

CHI LIN NUNNERY

ANNUAL FINANCIAL REPORT

For the year ended March 31, 2022



REVIEW REPORT

To the Board of Directors of Chi Lin Nunnery

We have audited the financial statements of Chi Lin Nunnery for the year ended March 31, 2022 and have issued an unqualified auditors' report thereon on October 25, 2022.

We conducted our review of the attached Annual Financial Report on pages 1 to 9 of Chi Lin Nunnery - Chi Lin Elderly Services (subvented section) for the year ended March 31, 2022 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 Chi Lin Nunnery, on which the above audited financial statements of Chi Lin Nunnery 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 Chi Lin Nunnery for the year ended March 31, 2022 -

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of Chi Lin Nunnery; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that Chi Lin Nunnery has not:
 - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund, Special One-off Grant and other social welfare subventions and expenditure in respect of Funding and Services Agreement activities and support services;



Nexia
Charles Mar Fan Limited
馬炎璋會計師行有限公司

REVIEW REPORT (CONTINUED)

**To the Board of Directors of
Chi Lin Nunnery**

- 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 ("SWD");
- 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 arrangement during the year ended March 31, 2022.

This report is intended for filing with the SWD and should not be used for any other purpose.

Nexia Charles Mar Fan Limited

Nexia Charles Mar Fan Limited
Certified Public Accountants
Leung Wing Tung
Practising Certificate Number: P05426

25 OCT 2022

**CHI LIN NUNNERY
- CHI LIN ELDERLY SERVICES (SUBVENTED SECTION)**

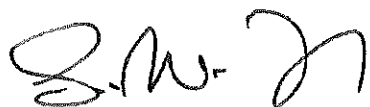
ANNUAL FINANCIAL REPORT

FOR THE PERIOD FROM APRIL 1, 2021 TO MARCH 31, 2022

	<u>Notes</u>	<u>Total 2021-22 HK\$</u>	<u>Total 2020-21 HK\$</u>
INCOME			
Lump Sum Grant			
Lump Sum Grant (excluding Provident Fund)	1b	59,357,968	58,781,410
Provident Fund	1c	4,240,286	4,431,282
Fee Income	2	7,785,458	7,814,065
Central Items	3	6,669,417	7,584,416
Rent and Rates	4	910,107	952,988
Other Income	5	562,138	372,582
Interest Received		<u>51,659</u>	<u>186,383</u>
TOTAL INCOME		<u>79,577,033</u>	<u>80,123,126</u>
EXPENDITURE			
Personal Emoluments			
Salaries		52,595,428	53,548,604
Provident Fund	1c	3,790,675	4,006,750
Allowances		-	-
Sub-total	6	<u>56,386,103</u>	<u>57,555,354</u>
Other Charges	7	15,332,792	14,498,693
Central Items	3	6,669,417	7,853,504
Rent and Rates	4	<u>811,194</u>	<u>910,107</u>
TOTAL EXPENDITURE		<u>79,199,506</u>	<u>80,817,658</u>
SURPLUS/(DEFICIT) FOR THE YEAR	8	<u>377,527</u>	<u>(694,532)</u>

The Annual Financial Report from pages 1 to 9 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE



CHAIRMAN,
CHI LIN NUNNERY

DATE: 25 OCT 2022

SIGNATURE



SUPERINTENDENT,
CHI LIN ELDERLY SERVICES

DATE: 25 OCT 2022

**CHI LIN NUNNERY
- CHI LIN ELDERLY SERVICES (SUBVENTED SECTION)**

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 April 1, 2000. 6.8% and other posts represent those staff that are employed after April 1, 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> HK\$	<u>6.8% and Other Posts</u> HK\$	<u>Total</u> HK\$
Subvention Received	639,613	3,600,673	4,240,286
Provident Fund Contribution Paid during the Year	(604,617)	(3,186,058)	(3,790,675)
Surplus for the Year	34,996	414,615	449,611
Add : Surplus b/f	398,190	9,379,341	9,777,531
Additional subvention received for previous years	-	78,528	78,528
Less : Refund to Government	(257,807)	-	(257,807)
Surplus c/f	<u>175,379</u>	<u>9,872,484</u>	<u>10,047,863</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.

**CHI LIN NUNNERY
- CHI LIN ELDERLY SERVICES (SUBVENTED SECTION)**

NOTES ON THE ANNUAL FINANCIAL REPORT (CONTINUED)

- 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:

	2021-22 HK\$	2020-21 HK\$
a. <u>Income</u>		
Dementia Supplement for Residential Elderly Services	6,669,417	6,853,080
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	731,336
	<hr/>	<hr/>
Total	6,669,417	7,584,416
	<hr/>	<hr/>
	2021-22 HK\$	2020-21 HK\$
b. <u>Expenditure</u>		
Dementia Supplement for Residential Elderly Services	6,669,417	6,853,080
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy Programmes	-	270,000
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	730,424
	<hr/>	<hr/>
Total	6,669,417	7,853,504
	<hr/>	<hr/>

- 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.

CHI LIN NUNNERY
- CHI LIN ELDERLY SERVICES (SUBVENTED SECTION)

NOTES ON THE ANNUAL FINANCIAL REPORT (CONTINUED)

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:

	2021-22 HK\$	2020-21 HK\$
Other Income		
a. Fees and charges for services incidental to operation of subvented services	562,138	372,582
b. Others	-	-
Total	<u>562,138</u>	<u>372,582</u>

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	No of Posts	<u>HK\$</u>
HK\$700,001 - HK\$800,000 p.a.	3	2,257,718
HK\$800,001 - HK\$900,000 p.a.	1	809,163
HK\$900,001 - HK\$1,000,000 p.a.	2	1,896,280
HK\$1,000,001 - HK\$1,100,000 p.a.	1	1,028,307

7. **Other Charges**

The breakdown on Other Charges is as follows:

	2021-22 HK\$	2020-21 HK\$
Other Charges		
(a) Utilities	2,848,674	2,724,522
(b) Food	4,089,716	4,085,085
(c) Administrative Expenses	119,809	119,183
(d) Stores and Equipment	2,577,430	2,418,114
(e) Repairs and Maintenance	1,699,589	1,607,819
(f) Special Allowances	-	-
(g) Programme Expenses	50,006	23,785
(h) Transportation and Travelling	160,745	135,435
(i) Insurance	1,083,050	1,019,118
(j) Miscellaneous	2,703,773	2,365,632
Total	<u>15,332,792</u>	<u>14,498,693</u>

**CHI LIN NUNNERY
- CHI LIN ELDERLY SERVICES (SUBVENTED SECTION)
NOTES ON THE ANNUAL FINANCIAL REPORT (CONTINUED)**

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

	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
Income	HK\$	HK\$	HK\$	HK\$
Lump Sum Grant	63,598,254	-	-	63,598,254
Fee Income	7,785,458	-	-	7,785,458
Other Income	562,138	-	-	562,138
Interest Received (Note (1))	51,659	-	-	51,659
Rent and Rates	-	910,107	-	910,107
Central Items	-	-	6,669,417	6,669,417
Total Income (a)	71,997,509	910,107	6,669,417	79,577,033
Expenditure				
Personal Emoluments	56,386,103	-	-	56,386,103
Other Charges	15,332,792	-	-	15,332,792
Rent and Rates	-	811,194	-	811,194
Central Items	-	-	6,669,417	6,669,417
Total Expenditure (b)	71,718,895	811,194	6,669,417	79,199,506
Surplus for the Year (a) – (b)	278,614	98,913	-	377,527
<u>Less: Surplus of Provident Fund</u>	<u>(449,611)</u>	<u>-</u>	<u>-</u>	<u>(449,611)</u>
	<u>(170,997)</u>	<u>98,913</u>	<u>-</u>	<u>(72,084)</u>
Surplus/(Deficit) b/f (Note(2))	18,257,061	(238,682)	7,957	18,026,336
	18,086,064	(139,769)	7,957	17,954,252
<u>Less: Refund to Government</u>	<u>-</u>	<u>-</u>	<u>(912)</u>	<u>(912)</u>
<u>Add: Refund from Government</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement (Note(3))	-	-	-	-
Surplus/(Deficit) c/f (Note(4))	18,086,064	(139,769)	7,045	17,953,340

Notes:

- 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.
- 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 Infirmary Care Supplement, if any, as per Schedule of Central Items.
- The level of LSG cumulative reserves, 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.

Schedule For Central Items

Analysis of Subvention and Expenditure for the Period from April 1, 2021 to March 31, 2022 (excluding blister programme for pupil nurse)

Name of Agency: Chi Lin Nunnery (code 110)

Unit Code and Name (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the year			Surplus b/f (Note 5) (e)	Refund to Government (f)	Surplus c/f (Note 6) (h)=(g)+(a)-(d)-(f)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d)=(b)-(c)			
Unit 7904 Chi Lin Care & Attention Home (DS)	Dementia Supplement for Residential Elderly Services	HK\$ 6,669,417	HK\$ 6,669,417	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -	
Remittance Advice No.: 4286703 Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	-	-	-	-	912	912	-	
Total	Total	6,669,417	6,669,417	-	-	-	912	912	-	

Schedule For Central Items

Analysis of Subvention and Expenditure for the Period from April 1, 2021 to March 31, 2022 (excluding blister programme for pupil nurse)

Name of Agency: Chi Lin Nunnery (code 110)

Notes:

1. 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.
2. Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
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.
10. For NGOs with Visiting Medical Practitioner Service Team which arrange delivery of the service under the Programme to all private and self-financing RCHEs, RCHEs as well as contract homes operated by private operators only.

SCHEDULE FOR RENT AND RATESANALYSIS OF SUBVENTION AND EXPENDITURE FOR THE PERIOD FROM APRIL 1, 2021 TO MARCH 31, 2022NAME OF AGENCY: CHI LIN NUNNERY (CODE 110)

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Subvention Released	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
		HK\$	HK\$	HK\$	HK\$	HK\$
Chi Lin Home #1776	Rent (Note 3)	223,625	223,625	285,940	-	(62,315)
	Rates	386,498	386,498	465,334	-	(78,836)
	Total	610,123	610,123	751,274	-	(141,151)
Chi Lin Day Care Centre for the Elderly #7291	Rent (Note 3)	22,469	22,469	27,720	-	(5,251)
	Rates	38,833	38,833	32,200	6,633	-
	Total	61,302	61,302	59,920	6,633	(5,251)
	Grand Total	671,425	671,425	811,194	6,633	(146,402)

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.

CHI LIN NUNNERY
- CHI LIN ELDERLY SERVICES (SUBVENTED SECTION)

STATEMENT FOR NON-STATUTORY ACCOUNTS
FOR THE PURPOSE OF SECTION 436(3) OF THE COMPANIES ORDINANCE

The figures and financial information relating to the above annual financial report for the year ended March 31, 2022 are not the Nunnery's statutory annual financial statements for that year. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Nunnery has delivered those financial statements to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Nunnery's auditor has reported on those statutory financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.