of our NGO were reported to Finance Branch (FB) of SWD on 22 April 2024. Upon clarification with FB, NGO learnt that an allocation amount of \$125,031 (i.e. LSG \$120,684 & PF \$4,374) for April 2023 of UNIT 2074 (i.e. Chung Shak Hei Home for the Aged), which should be deducted from 2023-24 subventions, was released to the NGO and therefore FB made adjustment by adding the said amount in the Final Paylist (March 2024). Since the level of LSG cumulative reserve of 2023-24 has exceeded the 25% cap of NGO's operating expenditure due to the above said situation, \$125,031 should not be counted as any kind of NGO's cumulative reserve but subject to Government Adjustment/Claw-back/Refund.

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 will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year.
For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows:
 - 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 will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year.
 - 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 will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) 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 will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) 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 except for those 58 NGOs which are subject to Productivity Enhancement Programme as stipulated in SWD's letter under reference (9) in SWD/S/133/S of March 2024. For details of the claw-back arrangement of the said 58 NGOs, please refer to the above letter.) accordingly.

Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1 April 2023 to 31 March 2024

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

| Unit Code and Name/Remittance Advice No. (Note 7) | Subvented Element | Subvention Released (Note 1a) (a1) | Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received (Note 1b)# (a1) | Actual Expenditure (Note 2a) (a2) | Actual Expenditure incurred under RMLP Scheme (Note 2b)# (a2) | Surplus (Note 3) (a) = (a1) - (a2) | Deficit for the Year | | | Surplus b/f (Note 5) (e) | Refund from (to) Government (f) | Adjustment (Note 9) (g) | Surplus c/f (Note 6) (h)=(e)+(a)-(d)-(f)+/(g) |
|---|---|--|--|---|---|--|--|--|-------------------------------------|--------------------------------|------------------------------------|-------------------------------|---|
| | | | | | | | Deficit (Note 3) (b) = (a1) - (a2) | Deficit transferred to LSG (Note 4) (c) | Adjusted Deficit (d) = (b) - (c) | | | | |
| | | | | | | | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 2105-Chung Shak Hei Home-DCS | Dementia Supplement for Residential Elderly Services | 994,783.00 | | 1,022,361.67 | | - | (27,578.67) | - | (27,578.67) | (2,297.58) | (2,297.58) | | (27,578.67) |
| 7908-Wan Ho Kan C&A Home-DCS | Dementia Supplement for Residential Elderly Services | 785,355.00 | | 797,910.64 | | - | (12,555.64) | - | (12,555.64) | (37,606.98) | (37,606.98) | | (12,555.64) |
| 2072-Chung Shak Hei Home-ICS | Infirmary Care Supplement for Residential Elderly Services | 1,642,030.00 | | 1,646,758.39 | | - | (4,728.39) | - | (4,728.39) | 27,029.28 | 27,029.28 | | (4,728.39) |
| 2078-Wan Ho Kan C&A Home-ICS | Infirmary Care Supplement for Residential Elderly Services | 2,607,930.00 | | 2,561,935.12 | | 45,994.88 | - | - | - | 16,890.83 | 16,890.83 | | 45,994.88 |
| | Time-Limited 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 | | | 6,698.40 | | - | (6,698.40) | - | (6,698.40) | 10,716.00 | 4,017.60 | | 0.00 |
| | Total | 6,030,098.00 | | 6,035,664.22 | | 45,994.88 | (51,561.10) | - | (51,561.10) | 14,731.55 | 8,033.15 | - | 1,132.18 |

Any difference arising from the RMLP Scheme reimbursement received (see Note 1(b) below) and the corresponding expenditure under RMLP Scheme (see Note 2(b) below) will be assessed separately.
 ^ Please take note of para. 4(f) of Points to Note on Preparation of AFR and Analysis Schedules in reporting the amounts of subvention.

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 provident 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.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) 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.

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 2023 to 31 March 2024

| 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 | 13,860.00 | 1,980.00 | - |
| | Rates | 21,745.00 | 21,100.00 | 645.00 | - |
| | Total | 37,585.00 | 34,960.00 | 2,625.00 | - |
| 2075 Wan Ho Kan Care and Attention Home | Rent (Note 3) | 40,924.00 | 37,800.00 | 3,124.00 | - |
| | Rates | 70,124.00 | 61,000.00 | 9,124.00 | - |
| | Total | 111,048.00 | 98,800.00 | 12,248.00 | - |
| 2106 Wan Ho Kan Neighbourhood Elderly Centre | Rent (Note 3) | 4,609.00 | 4,248.00 | 361.00 | - |
| | Rates | 6,010.00 | 5,080.00 | 930.00 | - |
| | Total | 10,619.00 | 9,328.00 | 1,291.00 | - |
| Grand Total | | 159,252.00 | 143,088.00 | 16,164.00 | - |

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 expenditure.
3. Rent includes all kinds of rent, such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.

Form of Statement of Annual Income and Expenditure

Income and Expenditure Statement for

the Scheme on Living Allowance for Carers of Elderly Persons from Low-income Families

For the period from 1 October 2023 to 31 March 2024

NGO Name: Chung Shak Hei (Cheung Chau) Home for the Aged Limited

| | |
|---|----------------|
| | \$ |
| Income | |
| Subsidy from SWD | \$2,500 |
| Programme Income | - |
| Other Income | - |
| Total Income (A) | <u>\$2,500</u> |
| Expenditure | |
| Personal Emoluments (e.g. salaries, provident fund) | - |
| Administrative Expenses (e.g. audit fee) | - |
| Store & Equipment | - |
| Programme Expenses | - |
| Transport & Travelling | - |
| Other Expenditure (Please specify) | - |
| Total Expenditure (B) | <u>-</u> |
| Surplus/ (deficit) for the Year (C) = (A) - (B) | \$2,500 |
| Add: Cumulated Income B/F (D) | - |
| Cumulated Expenditure B/F (E) | - |
| Cumulated surplus/ (deficit) B/F (F) = (D) - (E) | - |
| Cumulated surplus C/F (G) = (C) + (F) | <u>\$2,500</u> |

SINCE 1969

Authorised Signature :

Name :

Fung Yip, Angela

Title :

Chief Executive Officer

Date :

23 July 2024

Authorised Signature :

Name :

Ho Hoi Leong

Title :

Centre IC

Date :

23 July 2024



Schedule for Investment
Analysis of Investment as at 31 March 2024
Agency : Chung Shak Hei (C.C.) Home for the Aged Limited

| | 2024 | 2023 |
|-----------------------------------|----------------------|----------------------|
| LSG Reserve as at 31 March | <u>20,496,232.77</u> | <u>19,589,081.39</u> |

Represented by :

Investments

| | | |
|---|----------------------|----------------------|
| a. HKD Bank Account Balances | 4,996,232.77 | 4,089,081.39 |
| b. HKD 24-hour Call Deposits | - | - |
| c. HKD Fixed Deposits | 15,500,000.00 | 15,500,000.00 |
| d. HKD Certificate of Deposits | - | - |
| e. HKD Bonds (see appendix for breakdown) | - | - |
| | <u>20,496,232.77</u> | <u>19,589,081.39</u> |

Note : The investments should be reported at historical cost.

Confirmed by : —


Chairman : Wong Pak Yuen Leslie

Date : 23 July 2024


Chief Executive Officer : Fung Yip, Angela

Date : 23 July 2024