

CHI LIN NUNNERY

ANNUAL FINANCIAL REPORT

For the year ended March 31, 2016

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, 2016 and have issued an unqualified auditors' report thereon on November 14, 2016.

We conducted our review of the attached Annual Financial Report on pages 1 to 8 of Chi Lin Nunnery - Chi Lin Elderly Services (subvented section) for the year ended March 31, 2016 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, 2016 -

- 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, 2016.

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



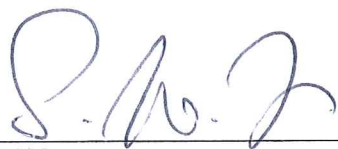
Nexia Charles Mar Fan & Co.
Certified Public Accountants

14 NOV 2016

CHI LIN NUNNERY
- CHI LIN ELDERLY SERVICES (SUBVENTED SECTION)
ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM APRIL 1, 2015 TO MARCH 31, 2016

	<u>Notes</u>	<u>Total</u> <u>2015-16</u> HK\$	<u>Total</u> <u>2014-15</u> HK\$
INCOME			
Lump Sum Grant			
Lump Sum Grant (excluding Provident Fund)	1b	43,762,050	39,309,405
Provident Fund	1c	3,930,641	3,617,168
Special One-off Grant		-	-
Fee Income	2	7,260,923	7,371,553
Central Items	3	4,024,397	4,480,786
Rent and Rates	4	610,215	594,607
Other Income	5	851,141	1,056,304
Interest Received		122,711	87,228
TOTAL INCOME		<u>60,562,078</u>	<u>56,517,051</u>
EXPENDITURE			
Personal Emoluments			
Salaries		36,922,182	33,921,208
Provident Fund	1c	3,067,831	2,929,247
Allowances		-	-
Sub-total	6	39,990,013	36,850,455
Other Charges	7	12,240,952	11,492,790
Central Items	3	3,665,273	4,196,915
Rent and Rates	4	837,036	798,291
Special One-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		<u>56,733,274</u>	<u>53,338,451</u>
SURPLUS FOR THE YEAR	8	<u>3,828,804</u>	<u>3,178,600</u>

SIGNATURE



CHAIRMAN,
CHI LIN NUNNERY

DATE: 14 NOV 2016



ACTING SUPERINTENDENT,
CHI LIN ELDERLY SERVICES

DATE: 14 NOV 2016

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

NOTES ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant

- a. Basis of preparation** The Annual Financial Report (AFR) is prepared on cash basis, that is, income is recognized upon receipt of cash and expenditure is recognized when expenses are paid. Non-cash items like 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 recognized or holding against subverted posts as at April 1, 2000. 6.8% and other posts represent those staff that are employed after April 1, 2000. Please note that the PF 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</u> <u>Staff</u> HK\$	<u>6.8% and</u> <u>Other Posts</u> HK\$	<u>Total</u> HK\$
Subvention Received	1,603,531	2,327,110	3,930,641
Provident Fund Contribution Paid during the Year	(1,229,927)	(1,837,904)	(3,067,831)
Surplus for the Year	373,604	489,206	862,810
Add : Surplus b/f	1,090,924	6,040,880	7,131,804
Less : Refund to Government	(966,477)	-	(966,477)
Surplus c/f	<u>498,051</u>	<u>6,530,086</u>	<u>7,028,137</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 PF 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 3.13 of LSG Manual). The income and expenditure of each of the Central Items are as follows:

a. <u>Income</u>	2015-16 HK\$	2014-15 HK\$
Dementia Supplement for Residential Elderly Services	3,039,168	3,562,299
Special One-Off for Dementia in 2015-16	-	232,986
Special One-Off for Dementia in 2016-17	592,110	-
Care Assistant & Programme Assistant for Elderly Services	-	123,173
Programme Worker posts extended for one year in 2014-15	-	186,881
Dementia Supplement for Day Care Centre for the Elderly Services	<u>393,119</u>	<u>375,447</u>
Total	<u><u>4,024,397</u></u>	<u><u>4,480,786</u></u>

b. <u>Expenditure</u>	2015-16 HK\$	2014-15 HK\$
Dementia Supplement for Residential Elderly Services	3,039,168	3,562,299
Special One-Off for Dementia in 2015-16	232,986	-
Care Assistant & Programme Assistant for Elderly Services	-	75,438
Programme Workers posts extended for one year in 2014-15	-	183,731
Dementia Supplement for Day Care Centre for the Elderly Services	<u>393,119</u>	<u>375,447</u>
Total	<u><u>3,665,273</u></u>	<u><u>4,196,915</u></u>

4. **Rent and Rates** This represents the amount paid by SWD in respect of premises recognized by SWD. Expenditure on rent and rates in respect of premises not recognized 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.

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 \$500,000 each is appended below:

Analysis of Personal Emoluments	No of Posts	<u>HK\$</u>
HK\$500,001 – HK\$600,000 p.a.	3	1,662,930
HK\$600,001 - HK\$700,000 p.a.	2	1,337,441
HK\$700,001 - HK\$800,000 p.a.	3	2,155,279

7. Other Charges

The breakdown on Other Charges is as follows:

	<u>2015-16</u>	<u>2014-15</u>
	HK\$	HK\$
Other Charges		
(a) Utilities	2,485,938	2,495,201
(b) Food	3,870,528	3,919,871
(c) Administrative Expenses	86,552	153,847
(d) Stores and Equipment	2,486,267	1,348,432
(e) Repairs and Maintenance	896,917	1,086,313
(f) Special Allowances	-	-
(g) Programme Expenses	57,404	30,747
(h) Transportation and Travelling	252,128	307,541
(i) Insurance	474,384	439,796
(j) Miscellaneous	1,630,834	1,711,042
Total	<u>12,240,952</u>	<u>11,492,790</u>

7a. Special One-off Grant Payments

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

	<u>2015-16</u>	<u>2014-15</u>
	HK\$	HK\$
Special One-off Grant Payments		
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total	<u>-</u>	<u>-</u>

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

8. Analysis of Reserve Fund

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
Income					
Lump Sum Grant	47,692,691	-	-	-	47,692,691
Special One-off Grant	-	-	-	-	-
Fee Income	7,260,923	-	-	-	7,260,923
Other Income	851,141	-	-	-	851,141
Interest Received (Note (1))	122,711	-	-	-	122,711
Rent and Rates	-	-	610,215	-	610,215
Central Items	-	-	-	4,024,397	4,024,397
Total Income (a)	55,927,466	-	610,215	4,024,397	60,562,078
Expenditure					
Personal Emoluments	39,990,013	-	-	-	39,990,013
Other Charges	12,240,952	-	-	-	12,240,952
Rent and Rates	-	-	837,036	-	837,036
Central Items	-	-	-	3,665,273	3,665,273
Special One-off Grant Payment	-	-	-	-	-
Total Expenditure (b)	52,230,965	-	837,036	3,665,273	56,733,274
Surplus/(Deficit) for the Year (a) – (b)	3,696,501	-	(226,821)	359,124	3,828,804
<u>Less: Surplus of Provident Fund</u>	862,810	-	-	-	862,810
	2,833,691	-	(226,821)	359,124	2,965,994
Surplus/(Deficit) b/f (Note(2))	15,973,933	-	(496,922)	310,631	15,787,642
	18,807,624	-	(723,743)	669,755	18,753,636
<u>Less : Refund to Government</u>	-	-	-	(22,865)	(22,865)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmiry Care Supplementary (Note(3))	-	-	-	-	-
Surplus/(Deficit) c/f (Note(4))	18,807,624	-	(723,743)	646,890	18,730,771

Notes:

1. All the interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant is 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 and all interest received in previous years are included in the surplus b/f under LSG.
3. Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmiry Care Supplement, if any, as per Schedule of Central Items (Annex 1(a)).
4. The level of LSG cumulative reserves is capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.

Schedule For Central Items

Analysis of Subvention and Expenditure for the Period from April 1, 2015 to March 31, 2016 (excluding blister programme for pupil nurse)

Name of Agency: Chi Lin Nunnery (code 110)

Unit Code and Name	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 2015-2016	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\$ 3,039,168	3,039,168	-	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -	HK\$ -
Special One-Off for Dementia (2015-16)	Special One-Off for Better Care for Elderly Persons with Dementia	-	232,986	-	232,986	-	232,986	-	-	-	-
Special One-Off for Dementia (2016-17)	Special One-Off for Better Care for Elderly Persons with Dementia	592,110	-	592,110	-	-	-	592,110	-	-	592,110
Unit 110S Chi Lin Care & Attention Home Care & Programme Assistant for Elderly	Programme Assistants/Care Assistants	-	-	-	-	-	-	52,826	52,826	(5,091)	47,735
Unit 110P Chi Lin Care & Attention Home Programme Worker for Elderly	Programme Workers	-	-	-	-	-	-	17,774	17,774	(17,774)	-
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	393,119	393,119	-	-	-	-	-	-	-	-
Total	Total	4,024,397	3,665,273	592,110	232,986	-	232,986	303,586	662,710	(22,865)	639,845

Schedule For Central Items

Analysis of Subvention and Expenditure for the Period from April 1, 2015 to March 31, 2016 (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.(64) in SWD/S/104/2 Pt.14 dated 22 July 2015.
 - 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.4 dated 4 March 2015 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 RATESANALYSIS OF SUBVENTION AND EXPENDITURE FOR THE PERIOD FROM APRIL 1, 2015 TO MARCH 31, 2016NAME 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)	202,620	288,828	-	86,208
	Rates	351,882	477,368	-	125,486
	Total	554,502	766,196	-	211,694
Chi Lin Day Care Centre for the Elderly #7291	Rent (Note 3)	20,358	28,440	-	8,082
	Rates	35,355	42,400	-	7,045
	Total	55,713	70,840	-	15,127
	Grand Total	610,215	837,036	-	226,821

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.