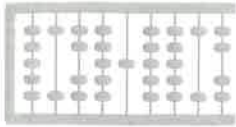


**(488) INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL -  
HONG KONG DISTRICT LIMITED  
SOCIAL CONCERN DEPARTMENT**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 31ST MARCH 2022  
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 10 of the Social Concern Department of International Church of The Foursquare Gospel – Hong Kong District Limited (“the Department”) for the year ended 31st March 2022 in accordance with Practice Note 851 “Review of the Annual Financial Reports of Non-government 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 procedure 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 2022,

- (i) In our opinion the Annual Financial Report has been properly prepared from the books and records of the Department;
- (ii) No matters have come to our attention during the course of our review, which cause us to believe that the Department has not:
  - (1) 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;
  - (2) 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 (SWD) of the Government of the HKSAR;
  - (3) prepare the Annual Financial Report in accordance with the format and requirements set out in the LSG Manual; and
  - (4) employed the staff quoted in the Tide-over Grant and Provident Fund arrangements during the year ended 31st March 2022.

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, - 6 OCT 2022

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 2022**

	<u>Notes</u>	<u>2021-22</u> HK\$	<u>2020-21</u> HK\$
<b>A. Income</b>			
1. Lump sum grant			
a. Lump sum grant (excluding provident fund)	1b	10,178,465.00	10,170,431.00
b. Provident fund	1c	839,881.00	839,881.00
2. Fee income	2	36,561.00	48,342.00
3. Rent and rates	3	273,958.00	171,298.00
4. Other income	4	1,330,572.75	1,751,548.96
5. Interest received		12.72	10.83
Total income		<u>12,659,450.47</u>	<u>12,981,511.79</u>
<b>B. Expenditure</b>			
1. Personal emoluments			
a. Salaries		9,844,509.57	9,602,629.59
b. Provident fund	1c	911,866.96	842,663.89
c. Allowances		129,365.00	12,435.00
Sub - total	5	<u>10,885,741.53</u>	<u>10,457,728.48</u>
2. Other charges	6	2,336,823.37	1,863,879.07
3. Rent and rates	3	254,798.00	254,392.00
Total expenditure		<u>13,477,362.90</u>	<u>12,575,999.55</u>
<b>C. (Deficit)/surplus for the year</b>		<u>(817,912.43)</u>	<u>405,512.24</u>

The Annual Financial Report from page 2 to page 10 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



Mr. Kwan Kwok Wah  
Director Of Social Concern Department

Date: - 6 OCT 2022

Date: - 6 OCT 2022

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SOCIAL CONCERN DEPARTMENT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2022

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 recognized upon receipt of cash and expenditure is recognized 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 for the year. Snapshot staff are defined as those staff occupying recognized or holding against subvented posts as at 1st April 2000. 6.8% and other posts represent those staff that are employed after 1st 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>2021-2022 Total HK\$</u>	<u>2020-2021 Total HK\$</u>
Subvention received	292,941.00	546,940.00	839,881.00	839,881.00
Provident fund contribution paid during the year:	(292,941.00)	(618,925.96)	(911,866.96)	(842,663.89)
Less: understated of provident fund contribution paid during 2017-18	-	-	-	(36.00)
Deficit for the year	-	(71,985.96)	(71,985.96)	(2,818.89)
Add: (Deficit)/surplus b/f Additional subvention received for previous years (Ref. Apr 2021 paylist)	(965.55)	365,493.42	364,527.87	367,999.76
(Deficit)/surplus c/f	<u>(0.55)</u>	<u>293,507.46</u>	<u>293,506.91</u>	<u>364,527.87</u>

**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.

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SOCIAL CONCERN DEPARTMENT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2022

NOTES ON THE ANNUAL FINANCIAL REPORT

**3. Rent and rates**

This represents the amount paid by SWD in respect of premises recognized by SWD. Expenditure on rent and rates in respect of premises not recognized by SWD have not been included in AFR.

**4. Other income**

This includes programme income and all income other than recognized 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>2021-2022</u>	<u>2020-2021</u>
	HK\$	HK\$
Other income		
(a) Activities income	<u>521,130.50</u>	<u>264,460.50</u>
(b) Others		
Donation	8,400.00	119,062.00
Sundry income	2,847.00	3,755.96
Disposal of damaged assets	2,250.00	1,800.00
District board subvention	23,553.00	3,340.00
Other funding	17,620.00	1,400.00
Estate management advisory committee		
屋邨管理諮詢委員會	-	50,654.20
Handson Hong Kong Limited	-	20,000.00
Huang Ting Fang charitable foundation Company Ltd.		
黃廷方慈善基金有限公司	17,760.00	-
Income from administration cost (HSBC)	24,500.00	-
Income from administration cost (ODRM)	39,429.58	-
Opportunities for the elderly project	26,700.00	-
HSBC community partnership programme	148,498.20	1,156,276.30
Income from innovation and technology fund	144,272.00	-
Reimbursement of maternity leave pay scheme	15,152.47	-
Time-limited posts from SWD (AEF)	261,600.00	130,800.00
Salary subsidies from ODRN	76,860.00	-
	<u>809,442.25</u>	<u>1,487,088.46</u>
Total	<u>1,330,572.75</u>	<u>1,751,548.96</u>

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SOCIAL CONCERN DEPARTMENT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2022

NOTES ON THE ANNUAL FINANCIAL REPORT

**5. 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.	1	735,745.00
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.	1	1,212,906.00

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SOCIAL CONCERN DEPARTMENT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2022

NOTES ON THE ANNUAL FINANCIAL REPORT

**6. Other charges**

The breakdown on other charges is as follows:

	<u>2021-2022</u>	<u>2020-2021</u>
	HK\$	HK\$
(a) Electricity, gas and fuel	94,509.30	26,653.60
(b) Water and sewage charge	347.00	476.50
(c) Postage	4,816.40	8,399.80
(d) Telephone, fax and internet access	44,207.38	46,674.29
(e) Audit fee	29,900.00	29,900.00
(f) Staff training	12,769.50	26,060.00
(g) Cleaning material	7,792.30	9,627.10
(h) Printing & stationery	50,975.37	52,288.75
(i) Newspaper & magazine	-	19.50
(j) Group or activity or programme expenses	1,205,386.37	1,164,934.18
(k) Minor purchase	104,729.45	220,110.44
(l) Sundry expenses	4,065.00	6,031.50
(m) Repair & maintenance	93,415.60	76,335.76
(n) Travelling expenses	17,040.40	12,293.20
(o) Insurance	108,030.17	96,174.71
(p) Membership fees to agency	5,280.00	5,080.00
(q) Expenses for time-limited posts from SWD (AEF)	271,554.65	82,819.74
(r) Innovation and technology equipment expenses	266,852.00	-
(s) Expenses of maternity leave pay	15,152.48	-
Total	<u>2,336,823.37</u>	<u>1,863,879.07</u>

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SOCIAL CONCERN DEPARTMENT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2022

NOTES ON THE ANNUAL FINANCIAL REPORT

7. Analysis of lump sum grant reserve and balances of other SWD subventions

		<b>Analysis of reserve fund</b>			<b>Total</b>
		<b>Lump sum grant (LSG)</b>	<b>Additional allocation</b>	<b>Rent and rates</b>	
		HK\$	HK\$	HK\$	HK\$
<b>Income</b>					
Lump sum grant		11,018,346.00	-	-	11,018,346.00
Fee income		36,561.00	-	-	36,561.00
Rent and rates		-	-	273,958.00	273,958.00
Other income		1,330,572.75	-	-	1,330,572.75
Interest received	Note (1)	12.72	-	-	12.72
<b>Total income</b>	<b>(a)</b>	<b>12,385,492.47</b>	<b>-</b>	<b>273,958.00</b>	<b>12,659,450.47</b>
<b>Expenditure</b>					
Personal emoluments		10,885,741.53	-	-	10,885,741.53
Other charges		2,336,823.37	-	-	2,336,823.37
Rent and rates		-	-	254,798.00	254,798.00
<b>Total expenditure</b>	<b>(b)</b>	<b>13,222,564.90</b>	<b>-</b>	<b>254,798.00</b>	<b>13,477,362.90</b>
(Deficit)/surplus for the year		(837,072.43)	-	19,160.00	(817,912.43)
Less: Deficit of provident fund		71,985.96	-	-	71,985.96
<b>(Deficit)/surplus for the year</b>		<b>(765,086.47)</b>	<b>-</b>	<b>19,160.00</b>	<b>(745,926.47)</b>
<b>Surplus/(deficit) b/f</b>	Note (2)	828,569.55	2,084,511.51	(83,094.00)	2,829,987.06
Less: Refund to government		-	-	(23,309.00)	(23,309.00)
Add: Recovery from SWD		-	-	106,403.00	106,403.00
Overstated of LSG reserve in 2020/2021		(36.00)	-	-	(36.00)
<b>Surplus c/f</b>		<b>63,447.08</b>	<b>2,084,511.51</b>	<b>19,160.00</b>	<b>2,167,118.59</b>

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 LSD; 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) Amount of LSG reserve used to cover the salary adjustment for dementia supplement and infirmary are supplement. If any, as per schedule for central items.
- (4) 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 YEAR ENDED 31ST MARCH 2022

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

**3. Rent and rates**

<u>Unit code and name</u>	<u>Subvented element</u>	<u>Subvention released</u> (Note 1)	<u>Actual expenditure</u>	<u>Surplus</u> (Note 2)	<u>Deficit</u> (Note 2)
	HK\$	HK\$	HK\$	HK\$	HK\$
3910 – Lung Hang Church Elderly Centre	Rent (Note 3)	7,645.00	8,472.00	-	(827.00)
	Rates	14,597.00	970.00	13,627.00	-
	Total - A	22,242.00	9,442.00	13,627.00	(827.00)
3912 – Kin Sang Church Elderly Centre	Rent	234,348.00	234,348.00	-	-
	Rates	10,912.00	3,340.00	7,572.00	-
	Government rent	6,456.00	7,668.00	-	(1,212.00)
	Total - B	251,716.00	245,356.00	7,572.00	(1,212.00)
Grand total - (A+B)		273,958.00	254,798.00	21,199.00	(2,039.00)

Notes:

- (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 years (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.

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LIMITED

SCHEDULE FOR INVESTMENT

ANALYSIS OF INVESTMENT AS AT 31ST MARCH 2022

	<u>2021-2022</u> HK\$	<u>2020-2021</u> HK\$
LSG reserve at 31st March 2022	63,447.08	828,569.55
Long term financial viability reserve as at 31st March 2022	2,084,511.51	2,084,511.51
Total LSG reserve	<u>2,147,958.59</u>	<u>2,913,081.06</u>
Represented by:		
Investment:		
HKD bank account balances	<u>2,147,958.59</u>	<u>2,913,081.06</u>

Notes:

- (1) The investments should be reported at historical cost.
- (2) LSG reserve includes interest earned on reserve.

Confirmed by:



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

Date: - 6 OCT 2022



Mr. Kwan Kwok Wah  
Director of Social Concern Department

Date: - 6 OCT 2022

DETAILS OF THE USE OF THE ADDITIONAL ALLOCATION FOR THE FINANCIAL YEAR OF 2021-2022

NAME OF NGO: INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL HONG KONG DISTRICT LIMIMITED

TOTAL AMOUNT OF ADDITIONAL ALLOCATION: \$2.59 MILLION

	<u>2021-2022</u>
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)	A 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)	D <u>2,084,511.51</u>

Signature

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

Date: - 6 OCT 2022

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

Date: - 6 OCT 2022

Notes:

- (1) The department approves on discretionary ground for your organization to put any surplus of the additional allocation into a holding account, which is not subject to clawback, to a maximum amount of \$2.59 million.
- (2) The interest on depositing this additional allocation, if any, should be included in item 7: interest received of income in the AFR.
- (3) The board chairperson and NGO head should both sign on this page.