

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

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2025
FOR SUBMISSION TO THE SOCIAL WELFARE DEPARTMENT**



智恒會計師行有限公司

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 2025 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 02 OCT 2025.

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 2025.

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 2025 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 Organizations 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 2025 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.

WISTERNAL CPA LIMITED
Certified Public Accountants (practising)
Hong Kong,

Lam Kwan, Anthony
Practising Certificate Number: P03451 02 OCT 2025

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LIMITED

SOCIAL CONCERN DEPARTMENT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31ST MARCH 2025

	<u>Notes</u>	<u>2024-2025</u> HK\$	<u>2023-2024</u> HK\$
A. Income			
1. Lump sum grant			
a. Lump sum grant (excluding provident fund)	1b	12,111,807.00	11,272,695.00
b. Provident fund	1c	965,934.00	924,306.00
2. Fee income	2	52,836.00	52,899.00
3. Central items	3	-	-
4. Rent and rates	4	2,865,874.00	285,874.00
5. Other income	5	2,261,215.99	1,549,003.13
6. Interest received		5,931.37	88,020.01
Total income		<u>18,263,598.36</u>	<u>14,172,797.14</u>
B. Expenditure			
1. Personal emoluments			
a. Salaries		12,543,196.25	10,780,431.74
b. Provident fund	1c	793,919.36	808,991.77
c. Allowances		62,082.26	53,858.25
Sub - total	6	<u>13,399,197.87</u>	<u>11,643,281.76</u>
2. Other charges	7	2,014,662.99	1,878,334.60
3. Central items	3	-	-
4. Rent and rates	4	2,883,032.00	945,376.00
Total expenditure		<u>18,296,892.86</u>	<u>14,466,992.36</u>
C. (Deficit) for the year		<u>(33,294.50)</u>	<u>(294,195.22)</u>

The Annual Financial Report from page 3 to page 13 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Subvention Manual.


Mr. Tam Kwok Wai
Chairman of Management Committee of Elderly Service


Mr. Kwan Kwok Wah
Director Of Social Concern Department

Date: 29 SEP 2025

Date: 29 SEP 2025

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SOCIAL CONCERN DEPARTMENT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2025

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 services defined in Funding and Service Agreement (“FSA”) (including support services to FSA services) funded by the Social Welfare Department (“SWD”) under the Lump Sum Grant Subvention System and also FSA services/ FSA-related activities funded by other funds or donations for designated purposes. 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 during the year. Snapshot staff are defined as those staff occupying recognized or holding against subvented posts as at 1 April 2000. Other posts represent those staff that are employed after 1 April 2000. The provident fund received and contributed for staff under the central items and other funds or donations for designated purposes which are separately included as part of the income and expenditure of the relevant disclosures have been shown under note 3 and 8. details are analyzed below:

Details are analyzed below:

<u>Provident fund contribution</u>	<u>Snapshot staff</u> HK\$	<u>6.8% and other</u> <u>posts</u> HK\$	<u>2024/2025</u> <u>Total</u> HK\$
Subvention received	277,432.00	688,502.00	965,934.00
Provident fund contribution paid during the year:	<u>(119,237.63)</u>	<u>(674,681.73)</u>	<u>(793,919.36)</u>
Surplus for the year	158,194.37	13,820.27	172,014.64
Add: Surplus b/f	<u>84,368.35</u>	<u>315,774.14</u>	<u>400,142.49</u>
Surplus c/f	<u>242,562.72</u>	<u>329,594.41</u>	<u>572,157.13</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 Subvention Manual.

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SOCIAL CONCERN DEPARTMENT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2025

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 to 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 5.5.4(c) of the LSG subvention manual).

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

	<u>2024-2025</u>	<u>2023-2024</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 2025

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 other funds or donations for designated purposes may be included in AFR if they are used to finance expenditure of the FSA services/ FSA - related activities as reflected in the AFR.

The breakdown on other income is as follows:

	<u>2024-2025</u>	<u>2023-2024</u>
	HK\$	HK\$
Other income		
(a) Activities income	<u>831,643.50</u>	<u>832,450.50</u>
(b) Others		
Donation	9,282.50	7,150.00
Sundry income	28,614.72	6,962.24
Disposal of damaged assets	5,000.00	450.00
Reimbursement from agency	3,256.40	2,568.80
District board subvention	34,539.90	58,044.00
Other funding	25,518.00	28,675.20
何東爵士基金資助 2022/2023 年度舉行活動「肌不可失」	-	85,000.00
香港中華基督教青年會	-	1,000.00
新生精神康復會	459.80	1,000.00
Income from administration cost (職聽成本分攤)	25,098.18	19,947.08
Opportunities for the elderly project	85,104.00	79,050.00
Income from innovation and technology fund	306,796.00	25,600.00
Reimbursement of maternity leave pay scheme	33,065.03	-
Salary subsidies from agency (職聽成本分攤)	872,837.96	361,105.31
One-off district council ordinary election from SWD	-	40,000.00
	<u>1,429,572.49</u>	<u>716,552.63</u>
Total	<u>2,261,215.99</u>	<u>1,549,003.13</u>

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

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ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2025

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 \$1,000,000 each paid under LSG is appendend below:

Analysis of personal emoluments paid under LSG	No. of posts	HK\$
HK\$1,000,001 - HK\$1,100,000 p.a.	-	-
HK\$1,100,001 - HK\$1,200,000 p.a.	-	-
HK\$1,200,001 - HK\$1,300,000 p.a.	-	-
HK\$1,300,001 - HK\$1,400,000 p.a.	-	-
HK\$1,400,001 - HK\$1,500,000 p.a.	-	-
>HK\$1,500,000 p.a.	-	-

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SOCIAL CONCERN DEPARTMENT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2025

NOTES ON THE ANNUAL FINANCIAL REPORT

7. Other charges

The breakdown on other charges is as follows:

	<u>2024-2025</u>	<u>2023-2024</u>
	HK\$	HK\$
Electricity, gas and fuel	123,538.50	116,075.40
Water and sewage charge	1,083.50	755.60
Postage	1,240.70	1,595.00
Telephone, fax and internet access	66,724.21	44,809.05
Advertising	4,600.80	6,049.20
Audit fee	19,093.80	29,565.32
Staff training	42,729.00	24,458.00
Cleaning material	14,275.86	8,814.90
Printing & stationery	61,203.40	53,043.91
Newspaper & magazine	6,067.50	5,472.00
Group or activity or program expenses	1,144,318.65	944,636.48
Minor purchase	251,751.15	46,034.30
Sundry expenses	7,515.44	2,350.00
Computerization system	38,324.00	32,000.00
Repair & maintenance	148,120.20	114,405.10
Travelling expenses	19,925.00	13,207.80
Insurance	58,972.28	64,879.24
Membership fees to agency	5,179.00	5,379.00
Innovation and technology equipment expenses	-	333,064.00
Expenses of maternity leave pay	-	31,740.30
Total	<u>2,014,662.99</u>	<u>1,878,334.60</u>

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SOCIAL CONCERN DEPARTMENT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2025

NOTES ON THE ANNUAL FINANCIAL REPORT

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

	Note	<u>Lump sum grant (LSG)</u> HK\$	<u>Holding account (HA)</u> HK\$	<u>Rent and rates</u> HK\$	<u>Central items</u> HK\$	<u>Total</u> HK\$
Income						
Lump sum grant		13,077,741.00	-	0.00	-	13,077,741.00
Fee income		52,836.00	-	0.00	-	52,836.00
Rent and rates		-	-	2,865,874.00	-	2,865,874.00
Other income		2,261,215.99	-	0.00	-	2,261,215.99
Interest received	(1)	5,931.37	-	0.00	-	5,931.37
Total income	(a)	15,397,724.36	-	2,865,874.00	-	18,263,598.36
Expenditure						
Personal emoluments		13,399,197.87	-	-	-	13,399,197.87
Other charges		2,014,662.99	-	-	-	2,014,662.99
Rent and rates		-	-	2,883,032.00	-	2,883,032.00
Total expenditure	(b)	15,413,860.86	-	2,883,032.00	-	18,296,892.86
(Deficit) for the year	(a)-(b)	(16,136.50)	-	(17,158.00)	-	(33,294.50)
Less: (Deficit) of provident fund		(172,014.64)	-	-	-	(172,014.64)
(Deficit) for the year		(188,151.14)	-	(17,158.00)	-	(205,309.14)
Surplus/(Deficit) b/f	(2)	2,698,717.31	1,120,941.51	(659,502.00)	-	3,160,156.82
Add: Refund from government		-	-	660,159.00	-	660,159.00
Less: Refund to government		-	-	(657.00)	-	(657.00)
Add /(less): Usage of long-term financial viability for salary of snapshot staff (holding a/c to LGS reserve)	(5)	177,228.00	(177,228.00)	-	-	-
Transfer from LSG reserve to cover the salary adjustment infirmary care supplement	(3)	-	-	-	-	-
Surplus/(deficit) c/f	(4)	2,687,794.17	943,713.51	(17,158.00)	-	3,614,349.68

Notes:

- (1) Interest received on LSG (including HA) and provident fund reserves, rent and rates, central items 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 all interest received in previous years (see (1) above), the balance of HA and balance of other funds or donations for designated purposes should be separately reported.
- (3) Amount of LSG reserve used to cover the salary adjustment for infirmary care supplement, if any, as per schedule for central items.

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SOCIAL CONCERN DEPARTMENT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2025

NOTES ON THE ANNUAL FINANCIAL REPORT

Notes: – cont'd

- (4) For NGOs without HA, separate disclosure of the movement of HA in their respective AFRs is not necessary. The level of LSG cumulative reserve (i.e.S1), will be capped at 25% of the NGO's operating expenditure (i.e. total expenditure (T1) excluding provident fund contribution (K1)) for the year.

(5) Name of snapshot staff	<u>2024/2025</u> HK\$
Li Shuk Wa, Sarah	204,157.56
Wong Shui Lin	<u>590,760.00</u>
Total salary of snapshot staff	<u>794,917.56</u>

30% of salary of snapshot staff - Wong Shui Lin 177,228.00

- (6) As a facilitating measure for the implementation of the productivity enhancement programme, the claw-back arrangement of LSG cumulative reserve amount exceeding 25% of the NGO's operating expenditure would be suspended from 2023-24 (for NGOs with 2024-25 provisional subvention allocation of \$50m or more) / 2024-25 (for NGOs with 2024-25 provisional subvention allocation of less than \$50m) until 2028-29 as stipulated in SWD's letter under reference (1) / (2) / (3) / (4) in SWD 0075-0010-0060-0080-0040 of 3 March 2025.

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SCHEDULE FOR THE RENT AND RATES

ANALYSIS OF SUBVENTION AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2025

4. Rent and rates

<u>Unit code and name</u>	<u>Subverted 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)	2,587,645.00	2,592,480.00	-	(4,835.00)
	Rates	14,597.00	15,940.00	-	(1,343.00)
	Total - A	<u>2,602,242.00</u>	<u>2,608,420.00</u>	-	<u>(6,178.00)</u>
3912 – Kin Sang Church Elderly Centre					
	Rent	246,264.00	246,264.00	-	-
	Rates	10,912.00	20,680.00	-	(9,768.00)
	Government rent	6,456.00	7,668.00	-	(1,212.00)
	Total - B	<u>263,632.00</u>	<u>274,612.00</u>	-	<u>(10,980.00)</u>
	Grand total - (A+B)	<u>2,865,874.00</u>	<u>2,883,032.00</u>	-	<u>(17,158.00)</u>

Notes:

- (1) The figures are to be extracted from the payroll for March 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 Public Housing Estate rental, private rental, carpark rent, management fee, building maintenance fee and Government rent.

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL - HONG KONG DISTRICT LTD

SCHEDULE FOR INVESTMENT

ANALYSIS OF INVESTMENT AS AT 31ST MARCH 2025

	<u>2024-2025</u> HK\$	<u>2023-2024</u> HK\$
LSG reserve at 31st March 2025	2,687,794.17	2,698,717.31
Holding account as at 31st March 2025	943,713.51	1,120,941.51
Total LSG reserve	<u>3,631,507.68</u>	<u>3,819,658.82</u>
Represented by:		
Investment:		
HKD bank account balances	<u>3,631,507.68</u>	<u>3,819,658.82</u>
	<u>3,631,507.68</u>	<u>3,819,658.82</u>

Notes:

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

Confirmed by:



Mr. Tam Kwok Wai
Chairman of Management Committee of Elderly
Service
Date: 29 SEP 2025



Mr. Kwan Kwok Wah
Director of Social Concern Department
Date: 29 SEP 2025

Schedule for the Utilisation of Reserve in Holding Account for 2024-25 and the Plan of Utilisation of Holding Account Reserve for 2025-26

Name of NGO (Code) : INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL- HONG KONG DISTRICT LTD (488)

Please submit this schedule together with the Annual Financial Report (AFR) to the Finance Branch of Social Welfare Department on or before 31 October 2025.

(A) Utilisation of Holding Account (HA) Reserve (2024-25)

		\$
(1)	Balance as at 31 March 2024 brought forward	(a)1,120,941.51
(2)	Actual Expenditure	
	(i) Meeting contractual commitments towards Snapshot Staff	(b)177,228.00
	(ii) Enhancing human resources arrangements (please specify:)	(c)0.00
	(iii) Others [<i>applicable to NGOS without Snapshot Staff</i>] (please specify:)	(d)0.00
	Total = (b) + (c) + (d)	(e) 177,228.00
(3)	Balance as at 31 March 2025 carried forward [i.e. = (a) – (e)]	(f)943,713.51
(4)	No. of Snapshot Staff (as at 1 September 2024)	2

(B) Plan of Utilisation of HA Reserve (2025-26) [not applicable to NGOs without Snapshot Staff since 1 September 2021]

		\$
(1)	Balance as at 31 March 2025 brought forward [i.e. (f) of Part (A)]	(a)943,713.51
(2)	Estimated Expenditure	
	(i) Meeting contractual commitments towards Snapshot Staff	(b)0.00
	(ii) Enhancing human resources arrangements (please specify:)	(c)0.00
	(iii) Others (please specify:)	(d)0.00
	Total = (b) + (c) + (d)	(e)0.00
(3)	Estimated transfer from HA Reserve for use in the same areas as Lump Sum Grant Reserve	(f)
(4)	Estimated balance as at 31 March 2026 carried forward [i.e. = (a) – (e) – (f)]	(g)943,713.51
(5)	Estimated no. of Snapshot Staff (by 1 September 2025)	1