

TEL 電話 : 2528-6370-3 (4 Lines)

2527-7133 (Mr. Poon)

FAX 傳真 : (852) 2865-0367

E-MAIL 電郵 : clients@poonandco.com.hk

Our Ref. No. A/C/79

Your Ref. No. _____

REVIEW REPORT ON THE ANNUAL FINANCIAL REPORT

REVIEW REPORT TO
THE COMMITTEE MEMBERS OF
CHUNG SING BENEVOLENT SOCIETY ("THE SOCIETY")
(Incorporated in Hong Kong with
limited liability by guarantee)

We have audited the financial statements of the society for the year ended 31 March 2022 and have issued an unqualified auditors' report thereon dated 25 October 2022.

We conducted our review of the attached Annual Financial Report on pages 3 to 9 of the society for the year ended 31 March 2022 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organisations" issued by 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 society, on which the above audited financial statements of the society 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 society for the year ended 31 March 2022:

- (a) in our opinion the Annual Financial Report has been properly prepared from the books and records of the society; and,
- (b) no matters have come to our attention during the course of our review, which cause us to believe that the society 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 Income Statement 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 Hong Kong Special Administrative Region (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 Provident Fund arrangements during the year ended 31 March 2022.

REVIEW CONCLUSIONS (CONT'D)

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.

HONG KONG, 25 OCT 2022



Poon & Co.
Certified Public Accountants

ANNUAL FINANCIAL REPORT

NON-GOVERNMENTAL ORGANISATION : CHUNG SING BENEVOLENT SOCIETY

1 APRIL 2021 TO 31 MARCH 2022

	Notes	<u>2021-2022</u>	<u>2020-2021</u>	
		HK\$	HK\$	
A. INCOME				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	40,784,337.00	40,577,968.00	
b. Provident Fund	1c	3,021,657.00	3,030,935.00	
2. Fee Income	2	2,785,438.50	2,425,899.50	
3. Central Items	3	1,806,776.00	1,849,715.00	Appendix B
4. Rent and Rates	4	2,252,149.00	2,252,149.00	Annex 1
5. Other Income	5	165,622.00	31,606.00	
6. Interest Received		19.52	12,576.83	
TOTAL INCOME		50,815,999.02	50,180,849.33	
B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries		29,204,877.22	22,819,852.90	
b. Provident Fund	1c	1,894,684.70	2,002,648.48	
c. Allowances		-	-	
Sub-total	6	31,099,561.92	24,822,501.38	
2. Other Charges	7	10,317,883.66	8,093,980.26	
3. Central Items	3	1,707,908.00	1,518,953.25	Appendix B
4. Rent and Rates	4	2,600,053.20	2,595,008.80	Annex 1
TOTAL EXPENDITURE		45,725,406.78	37,030,443.69	
C. SURPLUS/(DEFICIT)				
FOR THE YEAR	8	5,090,592.24	13,150,405.64	

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.

SIGNATURE



Yip Wing Kee, Ricky
CHAIRMAN

DATE: 25 OCT 2022



Chan Kit Man, Melinda
CHIEF EXECUTIVE OFFICER

DATE: 25 OCT 2022

CHUNG SING BENEVOLENT SOCIETY

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% and Others Posts</u>	<u>Total</u>
	HK\$	HK\$	HK\$
Subvention Received	703,238.00	2,318,419.00	3,021,657.00
Provident Fund Contribution Paid during the year	666,614.43	1,228,070.27	1,894,684.70
Surplus/(Deficit) for the year	<u>36,623.57</u>	<u>1,090,348.73</u>	<u>1,126,972.30</u>
<u>Add:</u> Surplus/(Deficit) b/f	103,092.00	10,514,490.49	10,617,582.49
	<u>103,092.00</u>	<u>10,514,490.49</u>	<u>10,617,582.49</u>
<u>Less:</u> Refund to Government	(16,092.00)	-	(16,092.00)
Add : PF / MPF Refunded	-	1,419.75	1,419.75
Adjustment in 2020-21 AFR	85,655.00	-	85,655.00
Surplus in 2018-19 PF Snapshot	(126,231.00)	-	(126,231.00)
Additional PF for 6.8% post	-	40,576.00	40,576.00
Surplus/(Deficit) c/f	<u><u>83,047.57</u></u>	<u><u>11,646,834.97</u></u>	<u><u>11,729,882.54</u></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.

CHUNG SING BENEVOLENT SOCIETY

NOTES ON THE ANNUAL FINANCIAL REPORT (CONT'D)

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

	<u>2021-2022</u>	<u>2020-2021</u>
	HK\$	HK\$
a. Income		
Dementia Supplement for Residential Elderly Services	1,611,776.00	1,656,161.00
One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme Practitioner Scheme for Residential Care Homes for Persons with Disabilities	195,000.00	-
Special Allowance for Staff of Residential Services units in respect of COVID-19	-	193,554.00
Total	1,806,776.00	1,849,715.00
b. Expenditure		
Dementia Supplement for Residential Elderly Services	1,707,908.00	1,368,980.01
One-off Subsidy for Strengthened Provision of Visiting Medical Officer Service for Residential Care Homes for the Elderly and Visiting Medical Practitioner Scheme for Residential Care Homes for Persons with Disabilities	-	-
Special Allowance for Staff of Residential Services units in respect of COVID-19	-	149,973.24
Total	1,707,908.00	1,518,953.25

- 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>2021-2022</u>	<u>2020-2021</u>
	HK\$	HK\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	165,622.00	31,606.00
(b) Others	-	-
Total	165,622.00	31,606.00

CHUNG SING BENEVOLENT SOCIETY

NOTES ON THE ANNUAL FINANCIAL REPORT (CONT'D)

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:

Analysis of Personal Emoluments paid under LSG	<u>No of Posts</u>	<u>HK\$</u>
HK\$700,001 - HK\$800,000 p.a.	-	-
HK\$800,001 - HK\$900,000 p.a.	1	881,835.00
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.	-	-

7. Other Charges

The breakdown on Other Charges is as follows:

	<u>2021-2022</u>	<u>2020-2021</u>
	HK\$	HK\$
Other Charges		
(a) Utilities	896,946.70	672,443.07
(b) Food	1,285,487.53	1,250,660.69
(c) Administrative Expenses	232,051.79	102,414.00
(d) Stores and Equipment	1,444,163.56	224,963.27
(e) Repairs and Maintenance	321,008.63	257,105.10
(f) Special Allowances	-	-
(g) Programme Expenses	248,271.50	30,752.40
(h) Transportation and Travelling	208,449.30	60,748.60
(i) Insurance	805,689.15	398,838.63
(j) Service Fee	4,382,271.40	4,556,985.00
(k) Miscellaneous	493,544.10	539,069.50
Total	<u>10,317,883.66</u>	<u>8,093,980.26</u>

CHUNG SING BENEVOLENT SOCIETY

NOTES ON THE ANNUAL FINANCIAL REPORT (CONT'D)

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

	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$
Income				
Lump Sum Grant	43,805,994.00	-	-	43,805,994.00
Fee Income	2,785,438.50	-	-	2,785,438.50
Other Income	165,622.00	-	-	165,622.00
Interest Received (Note (1))	19.52	-	-	19.52
Rent and Rates	-	2,252,149.00	-	2,252,149.00
Central Items	-	-	1,806,776.00	1,806,776.00
Total Income (a)	46,757,074.02	2,252,149.00	1,806,776.00	50,815,999.02
Expenditure				
Personal Emoluments	31,099,561.92	-	-	31,099,561.92
Other Charges	10,317,883.66	-	-	10,317,883.66
Rent and Rates	-	2,600,053.20	-	2,600,053.20
Central Items	-	-	1,707,908.00	1,707,908.00
Total Expenditure (b)	41,417,445.58	2,600,053.20	1,707,908.00	45,725,406.78
Surplus/(Deficit) for the year (a) - (b)	5,339,628.44	(347,904.20)	98,868.00	5,090,592.24
Less: Surplus/(Deficit) of Provident Fund	1,126,972.30	-	-	1,126,972.30
Surplus/(Deficit) b/f (Note (2))	4,212,656.14	(347,904.20)	98,868.00	3,963,619.94
Add : Refund from Government	43,074,775.55	(1,523,304.10)	374,712.91	41,926,184.36
Backpay 2019-20 Rent and Rates	-	308,807.00	-	308,807.00
Backpay 2020-21 Rent and Rates	-	389,642.00	-	389,642.00
Less : Refund to Government	(10,233,956.31)	-	-	(10,233,956.31)
Clawback 2019-20 LSG	(8,841,261.00)	-	-	(8,841,261.00)
Clawback 2020-21 LSG	-	-	-	-
Clawback 2021-22 Electricity Cost	-	-	-	-
Clawback 2019-20 Central Items (Care Home Elderly)	-	-	(43,951.16)	(43,951.16)
Clawback 2020-21 Rent and Rates	-	(68,706.00)	-	(68,706.00)
Clawback 2020-21 Central Items	-	-	(330,761.75)	(330,761.75)
Clawback 2020-21 Air-conditioner Fees	-	21,924.00	-	21,924.00
Surplus/(Deficit) c/f (Note (3))	28,212,214.38	(1,219,541.30)	98,868.00	27,091,541.08

Notes:

- (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant are included as one item under LSG; and the item is considered as part of LSG reserve.
- (2) Accumulated balance 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 Infirmity Care Supplement, if any, as per Schedule of Central Items.
- (4) The level of LSG cumulative reserve (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.

CHUNG SING BENEVOLENT SOCIETY

Appendix B

Schedule for Central Items

Analysis of Subvention and Expenditure for the period from 1 April 2021 to 31 March 2022

Name of Agency: Chung Sing Benevolent Society

Unit Code and Name (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit (Note 3) (b)	Deficit transferred to LSG (Note 3) (c)	Adjusted Deficit (d)=(b)-(c)	Surplus b/f (Note 5) (e)	Refund to Government (f)	Adjustment b/f (Note 9) (g)	Surplus c/f (Note 6) (h)=(e)+(a)-(d) -(f)+-(g)
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$			HK\$
Unit 2092 - CSBS Lau Mui Hin Home for the Elderly (ICS)	Infirmary Care Supplement for Residential Elderly Services	-	-	-	-	-	-	-	-	-	-
Unit 2108 - CSBS Lau Mui Hin Home for the Elderly (DS)	Demential Supplement for Residential Elderly Services	1,611,776.00	1,707,908.00	-	96,132.00	-	96,132.00	287,181.42	(287,181.42)	-	(96,132.00)
Unit 6743 - Tin Ka Ping Day Care Centre for the Elderly (DS)	Demential Supplement for Residential Elderly Services	-	-	-	-	-	-	0.16	(0.16)	-	-
Unit 6744 - Choy Yue Fai Day Care Centre for the Elderly (DS)	Demential Supplement for Residential Elderly Services	-	-	-	-	-	-	-	-	-	-
CSBS Lau Mui Hin Home for the Elderly	Special Allowance for Staff Adjustment 2019-20 Special Allowance	-	-	-	-	-	-	43,580.76	(43,580.76)	-	-
CSBS Lau Mui Hin Home for the Elderly	On-off Subsidy for Strengthened Provision Officer Service for Residential Care Homes and Visiting Medical Practitioner Scheme Care Homes for Persons with Disabilities	-	-	-	-	-	-	43,950.57	(43,950.57)	-	-
	Total	1,806,776.00	1,707,908.00	195,000.00	96,132.00	-	96,132.00	374,712.91	(374,712.91)	-	98,868.00

Notes:

- The figures for the whole financial year can be extracted from the payroll for March (Final) 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 can be transferred to the Lump Sum Grant Reserve as stated in SWD letter ref. (16) in SWD/S/104/2 Pt. 12 dated 17 July 2013.
 - Dementia Supplement for Elderly with Disabilities
 - Infirmary Care Supplement for the Aged Blind Persons
 - Dementia Supplement for Residential Elderly Services
 - Infirmary Care Supplement for the 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 plus surplus, if any, arising from operations in current year
- Unit code and name / remittance advice no. are extracted from 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.
- 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.
- For NGO's with Visiting Medical Practitioner Service Team which arrange delivery of the services under the Programme to all private and self-financing RCHs, RCHDs as well as contact homes operated by private operations only.

CHUNG SING BENEVOLENT SOCIETY

Annex 1

Schedule for Rent and Rates

Analysis of Subvention and Expenditure for the period from 1 April 2021 to 31 March 2022

Name of Agency: Chung Sing Benevolent Society

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
		HK\$	HK\$	HK\$	HK\$
Unit 2084 - Tin Ka Ping Day Care Centre for the Elderly	Rent (Note 3)	46,524.00	43,914.00	2,610.00	-
	Rates	20,569.00	13,900.00	6,669.00	-
	Total	67,093.00	57,814.00	9,279.00	-
Unit 2086 - CSBS Lau Mui Hin Home for the Elderly	Rent	1,555,077.00	1,555,480.00	-	403.00
	Rates	68,348.00	90,400.00	-	22,052.00
	Total	1,623,425.00	1,645,880.00	-	22,455.00
Unit 2107 - Neighbourhood Elderly Centre (Re-Engineering)	Rent	267,414.00	569,752.20	-	302,338.20
	Rates	26,383.00	12,395.00	13,988.00	-
	Total	293,797.00	582,147.20	13,988.00	302,338.20
Unit 7207 - Choy Yue Fai Day Care Centre for the Elderly	Rent	253,970.00	307,512.00	-	53,542.00
	Rates	13,864.00	6,700.00	7,164.00	-
	Total	267,834.00	314,212.00	7,164.00	53,542.00
	Grand Total	2,252,149.00	2,600,053.20	30,431.00	378,335.20

Notes:

1. The figures are to be extracted from the payroll for March (Final) 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.

CHUNG SING BENEVOLENT SOCIETY

Schedule for Investment
Analysis of Investment as at 31 March 2022

Agency : Chung Sing Benevolent Society

	<u>2022</u>	<u>2021</u>
	HK\$' 000	HK\$' 000
LSG Reserve as at 31 March	<u>28,212</u>	<u>43,737</u>

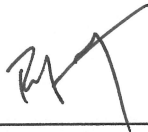
Represented by :

Investments

a. HKD Bank Account Balances	28,212	40,637
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	-	3,100
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	<u>28,212</u>	<u>43,737</u>

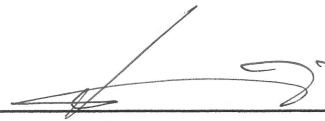
Notes: (1) The investments should be reported at historical cost.
(2) Interest received are included in the LSG reserve

Confirmed by:-



Yip Wing Kee, Ricky
CHAIRMAN

DATE: 25 OCT 2022



Chan Kit Man, Melinda
CHIEF EXECUTIVE OFFICER

DATE: 25 OCT 2022