

ANNUAL FINANCIAL REPORT
NGO: Chung Shak Hei (Cheung Chau) Home for the Aged Limited (Agency code:164)
(1 APRIL 2025 TO 31 MARCH 2026)

	Notes	2025-26 \$	2024-25 \$
A. INCOME			
1 Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	45,087,830.00	45,212,550.00
b. Provident Fund	1c	3,116,674.00	3,202,359.00
2 Fee Income	2	4,580,572.00	4,467,784.00
3 Central Items	3	4,218,707.00	3,739,281.00
4 Rent and Rates	4	169,344.00	159,252.00
5 Other Income *	5	783,839.79	1,029,906.76
6 Interest Received		352,097.19	670,989.31
TOTAL INCOME		58,309,063.98	58,482,122.07
B. EXPENDITURE			
1 Personal Emoluments			
a. Salaries		38,585,004.45	36,660,773.81
b. Provident Fund	1c	2,871,846.44	2,756,115.59
c. Allowances		1,815,337.80	1,231,959.90
Sub-total	6	43,272,188.69	40,648,849.30
2 Other Charges *	7	9,892,056.00	12,596,514.72
3 Central Items	3	4,220,595.77	3,734,677.07
4 Rent and Rates	4	147,588.00	146,088.00
TOTAL EXPENDITURE		57,532,428.46	57,126,129.09
C SURPLUS/(DEFICIT) FOR THE YEAR		8	776,635.52
			1,355,992.98

The Annual Financial Report from Pages 3 to 9 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

* As stated in the Social Welfare Department's letter ref. (82) in 4-35-40-35-35-5-P1 dated 19 May 2026, the inclusion of income and expenditure in relevant explanatory notes of AFR (e.g. Note 5 and Note 7) is no longer required from 2025-26 onwards. Comparative figures of previous year (if any) should be adjusted for consistency.

Adjustment for 2024-25 : Income adjustment: Deducted \$172,764 and Expenditure adjustment: Deducted \$163,415.96.

Chairman : Tang Wing Lam David

31 July 2026

Date

Chief Executive Officer : Fung Yip, Angela

31 July 2026

Date

NOTES ON THE ANNUAL FINANCIAL REPORT

1 Lump Sum Grant

a. Basis of Preparation

The Annual Financial Report (AFR) is prepared in respect of all services defined in Funding and Service Agreement (FSA) (including support services to FSA services) funded by the Social Welfare Department (SWD) under the Lump Sum Grant Subvention System and also FSA services / FSA-related activities funded by Other Funds or Donations for Designated Purposes. If NGOs receive funding from (i) specified government funds / subsidy schemes to implement services / projects or (ii) the Hong Kong Jockey Club Charities Trust or the Community Chest to implement welfare services / projects (should meet the conditions stipulated in paragraph 3.7.1 (b) of the Lump Sum Grant Subvention Manual) in 2025-26 and carry them forward to 2026-27, they are neither required to include these in the AFR nor apportion the costs of operating such services / projects, regardless of whether subvented resources are deployed or whether the services / projects provided are FSA services or FSA-related activities. Specified government funds / subsidy schemes are listed on SWD's website. 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 1 April 2000.

Other posts represent those staff that are employed after 1 April 2000.

The Provident Fund received and contributed for staff under the Central Items and Other Funds or Donations for Designated Purposes which are separately included as part of the income and expenditure of the relevant disclosures have been shown under **Note 3 and 8**.

Details are analysed below:

<u>Provident Fund Contribution</u>	Snapshot Staff	6.8% and Other Posts	Total
	\$	\$	\$
Subvention Received	261,374.00	2,855,300.00	3,116,674.00
Provident Fund Contribution Paid during the Year	(257,820.00)	(2,614,026.44)	(2,871,846.44)
Surplus/ (Deficit) for the Year	3,554.00	241,273.56	244,827.56
Add: Surplus/ (Deficit) b/f	313,898.00	3,821,595.45	4,135,493.45
Additional subvention received for previous year(s)	-	76,350.00	76,350.00
Less: Refund to Government	(176,129.00)	-	(176,129.00)
Transfer of Provident Fund Reserve for use in the same areas as LSG Reserve ¹	-	-	-
Surplus/(Deficit) c/f	141,323.00	4,139,219.01	4,280,542.01

¹ Surplus of the Snapshot Staff Provident Fund will be used to offset future Provident Fund provision for Snapshot Staff and therefore cannot be transferred for use in the same areas as LSG Reserve.

NOTES ON THE ANNUAL FINANCIAL REPORT

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 Subvention 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 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 5.5.4(c) of the LSG Subvention Manual). The income and expenditure of each of the Central Items are as follows:

	<u>2025-26</u>	<u>2024-25</u>
	\$	\$
a. Income		
Infirmary Care Supplement for Residential Elderly Services	4,218,707.00	3,739,281.00
Total	<u>4,218,707.00</u>	<u>3,739,281.00</u>
	\$	\$
b. Expenditure		
Infirmary Care Supplement for Residential Elderly Services	4,220,595.77	3,734,677.07
Total	<u>4,220,595.77</u>	<u>3,734,677.07</u>
c. Net (Deficit) / Surplus	<u>(1,888.77)</u>	<u>4,603.93</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 represents all income, other than recognised fee income for subvented welfare services, received during the year in the operation of subvented services including income from other services that are incidental to the operation, programme income, etc. Other Funds or Donations for Designated Purposes may be included in AFR if they are used to finance expenditure of the FSA services / FSA-related activities and have been separately included in the relevant disclosures under the "Other Funds or Donations for Designated Purposes" column in Note 8 of the AFR.

The breakdown on Other Income is as follows:

	\$	\$
Other Income		
(a) Programme income	239,543.39	653,678.76
(b) Donation *	-	-
(c) Income from Other Activities	423,604.00	340,427.00
(d) Miscellaneous Income	94,692.40	24,301.00
(e) Allowance for Carers of the Elderly (Appendix D)	26,000.00	11,500.00
Total	<u>783,839.79</u>	<u>1,029,906.76</u>

* As stated in the Social Welfare Department's letter ref. (82) in 4-35-40-35-35-5-P1 dated 19 May 2026, the inclusion of income and expenditure in relevant explanatory notes of AFR (e.g. Note 5 and Note 7) is no longer required from 2025-26 onwards. Comparative figures of previous year (if any) should be adjusted for consistency.

Adjustment for 2024-25 : Income adjustment: Deducted \$172,764.

NOTES ON THE ANNUAL FINANCIAL REPORT

6 Personal Emoluments

Personal Emoluments include salary, provident fund, and salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over \$1,000,000 each paid under LSG is appended below:

<u>Analysis of Personal Emoluments paid under LSG</u>	<u>No. of Posts</u>	<u>\$</u> HK\$
HK\$1,000,001- HK\$1,100,000 p.a.	Nil	
HK\$1,100,001- HK\$1,200,000 p.a.	Nil	
HK\$1,200,001- HK\$1,300,000 p.a.	Nil	
HK\$1,300,001- HK\$1,400,000 p.a.	Nil	
HK\$1,400,001- HK\$1,500,000 p.a.	Nil	
>HK\$1,500,000 p.a.	1	1,677,929.00

7 Other Charges

This refers to expenses, other than personal emoluments, incurred in the operation and excluded expenditure for FSA services / FSA-related activities supported by Other Funds or Donations for Designated Purposes, which have been separately included in the relevant disclosures under the "Other Funds or Donations for Designated Purposes" column in Note 8 of the AFR.

The breakdown on Other Charges is as follows:

	<u>2025-26</u>	<u>2024-25</u>
Other Charges ²	\$	\$
(a) Utilities	1,400,448.98	1,401,848.14
(b) Food (including food for service users)	2,988,466.56	3,272,928.98
(c) Administrative Expenses	433,817.04	376,111.06
(d) Stores and Equipment	400,571.66	405,177.27
(e) Minor Repair and Maintenance	772,007.56	722,973.07
(f) Special Allowances	-	-
(g) Programme Expenses	314,494.71	671,967.29
(h) Transportation and Travelling	5,683.70	10,129.44
(i) Insurance	245,650.77	265,387.97
(j) Miscellaneous	297,076.08	305,976.25
(k) Donation *	-	-
(l) Outsourcing Services	2,295,984.00	4,669,859.90
(m) Staff Training and Development	19,564.00	5,150.00
(n) Other Staff-related Initiatives	718,290.94	489,005.35
Total	<u>9,892,056.00</u>	<u>12,596,514.72</u>

* As stated in the Social Welfare Department's letter ref. (82) in 4-35-40-35-35-5-P1 dated 19 May 2026, the inclusion of income and expenditure in relevant explanatory notes of AFR (e.g. Note 5 and Note 7) is no longer required from 2025-26 onwards. Comparative figures of previous year (if any) should be adjusted for consistency.

Adjustment for 2024-25 : Expenditure adjustment: Deducted \$163,415.96.

8 Analysis of Lump Sum Grant Reserve and balance of other SWD subventions

	Lump Sum Grant (LSG)	Holding Account (HA)	Other Funds or Donations for Designated Purposes	Rent and Rates	Central Items	Total
	\$	\$		\$	\$	\$
INCOME						
Lump Sum Grant	48,204,504.00	-	-	-	-	48,204,504.00
Fee Income	4,580,572.00	-	-	-	-	4,580,572.00
Other Income	783,839.79	-	513,347.54	-	-	1,297,187.33
Interest Received (Note (1))	352,097.19	-	-	-	-	352,097.19
Rent and Rates	-	-	-	169,344.00	-	169,344.00
Central Items	-	-	-	-	4,218,707.00	4,218,707.00
TOTAL INCOME (a)	53,921,012.98	-	513,347.54	169,344.00	4,218,707.00	58,822,411.52
EXPENDITURE						
Personal Emoluments	42,494,188.69	778,000.00	-	-	-	43,272,188.69
Other Charges	9,892,056.00	-	470,170.74	-	-	10,362,226.74
Rent and Rates	-	-	-	147,588.00	-	147,588.00
Central Items	-	-	-	-	4,220,595.77	4,220,595.77
TOTAL EXPENDITURE (b)	52,386,244.69	778,000.00	470,170.74	147,588.00	4,220,595.77	58,002,599.20
Surplus / (Deficits) for the year (a)-(b)	1,534,768.29	(778,000.00)	43,176.80	21,756.00	(1,888.77)	819,812.32
Less: Surplus / (Deficit) of Provident Fund	244,827.56	-	-	-	-	244,827.56
Surplus/ (Deficit) for the Year (excl. PF)	1,289,940.73	(778,000.00)	43,176.80	21,756.00	(1,888.77)	574,984.76
Surplus / (Deficit) b/f (Note (2))	12,477,413.64	8,799,464.81	-	13,164.00	5,373.42	21,295,415.87
	13,767,354.37	8,021,464.81	43,176.80	34,920.00	3,484.65	21,870,400.63
Add: Refund from Government	-	-	-	425.00	-	425.00
Less: Refund to Government	-	-	-	(13,589.00)	(4,603.93)	(18,192.93)
Transfer from LSG Reserve to cover the salary adjustment Infirmity Care Supplement (Note (3))	(1,119.28)	-	-	-	1,119.28	-
Transfer from Other Funds / (to) LSG Reserve^	43,176.80	-	(43,176.80)	-	-	-
Surplus/Deficit c/f (Note (4))	13,809,411.89	8,021,464.81	0.00	21,756.00	0.00	21,852,632.70

Notes:

- ^ Balance generated from those completed FSA services / FSA-related activities which are funded by Other Funds or Donations for Designated Purposes
- (1) Interest received on LSG, HA and PF 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 all interest received in previous years (see (1) above), the balance of HA and balance of Other Funds or Donations for Designated Purposes should be separately reported.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Infirmity Care Supplement, if any, as per Schedule for 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 will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year.
For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows:
- (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 will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) 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 will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) 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 will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year. In this regard, separate disclosure of the movement of HA in their respective AFRs is not necessary.
- [For details of (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.]
- (5) As a support measure for the implementation of the Productivity Enhancement Programme, the claw-back arrangement of LSG cumulative reserve amount exceeding 25% of the NGO's operating expenditure would be suspended from 2023-24 (for NGOs with 2024-25 provisional subvention allocation of \$50M or more) / 2024-25 (for NGOs with 2024-25 provisional subvention allocation of less than \$50M) until 2028-29 as stipulated in SWD's letter under reference (1) / (2) / (3) / (4) in SWD 0075-0010-0060-0080-0040 of 3 March 2025.

Remark: Surplus of Central Items c/f includes the following:

Surplus of Blister Programme (no need to claw back, used to cover the deficit of central item)	769.49
Surplus of Supplement	(769.49)
	(0.00)

Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1 April 2025 to 31 March 2026

Name of NGO (code) : Chung Shak Hei (Cheung Chau) Home for the Aged Limited (164)

Unit Code and Name/Remittance Advice No. (Note 7)	Subvented Element	Subvention Released (Note 1a) (a1)	Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received (Note 1b)#	Actual Expenditure (Note 2a) (a2)	Actual Expenditure incurred under RMLP Scheme (Note 2b)#	Surplus (Note 3) (a) = (a1) - (a2)	Deficit for the Year			Surplus b/f (Note 5) (e)	Refund from (to) Government (f)	Adjustment (Note 9) (g)	Surplus c/f (Note 6) (h)=(e)+(a)-(d)-(f)+/- (g)
							Deficit (Note 3) (b) = (a1) - (a2)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d) = (b) - (c)				
2072-Chung Shak Hei Home-ICS	Infirmary Care Supplement for Residential Elderly Services	\$ 1,275,423.00	\$	\$ 1,322,789.67		\$ (47,366.67)		\$ (1,119.28)	\$ (46,247.39)	\$ (19,031.65)	\$ (19,031.65)	\$	\$ (46,247.39)
2078-Wan Ho Kan C&A Home-ICS	Infirmary Care Supplement for Residential Elderly Services	2,943,284.00		2,897,806.10		45,477.90		-	-	23,635.58	23,635.58		45,477.90
	Blister Program for Pupil Nurse	-		-		-		-	-	769.49	-		769.49
	Total	4,218,707.00		4,220,595.77		45,477.90	(47,366.67)	(1,119.28)	(46,247.39)	5,373.42	4,603.93	-	(0.00)

Any difference arising from the RMLP Scheme reimbursement received (see Note 1(b) below) and the corresponding expenditure under RMLP Scheme (see Note 2(b) below) will be assessed separately.

^ Please take note of para. 4(f) of Points to Note on Preparation of AFR and Analysis Schedules in reporting the

Notes :

- 1(a). 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.
- 1(b). This amount represents any reimbursement received from the RMLP Scheme if the NGO has temporarily paid the expenditure out of the allocation from the subvented element (see Note 2(b) below).
- 2(a). Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off (i) programme income and (ii) expenditure under RMLP Scheme mentioned in Note 2(b) below, if any.
- 2(b). This amount represents the additional four weeks' MLP (i.e. the 11th to 14th weeks) paid to the employee out of the corresponding allocation.
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. 0075-0010-0055-0010-0020-0010-0010-P001 dated 7 March 2025.
 - (i) Infirmary Care Supplement for the Aged Blind Persons
 - (ii) 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. Allocation mode was changed to LSG in Sept 2024. Claw-back of unspent balance is in progress.
11. Allocation mode was changed to LSG in Aug 2024. Claw-back of unspent balance is in progress.

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period
from 1 April 2025 to 31 March 2026

Name of NGO (code) : **Chung Shak Hei (Cheung Chau) Home for the Aged Limited (164)**

Unit Code and Name	Subvented Element	Subvention Released (Note 1) \$	Actual Expenditure \$	Surplus (Note 2) \$	Deficit (Note 2) \$
2074 Chung Shak Hei (Cheung Chau) Home for the Aged	Rent (Note 3)	15,840.00	13,860.00	1,980.00	-
	Rates	26,400.00	22,600.00	3,800.00	-
	Total	42,240.00	36,460.00	5,780.00	-
2075 Wan Ho Kan Care and Attention Home	Rent (Note 3)	42,840.00	37,800.00	5,040.00	-
	Rates	71,400.00	62,500.00	8,900.00	-
	Total	114,240.00	100,300.00	13,940.00	-
2106 Wan Ho Kan Neighbourhood Elderly Centre	Rent (Note 3)	4,824.00	4,248.00	576.00	-
	Rates	8,040.00	6,580.00	1,460.00	-
	Total	12,864.00	10,828.00	2,036.00	-
Grand Total		169,344.00	147,588.00	21,756.00	-

Notes:

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year. Reimbursement for rent and rates relating to previous financial year(s) (i.e. back payment) should not be included.
2. Surplus / Deficit for each element represents the difference between subvention released and actual expenditure. If the amount of the subvented element has been changed due to contract renewam or other contract variation, NGOs should inform Social Welfare Department (SWD) and provide relevant supporting documents as soon as possible, so that SWD can timely update the allocations of rent and rates to the NGO.
3. Rent includes all kinds of rent such as Public Housing Estate rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.

Form of Statement of Annual Income and Expenditure
Income and Expenditure Statement for
the Scheme on Living Allowance for Carers of Elderly Persons from Low-income Families
For the Year Ended 31 March 2026
NGO Name : Chung Shak Hei (Cheung Chau) Home for the Aged Limited

\$

Income

Subsidy from SWD	26,000.00
Programme Income	-
Other Income	-
Total Income (A)	26,000.00

Expenditure

Personal Emoluments (e.g. salaries, provident fund)	-
Administrative Expenses (e.g. audit fee)	-
Store & Equipment	-
Programme Expenses	-
Transport & Travelling	-
Other Expenditure (Please specify)	-
Total Expenditure (B)	-
Surplus/ (deficit) for the Year (C) = (A) - (B)	26,000.00
Add: Cumulated Income B/F (D)	14,000.00
Cumulated Expenditure B/F (E)	-
Cumulated surplus/ (deficit) B/F (F) = (D) - (E)	14,000.00
Cumulated surplus C/F (G) = (C) + (F)	40,000.00

SINCE 1969

Authorised Signature :

Name :

Title :

Date :

Fung Yip, Angela

Chief Executive Officer

31 Jun 2026

Authorised Signature :

Name :

Title :

Date :

Ho Hoi Leong

Centre IC

31 Jun 2026

**Bank Deposits and Schedule for Investment
Analysis of Investment as at 31 March 2026**

Name of NGO (Code) : Chung Shak Hei (Cheung Chau) Home for the Aged Limited (164)

	<u>2026</u>	<u>2025</u>
Total Reserve as at 31 March		
i. Lump Sum Grant	13,809,411.89	12,477,413.64
ii. Provident Fund *	4,280,542.01	-
iii. Holding Account	8,021,464.81	8,799,464.81
	<u>26,111,418.71</u>	<u>21,276,878.45</u>

* As stated in the Social Welfare Department's letter ref. (82) in 4-35-40-35-35-5-P1 dated 19 May 2026, Points to Note on Preparation of 2025-26 Annual Financial Report (AFR) and Analysis Schedules required by the 2025-26 Schedule for Investment, the balances of the PF Reserve must be shown starting from 2025-26.

Represented by :

Bank Deposits and Schedule for Investment

a. HKD Bank Account Balances	10,611,418.71	5,776,878.45
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	15,500,000.00	15,500,000.00
d. HKD Certificate of Deposits	-	-
e. HKD Bonds (see ANNEX 5.4 (2 of 2) for breakdown)	-	-
	<u>26,111,418.71</u>	<u>21,276,878.45</u>

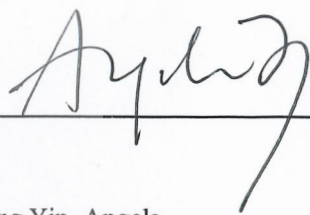
Note : The investments should be reported at historical cost.

Confirmed by :

Signature : 

Chairperson : Tang Wing Lam David

Date : 31 Jul 2026

Signature : 

NGO Head /
Head of Social
Welfare Services : Fung Yip, Angela

Date : 31 Jul 2026