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INDEPENDENT AUDITOR'S ASSURANCE REPORT

To the Management Committee of Asbury Methodist Social Service ("the Agency")

We have audited the financial statements of the Agency 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 27 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 Agency for the year ended 31 March 2025.

Responsibilities of the Committee Members

In relation to this report, the Committee Members are responsible for ensuring the AFR of the Agency 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 Agency 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 1, 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.

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.

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INDEPENDENT AUDITOR'S ASSURANCE REPORT

To the Management Committee of Asbury Methodist Social Service ("the Agency")

- Continued -

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 AGENCY 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 Agency 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 Agency 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 Agency 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.

Stella Ho Lo

STELLA L.Y. HO & COMPANY
Certified Public Accountants

Hong Kong, 27 OCT 2025

ANNUAL FINANCIAL REPORT
NGO : ASBURY METHODIST SOCIAL SERVICE (028)
1 APRIL 2024 TO 31 MARCH 2025

	Notes	2024 - 2025	2023 - 2024
		$	$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	27,001,853.00	25,986,934.00
b. Provident Fund	1c	1,758,050.00	1,705,224.00
2. Fee Income	2	25,452.00	14,049.00
3. Central Items	3	180,504.00	161,784.00
4. Rent and Rates	4	484,891.00	513,163.00
5. Other Income	5	3,098,091.97	1,262,928.07
6. Interest Received		62,155.19	52,794.46
TOTAL INCOME		32,610,997.16	29,696,876.53
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		24,899,746.07	21,298,014.20
b. Provident Fund	1c	1,230,604.85	1,159,196.66
c. Allowances		-	-
Sub-total	6	26,130,350.92	22,457,210.86
2. Other Charges	7	5,351,966.88	4,806,456.52
3. Central Items	3	163,892.00	181,387.00
4. Rent and Rates	4	557,971.00	518,784.00
TOTAL EXPENDITURE		32,204,180.80	27,963,838.38
C. SURPLUS FOR THE YEAR	8	406,816.36	1,733,038.15

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

THE REV. CHEUNG KWOK LEUNG
CHAIRMAN

DATE : 27 OCT 2025

MR. CHENG CHUN CHEONG
NGO HEAD

DATE : 27 OCT 2025

NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 1 APRIL 2024 to 31 MARCH 2025

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 activities) 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 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

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.
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 analysed below :

Provident Fund Contribution	**Snapshot Staff**	**Other Posts**	**Total**
	$	$	$
Subvention Received	42,453.00	1,715,597.00	1,758,050.00
Provident Fund Contribution Paid during the Year	(42,453.00)	(1,188,151.85)	(1,230,604.85)
Surplus/ (Deficit) for the Year	-	527,445.15	527,445.15
Add : Surplus/ (Deficit) b/f	30,692.00	4,745,861.07	4,776,553.07
PF adjustment for Snapshot staff 2022-2023	(10,083.00)	3,281.00	(6,802.00)
Additional subvention received for previous year(s)	-	-	-
Less : Refund to Government	-	-	-
Surplus/ (Deficit) c/f	20,609.00	5,276,587.22	5,297,196.22

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 Subvention Manual.

NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 1 APRIL 2024 to 31 MARCH 2025

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 5.5.4(c) of the LSG Subvention Manual). The income and expendiutre of each of the Central Items are as follows:

	2024 - 2025	2023 - 2024
a. Income	$	$
After School Care Programme - Fee Waiving Subsidy Scheme	180,504.00	161,784.00
Total	180,504.00	161,784.00
b. Expenditure		
After School Care Programme - Fee Waiving Subsidy Scheme	163,892.00	181,387.00
Total	163,892.00	181,387.00

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 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:

	2024 - 2025	2023 - 2024
Other Income	$	$
(a) Programme income	935,181.40	812,264.30
(b) Production income	-	-
(c) Other Funds or Donations for Designated Purposes	1,992,716.50	-
(d) Income from Other Activities	-	-
(e) Utilised allocation under Central Items (CI) : After School Care Programme (ASCP) / Enhanced ASCP / ASCP(PC) - Fee Waiving Subsidy Scheme (FWSS)* which forms as part of Other Income	64,642.00	42,258.00
(f) Reimbursement of Maternity Leave Pay from Labour Department	-	-
(g) Miscellaneous income (e.g. general donations, photocopying charges, etc.)	170,194.07	450,663.77
Sub-Total	3,162,733.97	1,305,186.07
Less: Utilised allocation under CI : ASCP / Enhanced ASCP / ASCP(PC) - FWSS which forms as part of Other Income*	(64,642.00)	(42,258.00)
Total	3,098,091.97	1,262,928.07

**For those programmes which are regarded as FSA services only*

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 appended below:

Analysis of Personal Emoluments paid under LSG	No of Posts	$
HK$1,000,001 - HK$1,100,000 p.a.	N/A	-
HK$1,100,001 - HK$1,200,000 p.a.	N/A	-
HK$1,200,001 - HK$1,300,000 p.a.	N/A	-
HK$1,300,001 - HK$1,400,000 p.a.	N/A	-
HK$1,400,001 - HK$1,500,000 p.a.	N/A	-
>HK$1,500,000 p.a.	N/A	-

7. Other Charges

The breakdown on Other Charges is as follows:

Other Charges	2024 - 2025 $	2023 - 2024 $
(a) Utilities	298,110.04	380,308.57
(b) Minor Purchases	29,267.00	-
(c) Administrative Expenses	170,293.40	212,663.91
(d) Stores and Equipment	106,676.50	96,173.55
(e) Minor Repair and Maintenance	291,935.00	469,554.60
(f) Staff Traning	17,140.00	36,576.00
(g) Programme Expenses	3,810,579.29	3,114,717.58
(h) Transportation and Travelling	11,535.20	14,422.20
(i) Insurance	186,681.00	63,353.35
(j) Miscellaneous	494,391.45	460,944.76
Sub-Total	5,416,608.88	4,848,714.52
Less: Utilised allocation under CI : ASCP / Enhanced ASCP / ASCP(PC) - FWSS* which forms as part of Other Income	(64,642.00)	(42,258.00)
Total	5,351,966.88	4,806,456.52

**For those programmes which are regarded as FSA services only*

8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	Lump Sum Grant (LSG)	Holding Account (HA)	Other Funds or Designated Purposes	Adjustment for Utilised allocation under ASCP / Enhanced ASCP - FWSS	Rent and Rates	Central Items (CI)	Total
	$	$	$	$	$	$	$
Income							
Lump Sum Grant	28,759,903.00	-	-	-	-	-	28,759,903.00
Fee Income	25,452.00	-	-	-	-	-	25,452.00
Other Income	1,170,017.47	-	1,992,716.50	(64,642.00)	-	-	3,098,091.97
Interest Received (Note (1))	62,155.19	-	-	-	-	-	62,155.19
Rent and Rates	-	-	-	-	484,891.00	-	484,891.00
Central Items	-	-	-	-	-	180,504.00	180,504.00
Total Income (a)	30,017,527.66	-	1,992,716.50	(64,642.00)	484,891.00	180,504.00	32,610,997.16
Expenditure							
Personal Emoluments	24,478,498.34	283,020.00	1,368,832.58	-	-	-	26,130,350.92
Other Charges	4,764,961.27	-	651,647.61	(64,642.00)	-	-	5,351,966.88
Rent and Rates	-	-	-	-	557,971.00	-	557,971.00
Central Items	-	-	-	-	-	163,892.00	163,892.00
Total Expenditure (b)	29,243,459.61	283,020.00	2,020,480.19	(64,642.00)	557,971.00	163,892.00	32,204,180.80
Surplus/ (Deficit) for the Year (a) - (b)	774,068.05	(283,020.00)	(27,763.69)	-	(73,080.00)	16,612.00	406,816.36
Less : Surplus/ (Deficit) of Provident Fund	527,445.15	-	-	-	-	-	527,445.15
	246,622.90	(283,020.00)	(27,763.69)	-	(73,080.00)	16,612.00	(120,628.79)
Surplus/ (Deficit) b/f (Note (2))	7,524,982.82	2,196,156.66	-	-	(79,432.57)	1,067,814.57	10,709,521.48
	7,771,605.72	1,913,136.66	(27,763.69)	-	(152,512.57)	1,084,426.57	10,588,892.69
Add : Refund from Government	-	-	-	-	-	-	-
Less : Refund to Government :							
- Clawback on R&R Surpluses for 2023-24 Ref: 4-35-40-35-15-55-P1(SAS028)	-	-	-	-	(21,507.00)	-	(21,507.00)
- Clawback of Lump Sum Grant Reserve for 2023-24 Ref: 4-35-40-35-10-55-P1(SAS028)	(988,300.64)	-	-	-	-	-	(988,300.64)
- Adjustment for utilised allocation under Enhanced ASCP - FWSS* (over-estimated) / under-estimated in previous year(s)	-	-	-	-	-	-	-
Surplus/ (Deficit) c/f (Note (4))	6,783,305.08	1,913,136.66	(27,763.69)	-	(174,019.57)	1,084,426.57	9,579,085.05

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) and 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 of Central Items.

(4) For NGOs without HA, separate disclosure of the movement of HA in their respective AFRs in 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.

For NGOs with HA, with effect from 2022-2023, the calculation of the annual claw-back is as follows:

(i) With Snapshot Staff (SS) [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year was greater the zero] 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+T2) excluding Provident Fund Contribution (K1)) for the year.

(ii) Without SS [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year (which is regarded as Year 0) was zero]
For the next three years (Year 1 to Year 3), 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. From the fourth financial year (Year 4) onwards, the level of LSG cumulative reserve and HA reserve will be counted altogether and the combined reserve amount (i.e. S1 + S2) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1 + T2) excluding Provident Fund Contribution (K1)) for the year. In this regards, separate disclosure of the movement of HA in their respective AFRs is not necessary.
[For details of (4)(i) and (4)(ii) above, please alos refer to SWD's letter under reference (11) in SWD/S/109/1/10 of 4 April 2022.]

(5) 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.

Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1 April 2024 to 31 March 2025

Name of Agency : Asbury Methodist Social Service (028)

Unit Code and Name / Remittance Advice No. (Note 7)	Subvented Element	Subvention Released (Note 1a) (a1)	Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received (Note 1b) #	Actual Expenditure (Note 2a) (a2)	Actual Expenditure incurred under RMLP Scheme (Note 2b) #	Surplus (Note 3) (a) = (a1) - (a2)	Deficit for the Year: Deficit (Note 3) (b) = (a1) - (a2)	Deficit for the Year: Deficit transferred to Lump Sum Gran LSG (Note 4) (c)	Deficit for the Year: Adjusted Deficit (d) = (b)-(c)	Surplus b/f (Note 5) (e)	Refund from / (to) Government (f)	Adjustment (Note 8) (g)	Surplus c/f (Note 6) (h)=(e)+(a)-(d)-(f)+/-(g)
		$	$	$	$	$	$		$	$	$	$	$
1043 After School Care Project	After School Care Programmes - Fee Waiving Subsidy Scheme	180,504.00	0.00	163,892.00	0.00	16,612.00	0.00	N.A.	0.00	1,067,814.57	0.00	0.00	1,084,426.57
Total		180,504.00	0.00	163,892.00	0.00	16,612.00	0.00	0.00	0.00	1,067,814.57		0.00	1,084,426.57

Any difference arising from the RMLP Scheme reimbursement received (see Note 1b below) and the corresponding expenditure under RMLP Scheme (see Note 2b below) will be assessed separately.

Notes:

1a. The figures for the whole financial year are extracted from the paylist for March (Final) or remittance advice(s) issued by the Treasury or allocation letter(s) issued by Social Welfare Department of the financial year.

1b. This amount represents any reimbursement received from the RMLP Scheme if the NGO has temporarily paid the expenditure out of the allocation from the subvented element (see Note 2b below).

2a. Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off (i) programme income and (ii) expenditure under RMLP Scheme mentioned in Note 2b below, if any.

2b. This amount represents the additional four weeks' MLP (i.e. the 11th to 14th weeks) paid to the employee out of the corresponding allocation.

3. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.

4. Deficit i.r.o. the following central items arising from salary adjustment are transferred to the Lump Sum Grant Reserve as stated in the relevant letter issued by SWD.
   (i) Infirmary Care Supplement for the Aged Blind Persons
   (ii) Infirmary Care Supplement for Subvented/Subsidised Residential Elderly Services
   For items other than those listed above, please insert "N.A.".

5. "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.

6. "Surplus carried forward (c/f)" means surplus brought forward less refund to Government plus surplus, if any, arising from operations in current year.

7. Unit code and name / remittance advice no. are extracted from the paylist from SWD and remittance advice from the Treasury respectively.

8. For ASCP/ Enhanced ASCP, the adjustment includes the amount of expenditure overstated / (understated) in previous year(s) after taking into account the actual claw-back amount(s) per SWD's allocation letter(s), if any.

9. The central items as listed above may not be exhaustive and any relevant details of central items released and/or expended during the year, where appropriate, should also be included.