

COMBINED ANNUAL FINANCIAL REPORT
NGO: 128 Ching Chung Taoist Association of Hong Kong Limited

1 APRIL 2022 TO 31 MARCH 2023

	Notes	2022-23 FSA \$	2021-22 FSA \$	Remarks
A. INCOME				
1. Lump Sum Grant(1a+1b+2+4+5)		45,944,538.00	45,516,113.47	
a. Lump Sum Grant (excluding Provident Fund)	1b	38,144,081.00	37,594,820.00	
b. Provident Fund	1c	2,841,629.00	2,876,639.00	
2. Fee Income	2	3,834,657.90	4,016,494.30	
3. Central Items	3	4,417,167.00	4,512,065.47	
4. Rent and Rates	4	541,661.00	532,589.00	
5. Other Income	5	132,288.23	138,638.14	
6. Interest Received		54,551.83	130,533.02	
TOTAL INCOME		49,966,035.96	49,801,778.93	
B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries		31,962,145.98	32,556,642.35	
b. Provident Fund	1c	2,750,187.66	2,930,422.26	
c. Allowances		2,457,294.24	1,212,796.45	
Sub-total	6	37,169,627.88	36,699,861.06	
2. Other Charges	7	7,582,782.14	7,458,558.85	
3. Central Items	3	4,521,826.52	4,599,533.00	
4. Rent and Rates	4	471,329.20	462,264.40	
TOTAL EXPENDITURE		49,745,565.74	49,220,217.31	
C. SURPLUS / (DEFICIT) FOR THE YEAR	8	220,470.22	581,561.62	

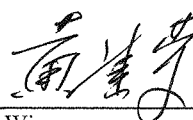
The Annual Financial Report from pages 3 to 13 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE



Chau Kwok Hung
 Planning & Coordinating Officer
 Date: **28 SEP 2023**

SIGNATURE



Wong Kin Wing
 Chairman
 The Board of Directors
 Date: **28 SEP 2023**

NOTES ON THE ANNUAL FINANCIAL REPORT FOR FY2022/23

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 Lump Sum Grant (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 Other Posts</u> \$	<u>Total</u> \$
Subvention Received	702,765.00	2,138,864.00	2,841,629.00
Provident Fund Contribution Paid during the Year	(582,033.10)	(2,168,154.56)	(2,750,187.66)
Surplus / (Deficit) for the Year	<u>120,731.90</u>	<u>(29,290.56)</u>	<u>91,441.34</u>
Add : Surplus / (Deficit) b/f	93,745.91	3,496,071.58	3,589,817.49
Adjusted Surplus / (Deficit) b/f	93,745.91	3,496,071.58	3,589,817.49
Add : Admendment of FY2020/21 (6.8% posts)	-	11,302.54	11,302.54
Less : Admendment of FY2020/21 (Snapshot Staff)	(11,302.54)	-	(11,302.54)
Less : Refund to Government	(137,353.00)	-	(137,353.00)
Surplus / (Deficit) c/f	<u><u>65,822.27</u></u>	<u><u>3,478,083.56</u></u>	<u><u>3,543,905.83</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 Lump Sum Grant Manual.

3. Central Items These are subvented service activities which are not included in Lump Sum Grant 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>2022-23</u> \$	<u>2021-22</u> \$
a. Income		
Dementia Supplement for Residential Elderly Services	3,569,097.00	3,723,759.00
Infirmiry Care Supplement for Residential Elderly Services	848,070.00	856,638.00
Special Allowance for Staff (COVID-19)	-	(62,519.53)
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	-	(5,812.00)
Total	<u><u>4,417,167.00</u></u>	<u><u>4,512,065.47</u></u>
b. Expenditure		
Dementia Supplement for Residential Elderly Services	3,646,854.52	3,723,759.00
Infirmiry Care Supplement for Residential Elderly Services	874,972.00	856,638.00
Special Allowance for Staff (COVID-19)	-	-
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
Total	<u><u>4,521,826.52</u></u>	<u><u>4,599,533.00</u></u>

#For NGOs with Visiting Medical Practitioner Service Team which arrange delivery of the service under the Programme to all private and self-financing RCHEs, RCHDs as well as contract homes operated by private operators only.

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.

NOTES ON THE ANNUAL FINANCIAL REPORT FOR FY2022/23

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>2022-23</u>	<u>2021-22</u>
<u>Other Income</u>	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	48,085.00	35,495.40
(b) Others	56,239.03	103,142.74
(c) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	27,964.20	-
Total	<u>132,288.23</u>	<u>138,638.14</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:

<u>Analysis of Personal Emoluments</u>	<u>No of Posts</u>	\$
HK\$700,001 - HK\$800,000 p.a.	4	2,996,125.75
HK\$800,001 - HK\$900,000 p.a.	2	1,696,630.25
HK\$900,001 - HK\$1,000,000 p.a.	-	-
HK\$1,000,001 - HK\$1,100,000 p.a.	1	1,055,556.00
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>2022-23</u>	<u>2021-22</u>
<u>Other Charges</u>	\$	\$
(a) Utilities	1,134,648.10	1,152,911.40
(b) Food	2,178,162.38	2,344,614.37
(c) Administrative Expenses	709,499.20	742,590.00
(d) Stores and Equipment	1,653,033.92	1,427,673.14
(e) Repair and Maintenance	-	-
(f) Special Allowances	-	-
(g) Programme Expenses	314,697.62	213,439.95
(h) Transportation and Travelling	134,109.22	93,116.39
(i) Insurance	408,357.10	459,301.76
(j) Miscellaneous	1,050,274.60	1,024,911.84
Total	<u>7,582,782.14</u>	<u>7,458,558.85</u>

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

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Holding Account (HA)	Rent and Rates	Central Items (CI)	Total
	\$		\$	\$	\$
Income					
Lump Sum Grant (LSG)	40,985,710.00	-	-	-	40,985,710.00
Fee Income	3,834,657.90	-	-	-	3,834,657.90
Other Income	132,288.23	-	-	-	132,288.23
Interest Received (Note (1))	54,551.83	-	-	-	54,551.83
Rent and Rates	-	-	541,661.00	-	541,661.00
Central Items	-	-	-	4,417,167.00	4,417,167.00
Total Income (a)	45,007,207.96	-	541,661.00	4,417,167.00	49,966,035.96
Expenditure					
Personal Emoluments	37,169,627.88	-	-	-	37,169,627.88
Other Charges	7,582,782.14	-	-	-	7,582,782.14
Rent and Rates	-	-	471,329.20	-	471,329.20
Central Items	-	-	0.00	4,521,826.52	4,521,826.52
Total Expenditure (b)	44,752,410.02	-	471,329.20	4,521,826.52	49,745,565.74
Surplus / (Deficit) for the Year (a) – (b)	254,797.94	-	70,331.80	(104,659.52)	220,470.22
Less : Surplus/ (Deficit) of Provident Fund	91,441.34	-	0.00	-	91,441.34
Surplus / (Deficit) for the year	163,356.60	-	70,331.80	(104,659.52)	129,028.88
Surplus/ (Deficit) b/f (Note (2))	10,875,059.94	4,604,738.73	69,450.80	-	15,549,249.47
	11,038,416.54	4,604,738.73	139,782.60	(104,659.52)	15,678,278.35
FY2021/22 Rent & Rates(CA)					
Less : Refund to Government (Rent)	-	-	(3,324.00)	-	(3,324.00)
Less : Refund to Government (Rates)	-	-	(22,256.00)	-	(22,256.00)
FY2021/22 Rent & Rates(HA)					
Less : Refund to Government (Rates)	-	-	(5,913.00)	-	(5,913.00)
Less : Refund to Government (Rent)	-	-	(28,417.00)	-	(28,417.00)
FY2021/22 Rent & Rates(HP)					
Less : Refund to Government (Rent)	-	-	(141.60)	-	(141.60)
Less : Refund to Government (Rates)	-	-	(10,273.00)	-	(10,273.00)
FY2022/23 Central Items					
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmatory Care Supplement (Note (3))	(104,659.52)	-	-	104,659.52	-
Adjustment from LSG Reserve					
According to SWD Letter (41) in SWD SF/SAS/4-35/1/30(128)	(1,528.40)	-	-	-	(1,528.40)
FY 2021/22 LSG Reserve					
Less : Refund to Government (LSG)	(568,060.53)	-	-	-	(568,060.53)
	(674,248.45)	-	(70,324.60)	104,659.52	(639,913.53)
Surplus / (Deficit) c/f (Note (4))	10,364,168.09	4,604,738.73	69,458.00	0.00	15,038,364.82

Notes:

- (1) 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.
- (2) Accumulated balance of 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.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmatory Care Supplement, if any, as per Schedule of Central Items.
- (4) For NGOs without HA, separate disclosure of the movement of HA in their respective AFRs is not necessary. The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.
For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows:
(excluding Provident Fund expenditure) for the year.
 - (i) 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 (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution (K)) for the year.
 - (ii) 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 (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) 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 (i.e. S1+S2) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution (K)) 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.]