

**United Christian Nethersole Community Health Service (NGO code: 748)**

**Annual Financial Report**

**For the year ended 31 March 2021**

**Review Report to the Management Committee of United Christian Nethersole Community Health Service (“UCN CHS”)**

We have audited the financial statements of United Christian Nethersole Community Health Service of the United Christian Medical Service (“UCN CHS”) for the year ended 31 March 2021 and have issued an unqualified auditors’ report thereon dated 23 August 2021.

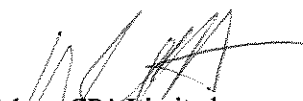
We conducted our review of the attached Annual Financial Report on pages 2 to 8 of UCN CHS for the year ended 31 March 2021 in accordance with Practice Note 851 “Review of the Annual Financial Reports of Non-governmental Organisations” issued by the Hong Kong Institute of Certified Public Accountants. 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 UCN CHS, on which the above audited financial statements of UCN CHS 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 UCN CHS for the year ended 31 March 2021:

- a) in our opinion the Annual Financial Report has been properly prepared from the books and records of UCN CHS; and
- b) no matters have come to our attention during the course of our review, which cause us to believe that UCN CHS has not:
  - (i) properly accounted for the receipt of Lump Sum Grant (LSG), Provident Fund (PF) 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 31 March 2021.

This report is intended for filing with the Social Welfare Department (SWD) of the Government of the HKSAR and should not be used for any other purpose.


  
Nelson CPA Limited  
Certified Public Accountants  
LEIGH Man Sung Camballaw  
Practising Certificate no.: P01740

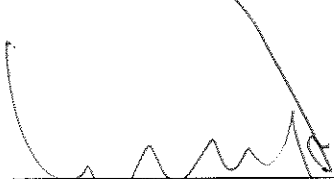
Hong Kong, 26 OCT 2021

**Annual Financial Report**  
**United Christian Nethersole Community Health Service (NGO code: 748)**  
**1 April 2020 to 31 March 2021**

	Notes	2020-21 HK\$	2019-20 HK\$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	12,795,920.00	11,099,415.00
b. Provident Fund	1c	800,540.00	700,194.00
2. Fee Income	2	693,853.40	765,163.40
3. Central Items	3	0.00	45,453.00
4. Rent and Rates	4	201,814.00	200,534.00
5. Other Income	5	292,189.26	64,133.20
6. Interest Received		22,037.50	55,123.14
<b>TOTAL INCOME</b>		<u>14,806,354.16</u>	<u>12,930,015.74</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		11,108,813.27	9,619,003.53
b. Provident Fund	1c	618,706.86	523,068.68
c. Allowances		82,594.11	94,432.60
Sub-total	6	11,810,114.24	10,236,504.81
2. Other Charges	7	1,957,207.14	1,916,253.83
3. Central Items	3	0.00	0.00
4. Rent and Rates	4	245,497.70	332,614.70
<b>TOTAL EXPENDITURE</b>		<u>14,012,819.08</u>	<u>12,485,373.34</u>
<b>C. SURPLUS FOR THE YEAR</b>	8	<u>793,535.08</u>	<u>444,642.40</u>

The Annual Financial Report from pages 2 to 8 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

  
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 WONG Yuen Ling, Grace  
 Chairman of Management Committee, UCNCHS  
 Date: 26 OCT 2021

  
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 AU Chi Keung, Danny  
 Deputy Executive Director, UCNCHS  
 Date: 26 OCT 2021

## 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 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 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> HK\$	<u>6.8% and other posts</u> HK\$	<u>Total</u> HK\$
Subvention received	32,400.00	768,140.00	800,540.00
Provident Fund Contribution paid during the year	<u>(34,299.00)</u>	<u>(584,407.86)</u>	<u>(618,706.86)</u>
Surplus/(deficit) for the year	(1,899.00)	183,732.14	181,833.14
Add : Surplus b/f	11,843.18	1,900,647.26	1,912,490.44
Add : Additional subvention received for previous years	0.00	0.00	0.00
Less : Refund to the Government for previous years	<u>(1,177.00)</u>	<u>0.00</u>	<u>(1,177.00)</u>
Surplus c/f	<u>8,767.18</u>	<u>2,084,379.40</u>	<u>2,093,146.58</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.

**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 Social Welfare Department's (SWD) papers and correspondence with the Non-governmental Organisations (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:

	2020-21 HK\$	2019-20 HK\$
<b>a. Income</b>		
Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infectious Agent	0.00	45,453.00
<b>Total</b>	<u>0.00</u>	<u>45,453.00</u>
<b>b. Expenditure</b>		
Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infectious Agent	0.00	0.00
<b>Total</b>	<u>0.00</u>	<u>0.00</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 is as follows:

<b>Other Income</b>	2020-21 HK\$	2019-20 HK\$
(a) Fee and charge for services incidental to the operation of subvented services	26,107.20	64,133.20
(b) Others – Employment support scheme subsidy	<u>266,082.06</u>	<u>0.00</u>
<b>Total</b>	<u>292,189.26</u>	<u>64,133.20</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:

<b>Analysis of Personal Emoluments paid under LSG</b>	No. of Posts	HK\$
HK\$700,001 – HK\$800,000 p.a.	-	-
HK\$800,001 – HK\$900,000 p.a.	-	-
HK\$900,001 – HK\$1,000,000 p.a.	-	-
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:

<b>Other Charges</b>	2020-21 HK\$	2019-20 HK\$
(a) Utilities	48,913.10	110,649.90
(b) Food	553,212.44	638,415.37
(c) Administrative Expenses	84,721.06	74,165.20
(d) Stores and Equipment	99,097.98	299,934.49
(e) Repair and Maintenance	50,645.79	75,814.67
(f) Programme Expenses	898,342.50	458,420.40
(g) Transportation and Travelling	120,483.43	159,572.59
(h) Insurance	75,482.44	77,361.11
(i) Miscellaneous	<u>26,308.40</u>	<u>21,920.10</u>
<b>Total</b>	<u>1,957,207.14</u>	<u>1,916,253.83</u>

## 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\$
<b>Income</b>				
Lump Sum Grant	13,596,460.00	0.00	0.00	13,596,460.00
Fee Income	693,853.40	0.00	0.00	693,853.40
Other Income	292,189.26	0.00	0.00	292,189.26
Interest Received (Note (1))	22,037.50	0.00	0.00	22,037.50
Rent and Rates	0.00	201,814.00	0.00	201,814.00
Central Items	0.00	0.00	0.00	0.00
<b>Total Income (a)</b>	<b>14,604,540.16</b>	<b>201,814.00</b>	<b>0.00</b>	<b>14,806,354.16</b>
<b>Expenditure</b>				
Personal Emoluments	11,810,114.24	0.00	0.00	11,810,114.24
Other Charges	1,957,207.14	0.00	0.00	1,957,207.14
Rent and Rates	0.00	245,497.70	0.00	245,497.70
Central Items	0.00	0.00	0.00	0.00
<b>Total Expenditure (b)</b>	<b>13,767,321.38</b>	<b>245,497.70</b>	<b>0.00</b>	<b>14,012,819.08</b>
<b>Surplus/(Deficit) for the year (a) – (b)</b>	<b>837,218.78</b>	<b>(43,683.70)</b>	<b>0.00</b>	<b>793,535.08</b>
Less: Surplus of Provident Fund	(181,833.14)	0.00	0.00	(181,833.14)
	655,385.64	(43,683.70)	0.00	611,701.94
<b>Surplus/(Deficit) b/f (Note (2))</b>	<b>4,018,226.98</b>	<b>(364,134.93)</b>	<b>45,453.00</b>	<b>3,699,545.05</b>
Add: Refund from Government	0.00	327,557.00	0.00	327,557.00
Less: Refund to Government	0.00	(4,453.00)	(45,453.00)	(49,906.00)
<b>Surplus/(Deficit) c/f (Note (3))</b>	<b>4,673,612.62</b>	<b>(84,714.63)</b>	<b>0.00</b>	<b>4,588,897.99</b>

(S)

### Notes:

- (1) 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.
- (2) 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.
- (3) 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 PF expenditure) for the year.

Schedule for Central Items  
Analysis of Subvention and Expenditure for the Period from 1 April 2020 to 31 March 2021

Name of Agency: United Christian Nethersole Community Health Service

Unit Code and Name (Note 6)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit (Note 3) (b)	Surplus b/f (Note 4) (c)	Surplus c/f (Note 5) (d)=(c)+(a)-(b)
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
<b>I. Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infectious Agent</b>							
	Manpower support Less: Refund to Government					45,453.00 (45,453.00)	45,453.00 (45,453.00)
<b>Grand-total</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

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. "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
5. "Surplus carried forward (c/f)" means surplus brought forward less refund to Government plus surplus, if any, arising from operations in current year.
6. Unit codes and names are extracted from the payroll from SWD.
7. 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 1 April 2020 to 31 March 2021Name of Agency: United Christian Nethersole Community Health Service (748)

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
		HK\$	HK\$	HK\$	HK\$
7890- Tai Po Integrated Home Care Service Team	Rent (Note 3) Rates	81,264.00 6,531.00	118,284.00	6,531.00	(37,020.00)
	Total	87,795.00	118,284.00	6,531.00	(37,020.00)
5532-Lei Yue Mun Day Care Centre for the Elderly	Rent (Note 3) Rates	84,664.00 29,355.00	105,813.70 21,400.00	7,955.00	(21,149.70)
	Total	114,019.00	127,213.70	7,955.00	(21,149.70)
	Grand Total	201,814.00	245,497.70	14,486.00	(58,169.70)

Notes:

1. The figures are 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 the 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.