

國際四方福音會香港有限公司

**INTERNATIONAL CHURCH OF THE
FOURSQUARE GOSPEL – HONG KONG
DISTRICT LIMITED**

FINANCIAL STATEMENTS

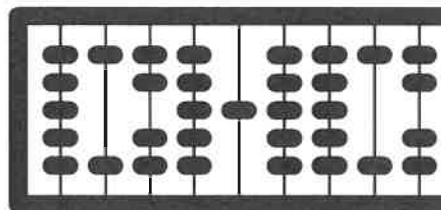
FOR THE YEAR ENDED 31ST MARCH 2023

CHARLES H. C. CHEUNG & CPA LIMITED

Certified Public Accountants, Practising

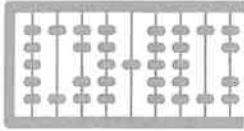
張慶植會計師行有限公司

香港執業會計師



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

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2023
FOR SUBMISSION TO THE SOCIAL WELFARE DEPARTMENT**



INDEPENDENT AUDITOR'S ASSURANCE REPORT

TO THE BOARD OF DIRECTORS OF

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LIMITED

We have audited the financial statements of the Elderly Services of Social Concern Department of International Church of The Foursquare Gospel – Hong Kong District Limited (“the Department”) for the year ended 31 March 2023 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and have issued an unmodified auditor’s report thereon dated

Pursuant to the Lump Sum Grant (“LSG”) Manual issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region (“SWD”), we have been requested to issue this assurance report in connection with the Annual Financial Report (“AFR”) of the Department for the year ended 31 March 2023.

Responsibilities of the Directors

In relation to this report, the Directors are responsible for ensuring the AFR of the Department for the year ended 31 March 2023 is properly prepared in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD; and the use of the funds from the LSG by the Department has complied with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

Our Independence and Quality Management

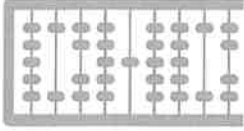
We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 12, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor’s Responsibility

Our responsibility is to form a conclusion, based on our engagement, and to report our conclusion to you.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and with reference to Practice Note 851 (Revised), Reporting on the Annual Financial Reports of Non-governmental Organisations issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance for giving conclusion 1 and obtain limited assurance for giving conclusion 2 below.



INDEPENDENT AUDITOR'S ASSURANCE REPORT - CONTINUED

TO THE BOARD OF DIRECTORS OF

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LIMITED

The work undertaken in connection with this engagement is less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In relation to our conclusion 1 below, we have planned and performed such procedures as we considered necessary with reference to the procedures recommended in PN 851 (Revised), to satisfy ourselves that the AFR has been properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.

In relation to our conclusion 2 below, we have obtained an understanding in respect of the purposes of the use of the funds as specified in the LSG Manual and other instructions issued by the SWD and obtaining an understanding of the control procedures. We are not required to perform any procedures to search for instances of the use of funds from the LSG by the Department being non-complied with the specified purposes. Our work was limited to reporting non-compliances identified as a result of the procedures performed in relation to conclusion 2 and during the normal course of our work relating to conclusion 1. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Conclusion

1. In our opinion, the AFR of the Department for the year ended 31 March 2023 is properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.
2. Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the use of the funds from the LSG by the Department has not complied, in all material respects, with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

Intended Users and Purpose

This report is intended solely for submission by the Department to the SWD and is not intended to be, and should not be, used for any other purpose. We agree that a copy of this report may be provided to the SWD without further comment from us.


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

Lam Kwan, Anthony
Practising Certificate Number: P03451


INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LIMITED
SOCIAL CONCERN DEPARTMENT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2023

	<u>Notes</u>	<u>2022-23</u> HK\$	<u>2021-22</u> HK\$
A. Income			
1. Lump sum grant			
a. Lump sum grant (excluding provident fund)	1b	10,317,109.00	10,178,465.00
b. Provident fund	1c	842,519.00	839,881.00
2. Fee income	2	58,926.00	36,561.00
3. Central items	3	-	-
4. Rent and rates	4	285,874.00	273,958.00
5. Other income	5	2,672,241.89	1,330,572.75
6. Interest received		1,655.10	12.72
Total income		14,178,324.99	12,659,450.47
B. Expenditure			
1. Personal emoluments			
a. Salaries		9,673,436.67	9,844,509.57
b. Provident fund	1c	851,197.65	911,866.96
c. Allowances		273,453.33	129,365.00
Sub - total	6	10,798,087.65	10,885,741.53
2. Other charges	7	1,681,334.31	2,336,823.37
3. Central items	3	-	-
4. Rent and rates	4	268,274.00	254,798.00
Total expenditure		12,747,695.96	13,477,362.90
C. Surplus/(deficit) for the year		1,430,629.03	(817,912.43)

The Annual Financial Report from page 3 to page 11 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: - 7 AUG 2023

Date: - 7 AUG 2023

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SOCIAL CONCERN DEPARTMENT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2023

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</u> HK\$	<u>6.8% and other</u> <u>posts</u> HK\$	<u>2022-2023</u> <u>Total</u> HK\$
Subvention received	281,151.00	561,368.00	842,519.00
Provident fund contribution paid during the year:	<u>(289,070.95)</u>	<u>(562,126.70)</u>	<u>(851,197.65)</u>
Deficit for the year	(7,919.95)	(758.70)	(8,678.65)
Add: (Deficit)/surplus b/f Additional subvention received for previous years (Ref. Apr 2021 payroll)	(0.55)	293,507.46	293,506.91
(Deficit)/surplus c/f	<u>(7,920.50)</u>	<u>292,748.76</u>	<u>284,828.26</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 2023

NOTES ON THE ANNUAL FINANCIAL REPORT

3. Central items

These are subvented service activities which are not included in Lump Sum Grant and are subject of their own procedures as set out in other Social Welfare Department'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 the LSG manual (October 2016)).

The income and expenditure of each of the central items are as follows:

	<u>2022-2023</u>	<u>2021-2022</u>
	HK\$	HK\$
Income		
Dementia supplement for elderly with disabilities	-	-
	-	-
Expenditure		
Dementia supplement for elderly with disabilities	-	-
	-	-

4. 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.

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SOCIAL CONCERN DEPARTMENT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2023

NOTES ON THE ANNUAL FINANCIAL REPORT

5. 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>2022-2023</u>	<u>2021-2022</u>
	HK\$	HK\$
Other income		
(a) Activities income	<u>496,755.00</u>	<u>521,130.50</u>
(b) Others		
Donation	10,153.00	8,400.00
Sundry income	17,810.10	2,847.00
Disposal of damaged assets	-	2,250.00
Grant Fm. Simon K. Y. Lee Fdn. Ltd.		
李國賢基金會	110,000.00	-
District board subvention	45,103.24	23,553.00
Other funding	8,000.00	17,620.00
沙田民政事務處	23,520.00	-
香港社會服務聯會	32,200.00	-
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 (ODRN)	291,165.00	39,429.58
Opportunities for the elderly project	17,800.00	26,700.00
HSBC community partnership programme	415,305.30	148,498.20
Income from innovation and technology fund	122,580.00	144,272.00
Reimbursement of maternity leave pay scheme	-	15,152.47
賣旗基金撥款資助	280,000.00	-
Time-limited posts from SWD (AEF)	130,800.00	261,600.00
Salary subsidies from ODRN	281,050.25	76,860.00
Long Service Payment Income	390,000.00	-
	<u>2,175,486.89</u>	<u>809,442.25</u>
Total	<u>2,672,241.89</u>	<u>1,330,572.75</u>

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SOCIAL CONCERN DEPARTMENT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2023

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.	1	781,843.00
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.	-	-

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SOCIAL CONCERN DEPARTMENT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2023

NOTES ON THE ANNUAL FINANCIAL REPORT

7. Other charges

The breakdown on other charges is as follows:

	<u>2022-2023</u>	<u>2021-2022</u>
	HK\$	HK\$
Electricity, gas and fuel	101,927.60	94,509.30
Water and sewage charge	365.70	347.00
Postage	5,770.80	4,816.40
Telephone, fax and internet access	46,286.32	44,207.38
Advertising	2,556.00	-
Audit fee	28,612.00	29,900.00
Staff training	-	12,769.50
Cleaning material	6,460.10	7,792.30
Printing & stationery	35,732.27	50,975.37
Newspaper & magazine	130.00	-
Group or activity or programme expenses	671,742.74	1,205,386.37
Minor purchase	18,597.70	104,729.45
Sundry expenses	2,450.00	4,065.00
Repair & maintenance	81,138.60	93,415.60
Travelling expenses	15,848.20	17,040.40
Insurance	105,236.28	108,030.17
Membership fees to agency	4,980.00	5,280.00
Expenses for time-limited posts from SWD (AEF)	163,500.00	271,554.65
Innovation and technology equipment expenses	-	266,852.00
Expenses of maternity leave pay	-	15,152.48
Long service payment expenses	<u>390,000.00</u>	<u>-</u>
Total	<u>1,681,334.31</u>	<u>2,336,823.37</u>

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SOCIAL CONCERN DEPARTMENT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2023

NOTES ON THE ANNUAL FINANCIAL REPORT

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

	Note	Analysis of reserve fund					
		<u>Lump sum grant (LSG)</u> HK\$	<u>Holding account (HA)</u> HK\$	<u>Adjustment for utilized allocation under ASCP/enhanced ASCP/ASCP(PC) FWSS</u> HK\$	<u>Rent and rates</u> HK\$	<u>Central items</u> HK\$	<u>Total</u> HK\$
Income							
Lump sum grant		11,159,628.00	-	-	-	-	11,159,628.00
Fee income		58,926.00	-	-	-	-	58,926.00
Rent and rates		-	-	-	285,874.00	-	285,874.00
Other income		2,672,241.89	-	-	-	-	2,672,241.89
Interest received	(1)	1,655.10	-	-	-	-	1,655.10
Total income	(a)	13,892,450.99	-	-	285,874.00	-	14,178,324.99
Expenditure							
Personal emoluments		9,834,517.65	963,570.00	-	-	-	10,798,087.65
Other charges		1,681,334.31	-	-	-	-	1,681,334.31
Rent and rates		-	-	-	268,274.00	-	268,274.00
Total expenditure	(b)	11,515,851.96	963,570.00	-	268,274.00	-	12,747,695.96
Surplus/(deficit) for the year	(a)-(b)	2,376,599.03	(963,570.00)	-	17,600.00	-	1,430,629.03
Less: Deficit of provident fund		(8,678.65)	-	-	-	-	(8,678.65)
Surplus/(deficit) for the year		2,385,277.68	(963,570.00)	-	17,600.00	-	1,439,307.68
Surplus b/f	(2)	63,447.08	2,084,511.51	-	19,160.00	-	2,167,118.59
Less: Refund to government		-	-	-	(21,199.00)	-	(21,199.00)
Add: Recovery from SWD		-	-	-	2,039.00	-	2,039.00
Surplus c/f		2,448,724.76	1,120,941.51	-	17,600.00	-	3,587,266.27

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 infirmity 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.

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LIMITED

SCHEDULE FOR THE RENT AND RATES

ANALYSIS OF SUBVENTION AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2023

4. 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	10,032.00	-	(2,387.00)
	Rates	14,597.00	970.00	13,627.00	-
	Total - A	<u>22,242.00</u>	<u>11,002.00</u>	<u>13,627.00</u>	<u>(2,387.00)</u>
3912 – Kin Sang Church Elderly Centre	Rent	246,264.00	246,264.00	-	-
	Rates	10,912.00	3,340.00	7,572.00	-
	Government rent	6,456.00	7,668.00	-	(1,212.00)
	Total - B	<u>263,632.00</u>	<u>257,272.00</u>	<u>7,572.00</u>	<u>(1,212.00)</u>
	Grand total - (A+B)	<u>285,874.00</u>	<u>268,274.00</u>	<u>21,199.00</u>	<u>(3,599.00)</u>

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 2023

	<u>2022-2023</u> HK\$	<u>2021-2022</u> HK\$
LSG reserve at 31st March 2023	2,448,724.76	63,447.08
Holding account as at 31st March 2023	1,120,941.51	2,084,511.51
Total LSG reserve	<u>3,569,666.27</u>	<u>2,147,958.59</u>
Represented by:		
Investment:		
HKD bank account balances	1,769,666.27	2,147,958.59
HKD fixed deposits	1,800,000.00	-
	<u>3,569,666.27</u>	<u>2,147,958.59</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: **- 7 AUG 2023**



Mr. Kwan Kwok Wah
Director of Social Concern Department
Date: **- 7 AUG 2023**