


# ANNUAL FINANCIAL REPORT


## INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LIMITED

### SOCIAL CONCERN DEPARTMENT

FOR THE YEAR ENDED 31 MARCH 2016

	<u>NOTES</u>	<u>2015/16</u> HK\$	<u>2014/15</u> HK\$
<b>INCOME</b>			
Lum Sum Grant			
a. Lump sum grant (excluding provident fund)	1b	6,134,796.00	4,132,159.00
b. Provident fund	1c	565,643.00	414,177.00
Additional allocation		260,000.00	260,000.00
Fee Income	2	33,704.00	49,324.00
Central Items	3	---	123,172.00
Rent and Rates	4	145,151.00	135,325.00
Other Income	5	1,001,143.98	985,091.04
Interest Received		459.81	420.02
<b>TOTAL INCOME</b>		<u>8,140,897.79</u>	<u>6,099,668.06</u>
<b>EXPENDITURE</b>			
Personal Emoluments			
a. Salaries		5,502,379.80	3,904,587.00
b. Provident Fund	1c	499,367.89	395,266.45
c. Allowances		27,331.00	8,820.00
		<u>6,029,078.69</u>	<u>4,308,673.45</u>
Other Charges	7	1,405,841.12	1,212,234.73
Central Items	3	---	123,239.25
Rent and Rates	4	143,938.00	148,176.00
<b>TOTAL EXPENDITURE</b>		<u>7,578,857.81</u>	<u>5,792,323.43</u>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<u>562,039.98</u>	<u>307,344.63</u>

  
 Mr. Chan Ka Yau  
 Chairman of Management  
 Committee of Elderly Service  
 Date: 25 October 2016

  
 Mr. Kwan Kwok Wah  
 Director of Social Concern  
 Department  
 Date: 25 October 2016

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG LIMITED

SOCIAL CONCERN DEPARTMENT

NOTES ON THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2016

1. Lump Sum Grant

a) Basis of preparation

The Annual Financial Report (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 are not included in the AFR.

b) Lump Sum Grant (excluding Providing 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 subvented posts as at 1 April 2000. 6.8% and other posts represent those staff that are employed after 1 April 2000.

Details are analysed below:

	Snapshot staff HK\$	6.8% Posts HK\$	2016 HK\$	2015 HK\$
Subvention received	263,732.00	301,911.00	565,643.00	414,177.00
Provident fund contribution paid during the year	<u>(265,227.00)</u>	<u>(234,140.89)</u>	<u>(499,367.89)</u>	<u>(395,266.45)</u>
Surplus/(Deficit) for the year	(1,495.00)	67,770.11	66,275.11	18,910.55
<u>Add: Surplus/(Deficit) b/f</u>	<u>9,412.66</u>	<u>50,610.27</u>	<u>60,022.93</u>	<u>41,112.38</u>
Surplus/(Deficit) c/f	<u><u>7,917.66</u></u>	<u><u>118,380.38</u></u>	<u><u>126,298.04</u></u>	<u><u>60,022.93</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 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 SWD's papers and correspondence with the NGOs. The PF received and contributed for staff under the Central Items is separately included as part of the income and expenditure of the relevant items.

The income and expenditure of the Central Items (Programme Assistants / Care Assistants) are as

	2015/16 HK\$	2014/15 HK\$
a. Income	<u>---</u>	<u>123,172.00</u>
b. Expenses	<u>---</u>	<u>123,239.25</u>

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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 is not 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 are not included as Other Income in AFR.

	<u>2015/16</u> HK\$	<u>2014/15</u> HK\$
Programme income	793,394.30	583,046.70
Capital Project Fund from The Community Chest	---	14,388.00
The Community Chest subvention	---	226,450.00
Donations	18,140.00	15,476.00
Sundry income	1,982.00	4,492.69
Adult Education subvention scheme	43,321.08	42,840.08
District Board subvention	42,644.20	33,238.60
Other funding	101,662.40	61,900.97
Disposal of assets	---	1,350.00
Reimbursement from agency	---	1,908.00
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TOTAL	<u>1,001,143.98</u>	<u>985,091.04</u>

6. Personal Emoluments

Personal emoluments include salary, provident fund and salary-related allowance. The analysis on number of posts with annual personal emoluments over HK\$500,000 each is appended

Analysis of persoal emoluments	No. of posts	HK\$
HK\$500,001 - HK\$600,000 p.a.	0	---
HK\$600,001 - HK\$700,000 p.a.	0	---
HK\$700,001 - HK\$800,000 p.a.	1	768,690.00
HK\$800,001 - HK\$900,000 p.a.	0	---
HK\$900,001 - HK\$1,000,000 p.a.	0	---
> HK\$1,000,000 p.a.	0	---

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7. Other Charges

The breakdown on Other Charge is as follows:

	<u>2015/16</u> HK\$	<u>2014/15</u> HK\$
Electricity, gas and fuel	59,986.60	52,318.40
Water and sewage charge	843.90	810.80
Postage	4,079.60	2,292.40
Telephone, fax and internet access	37,010.11	27,817.44
Advertising	3,360.00	3,456.00
Audit fee	12,555.00	9,900.00
Staff training	19,380.00	34,048.60
Cleaning material	3,833.90	4,500.20
Printing and stationery	38,719.51	40,238.67
Newspaper and magazine	11,913.00	11,846.00
Minor Purchase	59,120.00	272,168.20
Repair and maintenance	13,197.80	66,196.70
Programme expenses	1,069,288.47	655,644.12
Travelling expenses	15,572.80	9,813.20
Insurance	47,623.43	14,268.00
Membership fees to agency	3,300.00	3,600.00
Sundry expenses	<u>6,057.00</u>	<u>3,316.00</u>
<b>TOTAL</b>	<u><u>1,405,841.12</u></u>	<u><u>1,212,234.73</u></u>

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**8. ANALYSIS OF RESERVE FUND**

	Lump Sum Grant HK\$	Additional Allocation HK\$	Rent and Rates HK\$	Central Items HK\$	Total HK\$
<b>Income</b>					
Lump Sum Grant & TOG	6,700,439.00	0.00	0.00	0.00	6,700,439.00
Fee Income	33,704.00	0.00	0.00	0.00	33,704.00
Other Income	1,001,143.98	0.00	0.00	0.00	1,001,143.98
Interest Received (note 1)	459.81	0.00	0.00	0.00	459.81
Rent and Rates	0.00	0.00	145,151.00	0.00	145,151.00
Long Term Financial Viability	0.00	260,000.00	0.00	0.00	260,000.00
Total Income	<u>7,735,746.79</u>	<u>260,000.00</u>	<u>145,151.00</u>	<u>0.00</u>	<u>8,140,897.79</u>
<b>Expenditure</b>					
Personal Emoluments	6,029,078.69	0.00	0.00	0.00	6,029,078.69
Other Charges	1,405,841.12	0.00	0.00	0.00	1,405,841.12
Rent and Rates	0.00	0.00	143,938.00	0.00	143,938.00
Total Expenditure	<u>7,434,919.81</u>	<u>0.00</u>	<u>143,938.00</u>	<u>0.00</u>	<u>7,578,857.81</u>
Surplus/(deficit) for the Year	300,826.98	260,000.00	1,213.00	0.00	562,039.98
Less: Surplus of Provident Fund	(66,275.11)	0.00	0.00	0.00	(66,275.11)
Surplus/(deficit) for the Year	<u>234,551.87</u>	<u>260,000.00</u>	<u>1,213.00</u>	<u>0.00</u>	<u>495,764.87</u>
Surplus/(Deficit) b/f	0.00	1,210,735.05	(1,811.00)	0.00	1,208,924.05
Less: Recovery by SWD	0.00	0.00	(11,040.00)	0.00	(11,040.00)
Add: Recovery from SWD	0.00	0.00	13,571.00	0.00	13,571.00
Add/(Less): Deficit transfer to Long Term Financial Viability	<u>(234,551.87)</u>	<u>234,551.87</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Surplus/(Deficit) c/f (note 2)	<u>0.00</u>	<u>1,705,286.92</u>	<u>1,933.00</u>	<u>0.00</u>	<u>1,707,219.92</u>

**Notes:**

1. Deficit underfundable arising from Central Items can be transferred to LSG Reserve.
2. The level of LSG cumulative reserve, being Lump Sum Grant surplus c/f and cumulative interest received c/f, will be capped at 25% of the total of the NGO's operating expenditure (excluding PF expenditure) for the year.