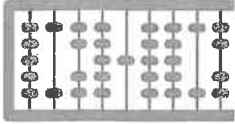


**(488) INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL-
HONG KONG DISTRICT LIMITED
SOCIAL CONCERN DEPARTMENT**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021
FOR SUBMISSION TO THE SOCIAL WELFARE DEPARTMENT**



**REVIEW REPORT ON THE ANNUAL FINANCIAL REPORT
TO THE BOARD OF DIRECTORS OF
INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL- HONG KONG DISTRICT
LIMITED**

We have conducted our review of the attached Annual Financial Report on pages 2 to 9 of the Social Concern Department of International Church of The Foursquare Gospel- Hong Kong District Limited (“the Department”) for the year ended 31st March, 2021 in accordance with Practice Note 851 “Review of the Annual Financial Reports of Non-governmental Organizations” 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 the Department.

Review conclusions

On the basis of the results of our review of the Annual Financial Report of the Department for the year ended 31st March, 2021,

- a in our opinion the Annual Financial Report has been properly prepared from the books and records of the Department ;
- b no matters have come to our attention during the course of our review, which cause us to believe that the Department has not:
 - i properly accounted for the receipt of Lump Sum Grant, Provident Fund, Tide-over Grant 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 Tide-over Grant and Provident Fund arrangements during the year ended 31/3/2021.

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

CHARLES H. C. CHEUNG & CPA LIMITED
Certified Public Accountants (practising)
Hong Kong, 28 JUL 2021

Lam Kwan, Anthony
Practising Certificate Number: P03451

**(488) INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL-
HONG KONG DISTRICT LIMITED
SOCIAL CONCERN DEPARTMENT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31ST MARCH 2021


	Notes	<u>2020-21</u> HK\$	<u>2019-20</u> HK\$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	10,170,431.00	10,063,055.00
b. Provident Fund	1c	839,881.00	838,921.00
2. Additional Allocation		-	-
3. Fee Income	2	48,342.00	36,852.00
4. Central Items	3	-	-
5. Rent And Rates	4	171,298.00	170,158.00
6. Other Income	5	1,751,548.96	1,331,030.03
7. Interest Received		10.83	1,911.40
TOTAL INCOME		<u>12,981,511.79</u>	<u>12,441,927.43</u>
B. EXPENDITURE			
1. Personal emoluments			
a. Salaries		9,602,629.59	9,253,280.00
b. Provident Fund	1c	842,663.89	772,423.70
c. Allowances		12,435.00	17,565.00
Sub-Total	6	<u>10,457,728.48</u>	<u>10,043,268.70</u>
2. Other charges	7	1,863,879.07	1,999,472.55
3. Central Items	3	-	-
4. Rent And Rates	4	<u>254,392.00</u>	<u>230,449.00</u>
TOTAL EXPENDITURE		<u>12,575,999.55</u>	<u>12,273,190.25</u>
C. SURPLUS FOR THE YEAR	8	<u>405,512.24</u>	<u>168,737.18</u>

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



 Mr. Leung Kam Wing
 Chairman of Management Committee
 Of Elderly Service

Date : 28 July 2021



 Mr. Kwan Kwok Wah
 Director of Social Concern Department

Date : 28 July 2021

**INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL-
HONG KONG DISTRICT LIMITED
SOCIAL CONCERN DEPARTMENT
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 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 (“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 3.

Details are analysed below :

<u>Provident Fund Contribution</u>	<u>Snapshot Staff HK\$</u>	<u>6.8% and Other Posts HK\$</u>	<u>TOTAL HK\$</u>
Subvention Received	292,941.00	546,940.00	839,881.00
Provident Fund Contribution Paid during the year:	(292,941.00)	(549,722.89)	(842,663.89)
Less: Understated of provident fund contribution paid during 2017-18		(36.00)	(36.00)
(Deficit) for the year	-	(2,818.89)	(2,818.89)
Add: (Deficit)/surplus b/f	(312.55)	368,312.31	367,999.76
(Deficit) in 2018-19 for snapshot staff to be deducted	(653.00)	-	(653.00)
(Deficit)/surplus c/f	(965.55)	365,493.42	364,527.87

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.

**INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL-
HONG KONG DISTRICT LIMITED
SOCIAL CONCERN DEPARTMENT
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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:

	<u>2020-21</u> HK\$	<u>2019-20</u> HK\$
Income	-	-
Expenditure	-	-

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:

	<u>2020-21</u> HK\$	<u>2019-20</u> HK\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	264,460.50	829,401.80
(b) Others		
Donation	119,062.00	12,300.00
Sundry income	3,755.96	7,391.50
Disposal of assets	1,800.00	450.00
Adult Education Subvention Scheme	-	12,842.03
District board subvention	3,340.00	48,314.70
Other funding	1,400.00	7,230.00
Sponsor from 何東爵士慈善基金	-	-
Sponsor from 屋邨管理諮詢委員會	50,654.20	43,770.00
Handson Hong Kong Limited	20,000.00	-
Opportunities for the elderly project	-	19,330.00
HSBC Community Partnership Programme	1,156,276.30	350,000.00
Time-Limited Posts From SWD (AEF)	130,800.00	-
	<u>1,487,088.46</u>	<u>501,628.23</u>
Total	<u>1,751,548.96</u>	<u>1,331,030.03</u>

**INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL-
HONG KONG DISTRICT LIMITED
SOCIAL CONCERN DEPARTMENT
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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 appendend below:

**Analysis of Personal Emoluments
paid under LSG**

	No. of posts	HK\$
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.	0	-
HK\$1,100,001 - HK\$1,200,000 p.a.	1	1,185,006.00
>HK\$1,200,000 p.a.	0	-

7. Other Charges

The breakdown on Other Charges is as follows:

	2020/2021	2019/2020
	HK\$	HK\$
(a) Electricity, gas and fuel	26,653.60	81,856.70
(b) Water and sewage charge	476.50	2,650.40
(c) Postage	8,399.80	3,380.90
(d) Telephone, fax and internet access	46,674.29	42,126.97
(e) Advertising	-	2,044.80
(f) Audit fee	29,900.00	32,695.00
(g) Staff training	26,060.00	38,608.50
(h) Cleaning material	9,627.10	6,293.00
(i) Printing & stationery	52,288.75	49,155.56
(j) Newspaper & magazine	19.50	14,717.00
(k) Group or activity or programme expenses	1,164,934.18	1,480,015.64
(l) Minor purchase	220,110.44	70,650.60
(m) Sundry expenses	6,031.50	5,340.00
(n) Repair & maintenance	76,335.76	64,194.80
(o) Travelling expenses	12,293.20	13,256.00
(p) Insurance	96,174.71	90,006.68
(q) Membership fees to agency	5,080.00	2,480.00
(r) Exp. For Time-Limited Posts From SWD (AEF)	82,819.74	-
Total	1,863,879.07	1,999,472.55

**INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL-
HONG KONG DISTRICT LIMITED
SOCIAL CONCERN DEPARTMENT
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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\$
Income					
Lump Sum Grant	11,010,312.00	-	-	-	11,010,312.00
Special One-Off Grant	-	-	-	-	-
Fee Income	48,342.00	-	-	-	48,342.00
Central Items	-	-	-	-	-
Rent And Rates	-	-	171,298.00	-	171,298.00
Other Income	1,751,548.96	-	-	-	1,751,548.96
Interest Received (Note(1))	10.83	-	-	-	10.83
Long Term Financial Viability	-	-	-	-	-
Total Income (a)	12,810,213.79	-	171,298.00	-	12,981,511.79
Expenditure					
Personal Emoluments	10,457,728.48	-	-	-	10,457,728.48
Other Charges	1,863,879.07	-	-	-	1,863,879.07
Central Items	-	-	-	-	-
Rent And Rates	-	-	254,392.00	-	254,392.00
Total Expenditure (b)	12,321,607.55	-	254,392.00	-	12,575,999.55
Surplus/ (Deficit) for The Year (a-b)	488,606.24	-	(83,094.00)	-	405,512.24
Less : (Deficit) Of Provident Fund	(2,818.89)	-	-	-	(2,818.89)
Surplus/(Deficit) for The Year excluding PF	491,425.13	-	(83,094.00)	-	408,331.13
Surplus / (Deficit) b/f (Note(2))	337,144.42	2,084,511.51	(60,291.00)	-	2,361,364.93
Less : Refund To Government	-	-	(11,954.00)	-	(11,954.00)
Add : Recovery from SWD	-	-	72,245.00	-	72,245.00
Surplus c/f (Note(3))	828,569.55	2,084,511.51	(83,094.00)	-	2,829,987.06

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 LSG surplus b/f from previous years (including holding account) and all interest received in previous years should be included in 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.

**SCHEDULE FOR THE RENT AND RATES
ANALYSIS OF SUBVENTION AND EXPENDITURE
FOR THE PERIOD FROM 1 APRIL 2020 TO 31 MARCH 2021**

NGO: INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL- HONG KONG DISTRICT LIMITED

Unit Code And Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
	HK\$	HK\$	HK\$	HK\$	HK\$
3910 - Lung Hang Church Elderly Centre	Rent (Note 3)	7,645.00	9,132.00	-	(1,487.00)
	Rates	14,597.00		14,597.00	
	Total	22,242.00	9,132.00	14,597.00	(1,487.00)
3912 - Kin Sang Church Elderly Centre	Rent (Note 3)	131,688.00	234,348.00	-	(102,660.00)
	Rates	10,912.00	2,200.00	8,712.00	-
	Gov't Rent	6,456.00	8,712.00	-	(2,256.00)
	Total	149,056.00	245,260.00	8,712.00	(104,916.00)
	Grand Total	171,298.00	254,392.00	23,309.00	(106,403.00)

1. The figures are extracted from the payroll during the year plus subvention released in late March of the financial year. Reimbursement for rent and rates relating to previous financial year(s)(i.e. back payments) should not be included.
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.

SCHEDULE FOR INVESTMENT
 ANALYSIS OF INVESTMENT AS AT 31 MARCH 2021
**NGO: SOCIAL CONCERN DEPARTMENT OF INTERNATIONAL CHURCH OF THE
 FOURSQUARE GOSPEL- HONG KONG DISTRICT LIMITED**

	<u>2020-21</u>	<u>2019-20</u>
	HK\$	HK\$
LSG Reserve As At 31 March 2021	828,569.55	337,144.42
Long Term Financial Viability Reserve	2,084,511.51	2,084,511.51
Total LSG Reserve	2,913,081.06	2,421,655.93

REPRESENTED BY :

Investment :		
HKD Bank Account Balances	2,913,081.06	2,421,655.93
HKD 24-Hour Call Deposits	-	-
HKD Fixed Deposits	-	-
HKD Certificate Of Deposits	-	-
HKD Bonds	-	-
Total	2,913,081.06	2,421,655.93

Note: The investments should be reported at historical cost.

Confirmed by:



Mr. Leung Kam Wing
 Chairman of Management Committee
 of Elderly Service

Date : 28 July 2021



Mr. Kwan Kwok Wah
 Director of Social Concern Department

Date : 28 July 2021

**DETAILS OF THE USE OF THE ADDITIONAL ALLOCATION
FOR THE FINANCIAL YEAR OF 2020-21**

NGO: INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL- HONG KONG DISTRICT LIMITED

TOTAL AMOUNT OF ADDITIONAL ALLOCATION: \$2.59 MILLION

		2020-2021 HK\$
I	Balance of amount of the Additional Allocation brought forward:	2,084,511.51
II.	Amount of Additional Allocation received for the year:	-
	Sub-total (A=I+II)	2,084,511.51
	Amount of Additional Allocation spent during the year (B):	-
III.	Balance carried forward to the next financial year (D=A+B)	2,084,511.51

Signature:

Mr. Leung Kam Wing
Chairman of Management Committee
of Elderly Service

Date : 28 July 2021

Rev. Cheung Vee Bon
President of International Church of the
Foursquare Gospel-Hong Kong District
Ltd.

Date : 28 July 2021