



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

CHI LIN NUNNERY

ANNUAL FINANCIAL REPORT

For the year ended March 31, 2018

## 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, 2018 and have issued an unqualified auditors' report thereon on October 31, 2018.

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, 2018 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, 2018 -

- 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;



**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, 2018.

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

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

31 OCT 2018



**CHI LIN NUNNERY**  
**- CHI LIN ELDERLY SERVICES (SUBVENTED SECTION)**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE PERIOD FROM APRIL 1, 2017 TO MARCH 31, 2018**

	<u>Notes</u>	<u>Total</u> <u>2017-18</u> HK\$	<u>Total</u> <u>2016-17</u> HK\$
<b>INCOME</b>			
Lump Sum Grant			
Lump Sum Grant (excluding Provident Fund)	1b	48,666,368	46,864,630
Provident Fund	1c	4,028,829	3,916,521
Special One-off Grant		-	-
Fee Income	2	7,688,199	7,545,790
Central Items	3	4,991,950	4,204,060
Rent and Rates	4	624,784	1,092,968
Other Income	5	581,933	752,811
Interest Received		<u>62,585</u>	<u>59,926</u>
<b>TOTAL INCOME</b>		<u>66,644,648</u>	<u>64,436,706</u>
<b>EXPENDITURE</b>			
Personal Emoluments			
Salaries		44,055,422	42,012,177
Provident Fund	1c	3,222,860	3,200,286
Allowances		-	-
Sub-total	6	47,278,282	45,212,463
Other Charges	7	12,700,773	12,340,926
Central Items	3	5,653,072	4,135,048
Rent and Rates	4	881,189	881,189
Special One-off Grant Payments	7a	-	-
<b>TOTAL EXPENDITURE</b>		<u>66,513,316</u>	<u>62,569,626</u>
<b>SURPLUS FOR THE YEAR</b>	8	<u>131,332</u>	<u>1,867,080</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: 31 OCT 2018



ACTING SUPERINTENDENT,  
CHI LIN ELDERLY SERVICES

DATE: 31 OCT 2018

**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 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	1,302,737	2,726,092	4,028,829
Provident Fund Contribution Paid during the Year	(1,149,252)	(2,073,608)	(3,222,860)
Surplus/(Deficit) for the Year	153,485	652,484	805,969
Add : Surplus b/f	430,397	7,130,374	7,560,771
Additional subvention received for previous years	-	120,705	120,705
Less : Refund to Government	(373,604)	-	(373,604)
<b>Surplus c/f</b>	<u>210,278</u>	<u>7,903,563</u>	<u>8,113,841</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:

	2017-18 HK\$	2016-17 HK\$
<b>a. <u>Income</u></b>		
Dementia Supplement for Residential Elderly Services	4,337,496	3,131,635
Special One-Off for Dementia in 2017-18	-	661,122
Enhanced provision of visiting medical	140,000	-
Dementia Supplement for Day Care Centre for the Elderly Services	514,454	411,303
<b>Total</b>	<u>4,991,950</u>	<u>4,204,060</u>
	2017-18 HK\$	2016-17 HK\$
<b>b. <u>Expenditure</u></b>		
Dementia Supplement for Residential Elderly Services	4,337,496	3,131,635
Special One-Off for Dementia in 2016-17	-	592,110
Special One-Off for Dementia in 2017-18	661,122	-
Enhanced Provision of Visiting Medical	140,000	-
Dementia Supplement for Day Care Centre for the Elderly Services	514,454	411,303
<b>Total</b>	<u>5,653,072</u>	<u>4,135,048</u>

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 (paragraph 2.29 of LSG Manual (October 2016)) is as follows:

	2017-18 HK\$	2016-17 HK\$
<b>Other Income</b>		
a. Fees and charges for services incidental to operation of subvented services	581,933	752,811
b. Others	-	-
<b>Total</b>	<u>581,933</u>	<u>752,811</u>

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

**NOTES ON THE ANNUAL FINANCIAL REPORT (CONTINUED)**

**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	2,119,915
HK\$800,001 - HK\$900,000 p.a.	3	2,501,781

**7. Other Charges**

The breakdown on Other Charges is as follows:

	<u>2017-18</u> HK\$	<u>2016-17</u> HK\$
<b>Other Charges</b>		
(a) Utilities	2,580,976	2,514,622
(b) Food	3,842,735	3,873,301
(c) Administrative Expenses	144,330	135,873
(d) Stores and Equipment	2,131,853	2,019,794
(e) Repairs and Maintenance	1,307,076	1,190,614
(f) Special Allowances	-	-
(g) Programme Expenses	60,386	44,426
(h) Transportation and Travelling	195,054	244,000
(i) Insurance	617,313	488,189
(j) Miscellaneous	1,821,050	1,830,107
<b>Total</b>	<u>12,700,773</u>	<u>12,340,926</u>

**7a. Special One-off Grant Payments**

Details of Special One-off Grant Payments are as follows:

	<u>2017-18</u> HK\$	<u>2016-17</u> HK\$
<b>Special One-off Grant Payments</b>		
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
<b>Total</b>	<u>-</u>	<u>-</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)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Income</b>					
Lump Sum Grant	52,695,197	-	-	-	52,695,197
Special One-off Grant	-	-	-	-	-
Fee Income	7,688,199	-	-	-	7,688,199
Other Income	581,933	-	-	-	581,933
Interest Received (Note (1))	62,585	-	-	-	62,585
Rent and Rates	-	-	624,784	-	624,784
Central Items	-	-	-	4,991,950	4,991,950
<b>Total Income (a)</b>	<b>61,027,914</b>	<b>-</b>	<b>624,784</b>	<b>4,991,950</b>	<b>66,644,648</b>
<b>Expenditure</b>					
Personal Emoluments	47,278,282	-	-	-	47,278,282
Other Charges	12,700,773	-	-	-	12,700,773
Rent and Rates	-	-	881,189	-	881,189
Central Items	-	-	-	5,653,072	5,653,072
Special One-off Grant Payment	-	-	-	-	-
<b>Total Expenditure (b)</b>	<b>59,979,055</b>	<b>-</b>	<b>881,189</b>	<b>5,653,072</b>	<b>66,513,316</b>
<b>Surplus/(Deficit) for the Year (a) – (b)</b>	<b>1,048,859</b>	<b>-</b>	<b>(256,405)</b>	<b>(661,122)</b>	<b>131,332</b>
Less: Surplus of Provident Fund	805,969	-	-	-	805,969
	242,890	-	(256,405)	(661,122)	(674,637)
<b>Surplus/(Deficit) b/f (Note(2))</b>	<b>19,677,678</b>	<b>-</b>	<b>(511,964)</b>	<b>668,167</b>	<b>19,833,881</b>
	19,920,568	-	(768,369)	7,045	19,159,244
Less : Refund to Government	-	-	-	-	-
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplementary (Note(3))	-	-	-	-	-
<b>Surplus/(Deficit) c/f (Note(4))</b>	<b>19,920,568</b>	<b>-</b>	<b>(768,369)</b>	<b>7,045</b>	<b>19,159,244</b>

**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 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.
- 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.
- 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, 2017 to March 31, 2018 (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)	Surplus c/f (Note 6) (f)=(e)+(a)-(d)	Refund to Government 2016-2018	Balance c/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 Service	HK\$ 4,337,496	HK\$ 4,337,496	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -
Special One-Off for Dementia (2017-18)	Special One-Off for Better Care for Elderly Persons with Dementia	-	661,122	-	661,122	-	661,122	-	-	-	-
Unit 3175 Chi Lin Care & Attention Home Enhanced Provision of Visiting Medical Officer in RCHES	Enhanced Provision of Visiting Medical	140,000	140,000	-	-	-	-	-	-	-	-
Unit 6736 Chi Lin Day Care Centre Dementia Supplement for Day Care Centre for the Elderly	Dementia Supplement for Day Care Centre for the Elderly	514,454	514,454	-	-	-	-	-	-	-	-
Total	Total	4,991,950	5,653,072	-	661,122	-	661,122	-	-	-	-

Schedule For Central Items

Analysis of Subvention and Expenditure for the Period from April 1, 2017 to March 31, 2018 (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) 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.(28) in SWD/S/104/2 Pt.17 dated 31 October 2017.
  - 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 plus surplus, if any, arising from operations in current year.
7. Unit code and name are extract from the payroll from SWD.
8. The income and expenditure for the Special One-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmary Care as allocated via SWD's letter ref SWD/S/E/RC/3 Pt.7 dated 27 February 2017 should also be included in the income/expenditure of the respective items.
9. 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.



SCHEDULE FOR RENT AND RATES

ANALYSIS OF SUBVENTION AND EXPENDITURE FOR THE PERIOD FROM APRIL 1, 2017 TO MARCH 31, 2018

NAME OF AGENCY: CHI LIN NUNNERY (CODE 110)

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
		HK\$	HK\$	HK\$	HK\$
Chi Lin Home #1776	Rent (Note 3)	208,091	303,269	-	(95,178)
	Rates	359,650	502,240	-	(142,590)
	Total	567,741	805,509	-	(237,768)
Chi Lin Day Care Centre for the Elderly #7291	Rent (Note 3)	20,908	29,880	-	(8,972)
	Rates	36,135	45,800	-	(9,665)
	Total	57,043	75,680	-	(18,637)
	Grand Total	624,784	881,189	-	(256,405)

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, 2018 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 contained a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.