


ANNUAL FINANCIAL REPORT

SOCIAL CONCERN DEPARTMENT OF  
INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL-HONG KONG DISTRICT LIMITED

1 APRIL 2018 TO 31 MARCH 2019

	Notes	2018-19 HK\$	2017-18 HK\$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a Lump Sum Grant (excluding Provident Fund)	1b	8,235,158.00	6,607,371.00
b Provident Fund	1c	713,083.00	605,013.00
2. Additional Allocation		250,000.00	260,000.00
3. Fee Income	2	48,700.00	43,175.00
4. Central Items	3	0.00	0.00
5. Rent and Rates	4	160,566.00	160,150.00
6. Other Income	5	1,397,986.04	684,258.57
7. Interest Received		908.43	178.77
<b>TOTAL INCOME</b>		<u>10,806,401.47</u>	<u>8,360,146.34</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		7,654,640.81	6,543,745.65
b. Provident Fund	1c	643,790.42	555,567.10
c. Allowances		16,595.00	16,850.00
Sub-total	6	8,315,026.23	7,116,162.75
2. Other Charges	7	1,836,903.12	1,256,805.85
3. Central Items	3	0.00	0.00
4. Rent and Rates	4	147,004.00	165,876.00
<b>TOTAL EXPENDITURE</b>		<u>10,298,933.35</u>	<u>8,538,844.60</u>
<b>C. SURPLUS/(DEFICIT) FOR THE YEAR</b>	8	<u>507,468.12</u>	<u>(178,698.26)</u>

The Annual Financial Report from pages 2 to 9 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

  
\_\_\_\_\_  
Mr. Chan Ka Yau  
Chairman of Management Committee  
of Elderly Services

Date: 8 October 2019

  
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Mr. Kwan Kwok Wah  
Director of Social Concern Department

Date: 8 October 2019

SOCIAL CONCERN DEPARTMENT OF  
INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL-HONG KONG DISTRICT LIMITED  
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2019

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 ("SWD") 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 (PF)

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>	Snapshot staff HK\$	6.8% and Other Posts HK\$	Total HK\$
Subvention Received	277,398.00	435,685.00	713,083.00
Provident Fund Contribution Paid during the Year	(276,745.50)	(367,044.92)	(643,790.42)
Surplus for the Year	652.50	68,640.08	69,292.58
<u>Add:</u> Surplus b/f	21,998.95	225,236.93	247,235.88
Surplus in 2016-17 for Snapshot staff to be deducted	(16,932.00)	0.00	(16,932.00)
Additional PF for 6.8% posts for 2016-17 arising from departure of Snapshot staff (REF.SWD/S/102/1 (2018))	0.00	6,973.00	6,973.00
<u>Less:</u> Refund to Government	0.00	0.00	0.00
<b>Surplus c/f</b>	<b>5,719.45</b>	<b>300,850.01</b>	<b>306,569.46</b>

2. Fee Income

This represents social welfare fee income received for the year in respect of the fees and charges recognized for the purpose of subvention as set out in the LSG Manual.

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**NOTES ON THE ANNUAL FINANCIAL REPORT**

**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:

	<b>2018-19 HK\$</b>	<b>2017-18 HK\$</b>
<b>a. Income</b>	<u>0.00</u>	<u>0.00</u>
<b>b. Expenditure</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>2018-19 HK\$</b>	<b>2017-18 HK\$</b>
<b>Other Income</b>		
(a) Fees and charges for services incidental to the operation of subvented services	707,025.00	443,338.00
(b) Others		
Donation	3,700.00	6,726.00
Sundry income	12,495.46	10,296.50
Disposal of assets	900.00	900.00
Adult Education subvention scheme	44,178.08	42,602.08
District Board subvention	66,419.20	55,230.10
Other funding	30,215.90	43,785.90
Sponsor from 何東爵士慈善基金	0.00	62,400.00
Sponsor from 房屋署隆亨邨屋邨管理諮詢委員會	43,770.00	0.00
Income from supervision and coordination	20,692.00	18,979.99
Opportunities for the elderly project	19,690.00	0.00
HSBC Community Partnership Programme	448,900.40	0.00
<b>Total</b>	<u><b>1,397,986.04</b></u>	<u><b>684,258.57</b></u>

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**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 \$700,000 each paid under LSG is appended below:

<b>Analysis of Personal Emoluments paid under LSG</b>	<b>No. of posts</b>	<b>HK\$</b>
HK\$700,001 - HK\$800,000 p.a.	0	—
HK\$800,001 - HK\$900,000 p.a.	0	—
HK\$900,001 - HK\$1,000,000 p.a.	0	—
HK\$1,000,001 - HK\$1,100,000 p.a.	1	1,083,189.21
HK\$1,100,001 - HK\$1,200,000 p.a.	0	—
>HK\$1,200,000 p.a.	0	—

**7. Other Charges**

The breakdown on Other Charges is as follows:

	<b>2018-19</b>	<b>2017-18</b>
	<b>HK\$</b>	<b>HK\$</b>
(a) Electricity, gas and fuel	63,935.27	60,670.66
(b) Water and sewage charge	822.60	779.90
(c) Postage	3,426.30	2,422.20
(d) Telephone, fax and internet access	32,979.76	32,525.90
(e) Advestising	4,089.60	7,668.00
(f) Audit fee	25,587.00	8,738.00
(g) Staff training	32,710.00	51,013.36
(h) Cleaning material	4,351.90	3,787.50
(i) Printing and stationery	50,070.48	49,127.17
(j) Newspaper and magazine	14,807.00	13,926.50
(k) Group or activity or programme expenses	1,175,136.20	809,127.00
(l) Minor purchase	258,405.50	80,312.20
(m) Sundry expenses	3,950.00	3,991.00
(n) Repair and maintenance	88,586.60	55,811.60
(o) Travelling expenses	10,670.40	8,644.40
(p) Insurance	59,874.51	64,960.46
(q) Membership fees to agency	7,500.00	3,300.00
<b>Total</b>	<b><u>1,836,903.12</u></b>	<b><u>1,256,805.85</u></b>

**SOCIAL CONCERN DEPARTMENT OF  
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**NOTES ON THE ANNUAL FINANCIAL REPORT**

**8. Analysis of Lump Sum Grant Reserve and Balances of Other SWD Subventions**

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Additional Allocation	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Income</b>					
Lump Sum Grant	8,948,241.00	0.00	0.00	0.00	8,948,241.00
Special One-off Grant	0.00	0.00	0.00	0.00	0.00
Fee Income	48,700.00	0.00	0.00	0.00	48,700.00
Central Items	0.00	0.00	0.00	0.00	0.00
Rent and Rates	0.00	0.00	160,566.00	0.00	160,566.00
Other income	1,397,986.04	0.00	0.00	0.00	1,397,986.04
Interest Received (Note (1))	908.43	0.00	0.00	0.00	908.43
Long term financial viability	0.00	250,000.00	0.00	0.00	250,000.00
<b>Total Income</b>	<b>10,395,835.47</b>	<b>250,000.00</b>	<b>160,566.00</b>	<b>0.00</b>	<b>10,806,401.47</b>
<b>Expenditure</b>					
Personal Emoluments	8,315,026.23	0.00	0.00	0.00	8,315,026.23
Other Charges	1,836,903.12	0.00	0.00	0.00	1,836,903.12
Central Items	0.00	0.00	0.00	0.00	0.00
Rent and Rates	0.00	0.00	147,004.00	0.00	147,004.00
<b>Total Expenditure (b)</b>	<b>10,151,929.35</b>	<b>0.00</b>	<b>147,004.00</b>	<b>0.00</b>	<b>10,298,933.35</b>
<b>Surplus for the Year (a)-(b)</b>	<b>243,906.12</b>	<b>250,000.00</b>	<b>13,562.00</b>	<b>0.00</b>	<b>507,468.12</b>
<u>Less:</u> Surplus of Provident Fund	69,292.58	0.00	0.00	0.00	69,292.58
Surplus for the year excluding PF	174,613.54	250,000.00	13,562.00	0.00	438,175.54
<b>Surplus/(Deficit) b/f (Note (2))</b>	<b>0.00</b>	<b>1,834,511.51</b>	<b>(5,726.00)</b>	<b>0.00</b>	<b>1,828,785.51</b>
<u>Less:</u> Refund to Government	0.00	0.00	(5,799.00)	0.00	(5,799.00)
<u>Add:</u> Recovery from SWD	0.00	0.00	8,343.00	0.00	8,343.00
<b>Surplus c/f (Note (3))</b>	<b>174,613.54</b>	<b>2,084,511.51</b>	<b>10,380.00</b>	<b>0.00</b>	<b>2,269,505.05</b>

**NOTE :**

- (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 of 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, 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.