

竹林明堂有限公司
CHUK LAM MING TONG LIMITED

ANNUAL FINANCIAL REPORT
YEAR ENDED 31ST MARCH, 2019





伍國棟會計師事務所
TONY KWOK TUNG NG & CO.
CERTIFIED PUBLIC ACCOUNTANTS

Qualified Accountants

Tony Kwok Tung Ng 伍國棟
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Phileo Wai Kee Chan 陳偉基
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Ling W.L.Lee 李慧玲
M.Sc., F.C.C.A., F.C.P.A.(Practising), M.S.C.A., C.T.A.(HK)
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F.T.I.H.K., C.P.A. (Australia)
Doris P.Y. Pang 彭佩瑩
B.A. (HONS), C.T.A.(HK), M.S.C.A., C.P.A.(Practising)
Henry W.H.Ng 伍永亨
B.Sc., M.B.A., A.I.C.P.A., C.P.A. (Practising)

Our Ref.

1.

REVIEW REPORT TO THE BOARD OF DIRECTORS OF
CHUK LAM MING TONG LIMITED

We have audited the financial statements of the Chuk Lam Ming Tong Limited (hereinafter "the Association") for the year ended 31st March, 2019 and have issued a qualified auditor's report thereon dated 16th October, 2019.

We conducted our review of the attached Annual Financial Report on pages 2 to 9 of the Association for the year ended 31st March, 2019 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organisations" issued by the 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 Association, on which the above audited financial statements of the Association 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 Association for the year ended 31st March, 2019:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Association; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Association 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 Operating Income and Expenditure Account 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 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 31st March, 2019.

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.

Certified Public Accountants

Hong Kong, 16th October, 2019


ANNUAL FINANCIAL REPORT
NGO : CHUK LAM MING TONG LIMITED
PERIOD FROM 1ST APRIL, 2018 TO 31ST MARCH, 2019

| | Note | <u>2019</u> HK\$ | <u>2018</u> HK\$ |
|--|------|----------------------|----------------------|
| A. INCOME | | | |
| 1. Lump Sum Grant | | | |
| a. Lump Sum Grant (excluding Provident Fund) | 1b | 30,047,172.00 | 27,528,641.00 |
| b. Provident Fund | 1c | 2,025,793.00 | 1,873,002.00 |
| 2. Fee Income | 2 | 3,749,666.00 | 3,595,213.00 |
| 3. Central Items | 3 | 2,907,464.00 | 2,964,416.00 |
| 4. Rent and Rates | 4 | 162,392.00 | 160,164.00 |
| 5. Income from sales of medical appliances and milk powder | | 1,726,936.80 | 1,322,018.50 |
| 6. Others Income | 5 | 459,710.10 | 373,415.83 |
| 7. Interest Received | | 225,036.67 | 76,735.19 |
| TOTAL INCOME | | <u>41,304,170.57</u> | <u>37,893,605.52</u> |
| B. EXPENDITURE | | | |
| 1. Personal Emoluments | | | |
| a. Salaries | | 24,487,042.52 | 21,795,362.96 |
| b. Provident Fund | 1c | 1,422,630.27 | 1,411,652.16 |
| c. Allowances | | 2,104,243.08 | 1,509,936.90 |
| Sub-total | 6 | 28,013,915.87 | 24,716,952.02 |
| 2. Other Charges | 7 | 7,439,415.07 | 7,548,799.20 |
| 3. Central Items | 3 | 2,907,464.00 | 3,425,812.00 |
| 4. Rent and Rates | 4 | 234,000.00 | 228,000.00 |
| 5. Cost of medical applicants and milk powder | | 1,327,254.05 | 1,322,782.50 |
| TOTAL EXPENDITURE | | <u>39,922,048.99</u> | <u>37,242,345.72</u> |
| C. SURPLUS FOR THE YEAR | 8 | <u>1,382,121.58</u> | <u>651,259.80</u> |

The Annual Financial Report from pages 2 to 9 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE

CHAIRMAN :



MR. SO TUNG LUM

DATE : 16th October, 2019

SIGNATURE

SERVICES DIRECTOR :



MR. CHUNG CHUN FUNG RAYMOND

DATE : 16th October, 2019

CHUK LAM MING TONG LIMITED
NOTES ON THE ANNUAL FINANCIAL REPORT - 31ST MARCH, 2019

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 HK\$</u> | <u>6.8% and Other Posts HK\$</u> | <u>Total HK\$</u> |
|---|--------------------------------|--|-----------------------|
| Subvention Received | 139,266.00 | 1,874,559.00 | 2,013,825.00 |
| Provident Fund Contribution | | | |
| Paid during the year | <u>(123,792.53)</u> | <u>(1,298,778.11)</u> | <u>(1,422,570.64)</u> |
| Surplus/(deficit) for the year | 15,473.47 | 575,780.89 | 591,254.36 |
| Add : Surplus b/f | 76,221.83 | 5,848,594.11 | 5,924,815.94 |
| Additional subvention received for previous year | - | 11,968.00 | 11,968.00 |
| Less : Refund to Government | (36,514.00) | - | (36,514.00) |
| Add : Adjustment per SWD's letter dated 12.7.2019 | | | |
| - Provident Fund | - | 926.16 | 926.16 |
| Surplus c/f | <u>55,181.30</u> | <u>6,437,269.16</u> | <u>6,492,450.46</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.

CHUK LAM MING TONG LIMITED
NOTES ON THE ANNUAL FINANCIAL REPORT - 31ST MARCH, 2019

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>2018-2019</u> HK\$ | <u>2017-2018</u> HK\$ |
|---|--------------------------|--------------------------|
| a. Income | | |
| Dementia Supplement for Residential Elderly Services | 2,907,464.00 | 2,824,416.00 |
| One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly | - | 140,000.00 |
| Total | <u>2,907,464.00</u> | <u>2,964,416.00</u> |
| | <u>2018-2019</u> HK\$ | <u>2017-2018</u> HK\$ |
| b. Expenditure | | |
| Dementia Supplement for Residential Elderly Services | 2,907,464.00 | 3,297,812.00 |
| One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly | - | 128,000.00 |
| Total | <u>2,907,464.00</u> | <u>3,425,812.00</u> |

4. Rent and Rates

This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditures on rent and rates in respect of premises not recognised by SWD have not been included 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>2018-2019</u> HK\$ | <u>2017-2018</u> HK\$ |
|--|--------------------------|--------------------------|
| Other Income | | |
| a. Fees and charges for services incidental to the operation of subvented services | 296,916.20 | 300,725.83 |
| b. Programme income | 162,793.90 | 72,690.00 |
| Total | <u>459,710.10</u> | <u>373,415.83</u> |

CHUK LAM MING TONG LIMITED
NOTES ON THE ANNUAL FINANCIAL REPORT - 31ST MARCH, 2019

6. Personal Emoluments

Personal Emoluments include salary, provident fund, 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>HK\$</u> |
|---|---------------------|-------------|
| HK\$700,001 - HK\$800,000 p.a. | 1 | 721,295.16 |
| HK\$800,001 - HK\$900,000 p.a. | - | - |
| HK\$900,001 - HK\$1,000,000 p.a. | 1 | 924,515.20 |
| 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>Other Charges</u> | <u>2018-2019</u> <u>HK\$</u> | <u>2017-2018</u> <u>HK\$</u> |
|---|---------------------------------|---------------------------------|
| (a) Utilities | 1,504,413.23 | 1,494,529.07 |
| (b) Food | 2,012,649.02 | 2,037,497.10 |
| (c) Administrative Expenses | 267,748.06 | 233,549.00 |
| (d) Stores and Equipment | 747,692.96 | 1,470,533.10 |
| (e) Repair and Maintenance | 821,921.67 | 727,565.25 |
| (f) Programme Expenses | 226,383.14 | 276,414.32 |
| (g) Transportation and Travelling | 98,602.19 | 133,991.55 |
| (h) Insurance | 330,326.44 | 497,194.11 |
| (i) Miscellaneous | 134,743.76 | 42,768.10 |
| (j) Medical Consultation Service by Visiting Medical Officer | 104,000.00 | - |
| (k) Medical Expenses | 635,634.60 | 461,517.60 |
| (l) Pharmaceutical and Nutrition Care | 200,200.00 | 173,240.00 |
| (m) Speech therapists service | 117,500.00 | - |
| (n) Subscription fee of drug packaging system | 237,600.00 | - |
| Total | <u>7,439,415.07</u> | <u>7,548,799.20</u> |

CHUK LAM MING TONG LIMITED
NOTES ON THE ANNUAL FINANCIAL REPORT - 31ST MARCH, 2019

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\$ |
| <u>Income</u> | | | | |
| Lump Sum Grant | 32,072,965.00 | - | - | 32,072,965.00 |
| Fee Income | 3,749,666.00 | - | - | 3,749,666.00 |
| Income from sale of medical appliances and milk power | 1,726,936.80 | - | - | 1,726,936.80 |
| Other Income | 459,710.10 | - | - | 459,710.10 |
| Interest Received (Note 1) | 225,036.67 | - | - | 225,036.67 |
| Rent and Rates | - | 162,392.00 | - | 162,392.00 |
| Central Items | - | - | 2,907,464.00 | 2,907,464.00 |
| Total Income (a) | 38,234,314.57 | 162,392.00 | 2,907,464.00 | 41,304,170.57 |
| <u>Expenditure</u> | | | | |
| Personal Emoluments | 28,013,915.87 | - | - | 28,013,915.87 |
| Other Charges | 7,439,415.07 | - | - | 7,439,415.07 |
| Rent and Rates | - | 234,000.00 | - | 234,000.00 |
| Central Items | - | - | 2,907,464.00 | 2,907,464.00 |
| Cost of sale of medical appliances and milk power | 1,327,254.05 | - | - | 1,327,254.05 |
| Total Expenditure (b) | 36,780,584.99 | 234,000.00 | 2,907,464.00 | 39,922,048.99 |
| Surplus/(Deficit) for the Year (a)-(b) | 1,453,729.58 | (71,608.00) | - | 1,382,121.58 |
| Less : Surplus of Provident Fund | (603,162.73) | - | - | (603,162.73) |
| | 850,566.85 | (71,608.00) | - | 778,958.85 |
| Surplus/(Deficit) b/f (Note 2) | 15,996,702.35 | (67,836.00) | 12,000.00 | 15,940,866.35 |
| | 16,847,269.20 | (139,444.00) | 12,000.00 | 16,719,825.20 |
| Add : Refund from Government | - | 67,836.00 | - | 67,836.00 |
| Less : Refund to Government | (210,392.22) | - | (12,000.00) | (222,392.22) |
| Add : Adjustment per SWD's letter dated 12.7.2019 - Personal Emolument | 35,580.84 | - | - | 35,580.84 |
| Less : Adjustment per SWD's letter dated 12.7.2019 - Other Charges | 17,418.48 | - | - | 17,418.48 |
| Surplus/(Deficit) c/f (Note 4) | 16,689,876.30 | (71,608.00) | - | 16,618,268.30 |

Notes :

- 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.
- Accumulated balance 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.
- Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplement, if any, as per Schedule for Central Items.
- 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.

CHUK LAM MING TONG LIMITED
NOTES ON THE ANNUAL FINANCIAL REPORT - 31ST MARCH, 2019

9. Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1-4-2018 to 31-3-2019

Name of Agency : Chuk Lam Ming Tong Limited

| Unit Code and Name (Note 7) | Subvented Element | Subvention Released (Note 1) | Actual Expenditure (Note 2) | Surplus (Note 3) | Deficit for the Year | | | Surplus b/f (Note 5) | Refund to government | Surplus c/f (Note 6) (g)=(e)+(a)-(d)-(f) |
|--|---|------------------------------|-----------------------------|------------------|----------------------|-------------------------------------|------------------|----------------------|----------------------|---|
| | | | | | Deficit (Note 3) | Deficit transferred to LSG (Note 4) | Adjusted Deficit | | | |
| | | | | (a) | (b) | (c) | (d)=(b)-(c) | (e) | (f) | (g)=(e)+(a)-(d)-(f) |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 7907 Chuk Lam Ming Tong C & A Home For The Aged (DS) | Dementia Supplement for Residential Elderly Services (Note 8) | 2,907,464.00 | 2,907,464.00 | - | - | - | - | - | - | - |
| 3706 Enhanced Provision of Visiting Medical Officer in RCHes | One-off Subsidy for Enhanced Provision of Visiting Medical Officer for Residential Care Homes for the Elderly | - | - | - | - | - | - | 12,000.00 | 12,000.00 | - |
| Total | | 2,907,464.00 | 2,907,464.00 | - | - | - | - | 12,000.00 | 12,000.00 | - |

Notes :

- The figures for the whole financial year are 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.e. the following central items arising from salary adjustment are transferred to the Lump Sum Grant Reserve as stated in SWD's letter ref. (5) in SWD/S/104/2 Pt. 18 dated 20 July 2018.
 - 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 are extracted from the 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.

CHUK LAM MING TONG LIMITED
NOTES ON THE ANNUAL FINANCIAL REPORT - 31ST MARCH, 2019

10. Schedule for Rent and Rates

Analysis of Subvention and Expenditure for the period from 1-4-2018 to 31-3-2019

Name of Agency : Chuk Lam Ming Tong Limited

| Unit Code and 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 | 161,392.00 | 233,000.00 | - | 71,608.00 |
| | Total | 162,392.00 | 234,000.00 | - | 71,608.00 |

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.

CHUK LAM MING TONG LIMITED
NOTES ON THE ANNUAL FINANCIAL REPORT - 31ST MARCH, 2019

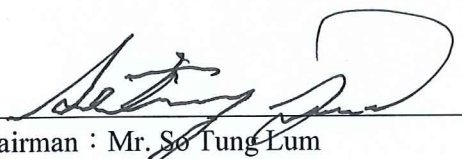
11. Schedule for Investment
 Analysis of Investment as at 31 March, 2019

Agency : Chuk Lam Ming Tong Limited


| | <u>2018-2019</u> HK'000 | <u>2017-2018</u> HK'000 |
|--------------------------------|----------------------------|----------------------------|
| LSG Reserve as at 31 March | <u>16,690</u> | <u>15,997</u> |
| Represented by : | | |
| Investments | | |
| a. HKD Bank Account Balances | 1,322 | 1,369 |
| b. HKD 24-hour Call Deposits | - | - |
| c. HKD Fixed Deposits | 15,368 | 14,628 |
| d. HKD Certificate of Deposits | - | - |
| e. HKD Bonds | - | - |
| | <u>16,690</u> | <u>15,997</u> |

Note : The investments should be reported at historical cost.

Confirmed by : -


 Chairman : Mr. So Tung Lum

Date : 16th October, 2019


 Services Director : Mr. Chung Chun Fung
 Raymond
 Date : 16th October, 2019