

Hong Kong ABWE Social Services
香港萬國宣道浸信會社會服務

Annual Financial Report

For the year ended 31 March 2025

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Expressed in Hong Kong dollars ("HK\$")	



Independent Auditor's Assurance Report

TO THE EXECUTIVE COMMITTEE OF THE HONG KONG ABWE SOCIAL SERVICES

香港萬國宣道浸信會社會服務

(incorporated in Hong Kong with limited liability by guarantee)

We have audited the financial statements of Hong Kong ABWE Social Services (the "Association") 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 18 September 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 requested to issue this assurance report in connection with the Annual Financial Report ("AFR") of the Association for the year ended 31 March 2025.

Responsibilities of the Executive Committee

In relation to this report, the Executive Committee are responsible for ensuring the AFR of the Association 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 Association 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 Engagement Other than Audits or Review 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

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 Association 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 Association 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 Association 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 Association 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.

Lo and Kwong C.P.A. Company Limited

Certified Public Accountants (Practising)

Ng Man Li

Practising Certificate Number: P03017

Hong Kong

18 September 2025

Annual Financial Report

For the year ended 31 March 2025

	Notes	Total 2024-25 HK\$	Total 2023-24 HK\$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1	32,119,648.00	30,298,422.00
b. Provident Fund	1	2,138,659.00	2,014,043.00
2. Fee income	2	152,158.50	149,273.50
3. Central items	3	1,016,761.00	3,060,256.00
4. Rent and rates	4	1,464,882.00	1,464,882.00
5. Other income	5	2,997,899.21	3,492,584.60
6. Interest received		161,985.37	169,080.19
		40,051,993.08	40,648,541.29
B. EXPENDITURE			
1. Personal emoluments			
a. Salaries		29,321,154.26	28,948,062.67
b. Provident Fund	1	1,989,988.62	1,890,672.07
Sub-total	6	31,311,142.88	30,838,734.74
2. Other charges	7	5,097,727.80	4,677,698.15
3. Central items	3	974,975.24	2,780,784.31
4. Rent and rates	4	1,569,696.00	1,509,462.00
		38,953,541.92	39,806,679.20
SURPLUS FOR THE YEAR		1,098,451.16	841,862.09

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.



Chairman



Acting Chief Executive

Dated this 18 September 2025

Notes to the Annual Financial Report For the year ended 31 March 2025

1. LUMP SUM GRANT

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 under the Lump Sum Grant Subvention System and also FSA services 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 like depreciation, provisions and accruals have not been included in the AFR.

Lump Sum Grant (excluding Provident Fund)

This represents Lump Sum Grant (excluding Provident Fund) received for the year.

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.

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 and Other Funds or Donations for Designated Purposes which are separately included as part of the income and expenditure of the relevant items have been shown under Notes 3 and 8.

Details are analysed below:

Provident Fund Contribution

	Snapshot staff HK\$	6.8% and other posts HK\$	Total HK\$
Subvention received	175,546.00	1,963,113.00	2,138,659.00
Provident Fund Contribution Paid during the year	(142,605.00)	(1,847,383.62)	(1,989,988.62)
Surplus for the year	32,941.00	115,729.38	148,670.38
Add: Surpluses b/f	24,546.38	2,618,545.99	2,643,092.37
Refund from Government	7,063.00	-	7,063.00
Surpluses c/f	64,550.38	2,734,275.37	2,798,825.75

Notes to the Annual Financial Report For the year ended 31 March 2025

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.

3. CENTRAL ITEMS

These are subsidies allocated to NGOs for specified purposes on a recurrent, time-limited or one-off basis which are not included in the LSG and are subject to their own procedures as set out in other SWD's papers and correspondence with the NGOs. Any surplus, which is not allowed to be offset by any deficit of another item, is subject to claw-back by SWD according to the terms and conditions of individual central items.

The Provident Fund received and contributed for staff under the Central Items should be separately included as part of the income and expenditure of the relevant items (Paragraph 3.14 of LSG Manual). The income and expenditure of each of the Central Items are as follows:

	Total 2024-25 HK\$	Total 2023-24 HK\$
Income		
Time-defined Subsidy Scheme for Occasional Child Care Service	31,482.00	31,482.00
After School Care Programme - Late Afternoon Session	290,376.00	315,864.00
Time-defined Service Contract of Social Work Service for Pre-primary Institutions		
- April 2023 – July 2023	-	1,309,716.00
- August 2023 – March 2024	-	1,403,194.00
- April 2024 – July 2024	694,903.00	-
Total	1,016,761.00	3,060,256.00
Expenditure		
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
After School Care Programme - Late Afternoon Session	291,684.00	319,074.00
Time-defined Service Contract of Social Work Service for Pre-primary Institutions		
- April 2023 – July 2023	-	1,149,371.18
- August 2023 – March 2024	-	1,312,339.13
- April 2024 – July 2024	683,291.24	-
Total	974,975.24	2,780,784.31

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.

Notes to the Annual Financial Report For the year ended 31 March 2025

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 of the FSA services / FSA-related activities reflected in the AFR.

The breakdown on Other income is as follows:

	Total 2024-25 HK\$	Total 2023-24 HK\$
Other Income		
Fees and charges for services incidental to the operation of subvented services	1,892,282.60	2,884,512.10
Other Funds or Donation for designated purpose	1,037,099.38	-
Reimbursement of Maternity leave pay scheme reimbursement received	68,517.23	-
Subsidy from Central Items (CI) - After school care programme (ASCP)	291,684.00	319,074.00
Refund from Trustee for Long service and severance payment	-	608,072.50
	3,289,583.21	3,811,658.60
Less: Utilised allocation under CI - ASCP	(291,684.00)	(319,074.00)
	2,997,899.21	3,492,584.60

6. PERSONAL EMOLUMENTS

Personal Emoluments include salary, provident fund and salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over HK\$1,000,000 each paid under LSG is appended below:

Analysis of Personal Emoluments paid under LSG

	No. of Posts	HK\$
HK\$1,000,001 - HK\$1,100,000 p.a.	1	1,009,218.49
HK\$1,100,001 - HK\$1,200,000 p.a.	Nil	Nil
HK\$1,200,001 - HK\$1,300,000 p.a.	Nil	Nil
HK\$1,300,001 - HK\$1,400,000 p.a.	Nil	Nil
HK\$1,400,001 - HK\$1,500,000 p.a.	Nil	Nil
> HK\$1,500,000 p.a.	1	1,638,036.14

Notes to the Annual Financial Report For the year ended 31 March 2025

7. OTHER CHARGES

The breakdown on other charges is as follows:

	Total 2024-25 HK\$	Total 2023-24 HK\$
Other Charges		
(a) Utilities	272,974.50	268,423.22
(b) Administrative expenses	346,715.69	358,384.05
(c) Stores and equipment	610,130.66	631,318.48
(d) Repairs and maintenance	553,284.40	673,190.47
(e) Programme expenses	3,325,213.93	2,500,028.71
(f) Transportation and travelling	16,809.88	22,101.50
(g) Insurance	55,920.12	403,501.49
(h) Miscellaneous	208,362.62	139,824.23
	5,389,411.80	4,996,772.15
Less: Utilised allocation under CI - ASCP	(291,684.00)	(319,074.00)
	5,097,727.80	4,677,698.15

Notes to the Annual Financial Report For the year ended 31 March 2025

8. ANALYSIS OF LUMP SUM GRANT RESERVE AND BALANCES OF OTHER SWD SUBVENTIONS

	Analysis of Reserve Fund							Total HK\$
	Lump Sum Grant HK\$	Holding Account HK\$	Other Funds or Donations for designated purpose HK\$	Adjustment for utilised allocation under ASCP HK\$	Rent and rates HK\$	Central items HK\$		
Income								
Lump Sum Grant								
a. Lump Sum Grant (excluding Provident Fund)	32,119,648.00	-	-	-	-	-	-	32,119,648.00
b. Provident Fund - Snapshot staff	175,546.00	-	-	-	-	-	-	175,546.00
c. Provident Fund - 6.8% and other posts	1,963,113.00	-	-	-	-	-	-	1,963,113.00
Fee income	152,158.50	-	-	-	-	-	-	152,158.50
Other income	2,252,483.83	-	1,037,099.38	(291,684.00)	-	-	-	2,997,899.21
Interest received (Note 1)	161,985.37	-	-	-	-	-	-	161,985.37
Rent and rates	-	-	-	-	1,464,882.00	-	-	1,464,882.00
Central items	-	-	-	-	-	1,016,761.00	-	1,016,761.00
Total income (a)	36,824,934.70	-	1,037,099.38	(291,684.00)	1,464,882.00	1,016,761.00	-	40,051,993.08
Expenditure								
Personal Emoluments								
a. Salaries	29,321,154.26	-	-	-	-	-	-	29,321,154.26
b. Provident Fund - Snapshot staff	142,605.00	-	-	-	-	-	-	142,605.00
c. Provident Fund - 6.8% and other posts	1,847,383.62	-	-	-	-	-	-	1,847,383.62
Other charges	4,699,205.36	-	690,206.44	(291,684.00)	-	-	-	5,097,727.80
Rent and rates	-	-	-	-	1,569,696.00	-	-	1,569,696.00
Central items	-	-	-	-	-	974,975.24	-	974,975.24
Total expenditure (b)	36,010,348.24	-	690,206.44	(291,684.00)	1,569,696.00	974,975.24	-	38,953,541.92
Surplus (Deficit) for the year (a) - (b)	814,586.46	-	346,892.94	-	(104,814.00)	41,785.76	-	1,098,451.16
Less: Surplus of Provident Fund	(148,670.38)	-	-	-	-	-	-	(148,670.38)
	665,916.08	-	346,892.94	-	(104,814.00)	41,785.76	-	949,780.78
Surpluses b/f (Note 2)	8,384,103.41	-	-	-	437,720.42	1,177,274.93	-	9,999,098.76
Less: Prior year adjustment (Note 5)	(23,905.00)	-	-	-	(102,806.00)	-	-	(126,711.00)
Refund from government	-	-	-	-	3,484.00	-	-	3,484.00
Refund to government	-	-	-	-	(518,182.00)	(31,482.00)	-	(549,664.00)
Transfer from (to) LSG Reserve	459,024.14	-	(459,024.14)	-	-	-	-	-
Surplus (Deficit) c/f (Note 4)	9,485,138.63	-	(112,131.20)	-	(284,597.58)	1,187,578.69	-	10,275,988.54

Notes:

- (1) Interest received on LSG and PF 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 Lump Sum Grant Surplus b/f from previous years (including holding account) and all interest received in previous years should be included in the surplus b/f under LSG.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement. If any, as per Schedule of Central Items.

Notes to the Annual Financial Report For the year ended 31 March 2025

8. ANALYSIS OF LUMP SUM GRANT RESERVE AND BALANCES OF OTHER SWD SUBVENTIONS – Continued

Notes:

- (4) The level of LSG cumulative reserve (i.e. HK\$9,485,138.63), less LSG Reserve kept in the holding account, will be exceeded 25% of the NGO's operating expenditure (excluding PF expenditure) for the year. As a facilitating measure for the implementation of the Productivity Enhancement Programme, the claw-back arrangement of LSG cumulative reserve amounted exceeding 25% of the NGO's operating expenditure would be suspended from 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.

- (5) Prior year adjustment for Reserves

	Lump Sum Grant HK\$	Rent and Rates HK\$
Reversed Church expenses allocation for 2023/24 (SWD Ref: SWD/S/MC/IC002/2021)		
Unit 1067 Po Lam	-	(30,435.00)
Unit 1765 Cheung Hong	-	(18,673.00)
Unit 3875 Lai King	-	(23,111.00)
Unit 3876 Tin Yue	-	(30,587.00)
Utilities allocation for 4 units of NECs	(23,905.00)	-
	(23,905.00)	(102,806.00)

9. SCHEDULE FOR RENT AND RATES

Analysis of subvention and expenditure for the year:

Unit code and name	Subvented element	Subvention released HK\$	Actual Expenditure		Surplus HK\$	(Deficit) HK\$
			Actual Paid HK\$	Church expenses allocation HK\$		
Unit 1067 Po Lam Baptist Church Bradbury Neighbourhood Elderly Centre	Rent	175,584.00	175,584.00	-	-	-
	Government Rent	10,398.00	11,340.00	-	-	(942.00)
	Rates	11,680.00	16,655.00	-	-	(4,975.00)
Unit 1765 Cheung Hong Baptist Church Neighbourhood Elderly Centre	Rent	152,520.00	152,520.00	-	-	-
	Rates	13,740.00	12,740.00	-	1,000.00	-
Unit 3875 Lai King Baptist Church Neighbourhood Elderly Centre	Rent	121,272.00	-	-	121,272.00	-
	Rates	8,586.00	19,350.00	-	-	(10,764.00)
	Management and maintenance fee	-	256,428.00	-	-	(256,428.00)
Unit 3876 Tin Yue Baptist Church Neighbourhood Elderly Centre	Rent	157,728.00	157,728.00	-	-	-
	Government Rent	8,224.00	7,560.00	-	664.00	-
	Rates	11,234.00	11,600.00	-	-	(366.00)
Unit 3862 Shing Yan Christian Social Service Centre	Rent	739,536.00	739,536.00	(49,199.00)	49,199.00	-
	Rates	54,380.00	62,500.00	(4,646.00)	-	(3,474.00)
	Total:	1,464,882.00	1,623,541.00	(53,845.00)	172,135.00	(276,949.00)
Unit 36 ABWE (HK) Ltd.	Rent Subvention	1,346,640.00	1,225,368.00	(49,199.00)	170,471.00	-
	Government Rent Subvention	18,622.00	18,900.00	-	664.00	(942.00)
	Rates Subvention	99,620.00	122,845.00	(4,646.00)	1,000.00	(19,579.00)
	Management and maintenance fee Subvention	-	256,428.00	-	-	(256,428.00)
	Grand-Total:	1,464,882.00	1,623,541.00	(53,845.00)	172,135.00	(276,949.00)

Notes to the Annual Financial Report For the year ended 31 March 2025

10. SCHEDULE FOR CENTRAL ITEMS

Analysis of subvention and expenditure for the year:

Unit Code / Remittance Advice No. (Note 7)	Subvented element	Subvention released (Note 1) HK\$	Actual expenditure (Note 2) HK\$	Surplus (Note 3) (a) HK\$	Deficit (Note 3) (b) HK\$	Deficit for the year		Adjusted deficit (d) = (b) - (c) HK\$	Surpluses b/f (Note 5) (e) HK\$	Prior year adjustment (f) HK\$	Refund to Government (g) HK\$	Surpluses c/f (Note 6) (h) = (e)+(a)-(d)-(f)-(g) HK\$
						Deficit transferred to LSG (Note 4) (c) HK\$	Deficit (Note 3) (b) HK\$					
Unit 3016	After School Care Programme - Late Afternoon Session	290,376.00	291,684.00	-	(1,308.00)	-	(1,308.00)	657,424.00	-	-	-	656,116.00
Unit 6376	Time-defined subsidy scheme for Occasional Child Care Service	31,482.00	-	31,482.00	-	-	-	31,482.00	-	-	(31,482.00)	31,482.00
Unit AC71	Time-defined Service Contract of Social Work Service for Pre-primary Institutions	694,903.00	683,291.24	11,611.76	-	-	-	488,368.93	-	-	-	499,980.69
Total		1,016,761.00	974,975.24	43,093.76	(1,308.00)	-	(1,308.00)	1,177,274.93	-	-	(31,482.00)	1,187,578.69

Notes to the Annual Financial Report For the year ended 31 March 2025

10. SCHEDULE FOR CENTRAL ITEMS - Continued

Notes:

1. The figures for the whole financial year are extracted from the payroll for March (Final) or remittance advice(s) issued by the Treasury of the financial year.
2. Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
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 SWD's letter ref. (33) in SWD/S/104/2 Pt.18 dated 4 March 2020:
 - (i) Dementia Supplement for Elderly with Disabilities
 - (ii) Infirmity Care Supplement for the Aged Blind Persons
 - (iii) Dementia Supplement for Residential Elderly Services
 - (iv) Infirmity Care Supplement for Residential Elderly Services
5. "Surpluses brought forward (b/f)" means surpluses, if any, arising from operation in previous years.
6. "Surpluses carried forward (c/f)" means surpluses 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 payroll from SWD and remittance advice from the Treasury respectively.
8. 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.
9. 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.

Notes to the Annual Financial Report For the year ended 31 March 2025

11. SCHEDULE FOR INVESTMENT

Analysis of investment as at 31 March 2025:

	2025 HK\$	2024 HK\$
Lump Sum Grant Reserve And Holding Account Reserve as at 31 March 2025 and 2024	9,485,138.63	8,384,103.41
Represented by:		
Investments		
a. HK\$ Bank Account Balances	6,785,138.63	5,784,103.41
b. HK\$ 24-hour Call Deposits	-	-
c. HK\$ Fixed Deposits	2,700,000.00	2,600,000.00
d. HK\$ Certificate of Deposits	-	-
e. HK\$ Bonds	-	-
	9,485,138.63	8,384,103.41

12. APPROVAL OF ANNUAL FINANCIAL REPORT

The annual financial report was approved and authorised for issue by the Board of Directors on 18 September 2025.

**ANNUAL FINANCIAL REPORT
NOTES TO THE ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM 1 APRIL 2024 TO 31 MARCH 2025**

Appendix 1

The subvented service units are as follows:

- (1) Hong Kong ABWE Social Services - Central Administration**
- (2) Cheung Hong Baptist Church Neighbourhood Elderly Centre**
- (3) Tin Yue Baptist Church Neighbourhood Elderly Centre**
- (4) Po Lam Baptist Church Bradbury Neighbourhood Elderly Centre**
- (5) Lai King Baptist Church Neighbourhood Elderly Centre**
- (6) Shing Yan Christian Social Service Centre**
- (7) Heng On Baptist Nursery School**
- (8) Prosperous Garden Baptist Nursery School**
- (9) Garden Estate Baptist Nursery School**
- (10) Time-Defined Service Contract of Social Work Service for Pre-primary Institutions**