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**CHARTERED SECRETARIES**

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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, 2021 and have issued an unqualified auditors' report thereon dated 25 October, 2021.

We conducted our review of the attached Annual Financial Report on pages 3 to 9 of the society for the year ended 31 March, 2021 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, 2021:

- (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, 2021.

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, 27 October, 2021



Poon & Co.  
Certified Public Accountants

## ANNUAL FINANCIAL REPORT

## NON-GOVERNMENTAL ORGANISATION : CHUNG SING BENEVOLENT SOCIETY

1 APR 2020 TO 31 MAR 2021

	Notes	<u>2020-2021</u>	<u>2019-2020</u>	
		HK\$	HK\$	
<b>A. INCOME</b>				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	40,577,968.00	39,941,747.00	
b. Provident Fund	1c	3,030,935.00	3,024,164.00	
2. Fee Income	2	2,425,899.50	2,939,571.50	
3. Central Items	3	1,849,715.00	1,573,453.00	Annex 1
4. Rent and Rates	4	2,252,149.00	2,246,039.00	Annex 2
5. Other Income	5	31,606.00	444,775.50	
6. Interest Received		12,576.83	64,232.08	
<b>TOTAL INCOME</b>		<b>50,180,849.33</b>	<b>50,233,982.08</b>	
<b>B. EXPENDITURE</b>				
1. Personal Emoluments				
a. Salaries		22,819,852.90	21,300,937.40	
b. Provident Fund	1c	2,002,648.48	1,892,359.02	
c. Allowances		-	-	
Sub-total	6	24,822,501.38	23,193,296.42	
2. Other Charges	7	8,093,980.26	8,229,421.21	
3. Central Items	3	1,518,953.25	1,573,452.41	Annex 1
4. Rent and Rates	4	2,595,008.80	2,635,884.20	Annex 2
<b>TOTAL EXPENDITURE</b>		<b>37,030,443.69</b>	<b>35,632,054.24</b>	
<b>C. SURPLUS/(DEFICIT)</b>				
<b>FOR THE YEAR</b>	8	<b>13,150,405.64</b>	<b>14,601,927.84</b>	

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: 27 October, 2021

Chan Kit Man, Melinda  
CHIEF EXECUTIVE OFFICER

DATE: 27 October, 2021

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 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	712,620.00	2,318,315.00	3,030,935.00
Provident Fund Contribution Paid during the year	702,009.00	1,300,639.48	2,002,648.48
Surplus/(Deficit) for the year	<u>10,611.00</u>	<u>1,017,675.52</u>	<u>1,028,286.52</u>
<b>Add:</b> Surplus/(Deficit) b/f	178,127.00	9,496,085.49	9,674,212.49
	<u>178,127.00</u>	<u>9,496,085.49</u>	<u>9,674,212.49</u>
<b>Less:</b> Refund to Government	(85,655.00)	-	(85,655.00)
Add : PF / MPF Refunded by Bank	9.00	729.48	738.48
<b>Surplus/(Deficit) c/f</b>	<b><u>103,092.00</u></b>	<b><u>10,514,490.49</u></b>	<b><u>10,617,582.49</u></b>

**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>2020-2021</u>	<u>2019-2020</u>
	<b>HK\$</b>	<b>HK\$</b>
<b>a. Income</b>		
Dementia Supplement for Residential Elderly Services	1,656,161.00	1,573,453.00
Special Allowance for Staff of Residential Services units in respect of COVID-19	193,554.00	-
<b>Total</b>	<b>1,849,715.00</b>	<b>1,573,453.00</b>
<b>b. Expenditure</b>		
Dementia Supplement for Residential Elderly Services	1,368,980.01	1,573,452.41
Special Allowance for Staff of Residential Services units in respect of COVID-19	149,973.24	-
<b>Total</b>	<b>1,518,953.25</b>	<b>1,573,452.41</b>

- 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>
	<b>HK\$</b>	<b>HK\$</b>
<b>Other Income</b>		
(a) Fees and charges for services incidental to the operation of subvented services	31,606.00	444,775.50
(b) Others	-	-
<b>Total</b>	<b>31,606.00</b>	<b>444,775.50</b>

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:

<b>Analysis of Personal Emoluments paid under LSG</b>	<b><u>No of Posts</u></b>	<b><u>HK\$</u></b>
HK\$700,001 - HK\$800,000 p.a.	-	-
HK\$800,001 - HK\$900,000 p.a.	1	816,476.40
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:

	<b><u>2020-2021</u></b>	<b><u>2019-2020</u></b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Other Charges</b>		
(a) Utilities	672,443.07	883,316.71
(b) Food	1,250,660.69	1,477,434.12
(c) Administrative Expenses	102,414.00	67,741.90
(d) Stores and Equipment	224,963.27	176,742.84
(e) Repairs and Maintenance	257,105.10	284,015.10
(f) Special Allowances	-	-
(g) Programme Expenses	30,752.40	440,805.50
(h) Transportation and Travelling	60,748.60	95,234.80
(i) Insurance	398,838.63	384,888.04
(j) Miscellaneous	539,069.50	4,060,074.90
(k) Service Fee	4,556,985.00	359,167.30
<b>Total</b>	<b><u>8,093,980.26</u></b>	<b><u>8,229,421.21</u></b>

CHUNG SING BENEVOLENT SOCIETY

NOTES ON THE ANNUAL FINANCIAL REPORT (CONTD)

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\$
<b>Income</b>				
Lump Sum Grant	43,608,903.00	-	-	43,608,903.00
Fee Income	2,425,899.50	-	-	2,425,899.50
Other Income	31,606.00	-	-	31,606.00
Interest Received (Note (1))	12,576.83	-	-	12,576.83
Rent and Rates	-	2,252,149.00	-	2,252,149.00
Central Items	-	-	1,849,715.00	1,849,715.00
<b>Total Income (a)</b>	<b>46,078,985.33</b>	<b>2,252,149.00</b>	<b>1,849,715.00</b>	<b>50,180,849.33</b>
<b>Expenditure</b>				
Personal Emoluments	24,822,501.38	-	-	24,822,501.38
Other Charges	8,093,980.26	-	-	8,093,980.26
Rent and Rates	-	2,595,008.80	-	2,595,008.80
Central Items	-	-	1,518,953.25	1,518,953.25
<b>Total Expenditure (b)</b>	<b>32,916,481.64</b>	<b>2,595,008.80</b>	<b>1,518,953.25</b>	<b>37,030,443.69</b>
<b>Surplus/(Deficit) for the year (a) - (b)</b>	<b>13,162,503.69</b>	<b>(342,859.80)</b>	<b>330,761.75</b>	<b>13,150,405.64</b>
Less: Surplus/(Deficit) of Provident Fund	1,028,286.52	-	-	1,028,286.52
<b>Surplus/(Deficit) b/f (Note (2))</b>	<b>12,134,217.17</b>	<b>(342,859.80)</b>	<b>330,761.75</b>	<b>12,122,119.12</b>
<b>Add : Adjustment of 2019-20 Special Allowance for staff of Residential Services units in respect of COVID-19</b>	<b>43,736,600.40</b>	<b>(1,551,605.10)</b>	<b>141,697.40</b>	<b>42,326,692.70</b>
<b>Add : Refund from Government</b>				
Backpay 2018-19 and 2019-20 Rent and rates		379,520.00	43,950.57	43,950.57
<b>Less : Refund to Government</b>				
Clakback 2018-19 LSG	(9,384,724.02)			(9,384,724.02)
Clakback 2019-20 LSG	(3,411,318.00)			(3,411,318.00)
Clakback 2018-19 Rent and rates		(8,359.20)		(8,359.20)
Clakback 2018-19 Central items (Day care centres)			(141,424.11)	(141,424.11)
Clakback 2018-19 Central items (Care Home Elderly)			(272.70)	(272.70)
<b>Surplus/(Deficit) c/f (Note (3))</b>	<b>43,074,775.55</b>	<b>(1,523,304.10)</b>	<b>374,712.91</b>	<b>41,926,184.36</b>

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

Annex 1

Schedule for Central Items  
Analysis of Subvention and Expenditure for the period from 1/4/2020 to 31/3/2021

Chung Sing Benevolent Society

Name of Agency:

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)	Adjustment b/f	Refund to Government	Surplus c/f (Note 6) (f)=(e)+(a)-(d)
		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	-	-	-	-	-	-	(6,525.85)	6,525.85	-	-
Unit 2108 - CSBS Lau Mui Hin Home for the Elderly (DS)	Demential Supplement for Residential Elderly Services	1,656,161.00	1,368,980.01	287,180.99 (B)	-	-	-	(178,694.37)	178,967.50	(272.70)	287,181.42
Unit 6743 - Tin Ka Ping Day Care Centre for the Elderly (DS)	Demential Supplement for Residential Elderly Services	-	-	- (B)	-	-	-	139,380.60	(51,162.43)	(88,218.01)	0.16
Unit 6744 - Choy Yue Fai Day Care Centre for the Elderly (DS)	Demential Supplement for Residential Elderly Services	-	-	- (B)	-	-	-	1,299.33	51,906.77	(53,206.10)	-
CSBS Lau Mui Hin Home for the Elderly	Special Allowance for Staff	193,554.00	149,973.24	43,580.76	-	-	-	-	-	-	43,580.76
CSBS Lau Mui Hin Home for the Elderly (2019-20)	Adjustment 2019-20 Special Allowance for Staff	-	-	-	-	-	-	-	43,950.57	-	43,950.57
Unit 6388 -	Adj.per SWD's letter SF/SAS/4-65/38(168)II. (e)(ii)	-	-	-	-	-	-	186,237.69	(186,237.69)	-	-
	Total	1,849,715.00	1,518,953.25	330,761.75	-	-	-	141,697.40	43,950.57	(141,696.81)	374,712.91

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 are extracted from payroll from SWD.
- 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.



CHUNG SING BENEVOLENT SOCIETY

Annex 2

Schedule for Rent and Rates

Analysis of Subvention and Expenditure for the period from 1/4/2020 to 31/3/2021

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	21,102.00	-	(25,422.00)
	Rates	20,569.00	11,800.00	-	(8,769.00)
	Total	67,093.00	32,902.00	-	(34,191.00)
Unit 2086 - CSBS Lau Mui Hin Home for the Elderly	Rent	1,555,077.00	1,562,280.00	-	7,203.00
	Rates	68,348.00	98,800.00	-	30,452.00
	Total	1,623,425.00	1,661,080.00	-	37,655.00
Unit 2107 - Neighbourhood Elderly Centre (Re-Engineering)	Rent	267,414.00	586,162.80	-	318,748.80
	Rates	26,383.00	2,332.00	-	(24,051.00)
	Total	293,797.00	588,494.80	-	294,697.80
Unit 7207 - Choy Yue Fai Day Care Centre for the Elderly	Rent	253,970.00	309,132.00	-	55,162.00
	Rates	13,864.00	3,400.00	-	(10,464.00)
	Total	267,834.00	312,532.00	-	44,698.00
	Grand Total	2,252,149.00	2,595,008.80	-	342,859.80

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, 2021**

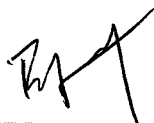
Agency : Chung Sing Benevolent Society

	<u>2021</u>	<u>2020</u>
	HK\$' 000	HK\$' 000
LSG Reserve as at 31 March	<u>43,075</u>	<u>43,737</u>
Represented by :		
Investments		
a. HKD Bank Account Balances	41,575	40,637
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	1,500	3,100
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see appendix for breakdown)	-	-
	<u>43,075</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: 27 October, 2021



Chan Kit Man, Melinda  
CHIEF EXECUTIVE OFFICER

DATE: 27 October, 2021