The Annual Financial Report (AFR) does not constitute the subvented agencies' statutory annual financial statements. The AFR is prepared on cash basis, in accordance with the requirements set out in Lump Sum Grant Manual issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region, which is different from the financial reporting standards issued by the Hong Kong Institute of Certified Public Accountants normally adopted in statutory annual financial statements.

范陳會計師行有限公司
Fan, Chan & Co. Limited

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE ANNUAL FINANCIAL REPORT TO THE BOARD OF DIRECTORS OF THE CHURCH OF UNITED BRETHREN IN CHRIST SOCIAL SERVICE LIMITED

(incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of The Church of United Brethren in Christ Social Service Limited (" the Association") for the year ended 31 March, 2026 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 October, 2026 .

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 Association for the year ended 31 March, 2026.

Responsibilities of the Board of Directors

In relation to this report, the directors are responsible for ensuring the AFR of the Association for the year ended 31 March, 2026 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.

Other matter

The comparartive figures for the year ended 31 March, 2025 were adopted from Annual Financial Report of The Church of United Brethren in Christ, Hong Kong Limited (NGO code: 700) ("SSD"). The operation of the SSD was taken over by The Association effective from 1 April, 2025.

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.

Member of Nexia

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INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE ANNUAL FINANCIAL REPORT TO THE BOARD OF DIRECTORS OF THE CHURCH OF UNITED BRETHREN IN CHRIST SOCIAL SERVICE LIMITED

(incorporated in Hong Kong and limited by guarantee)

Auditor's Responsibility (continued)

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 PN851 (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.

Conclusions

1. In our opinion, the AFR of the Association for the year ended 31 March, 2026 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.

Fan, Chan & Co. Limited
Certified Public Accountants
Yee Wai Man
Practising Certificate Number: P05594

Hong Kong, 27 October, 2026

ANNUAL FINANCIAL REPORT

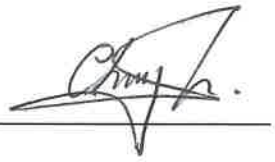
Appendix A

NGO: (S02) The Church of United Brethren in Christ Social Service Limited

1 APRIL 2025 TO 31 MARCH 2026

		Notes	2025-26 $	2024-25 $
A.	**INCOME**			
1.	Lump Sum Grant			
	a. Lump Sum Grant (excluding Provident Fund)	1b	43,137,047.00	38,488,101.00
	b. Provident Fund	1c	3,162,825.00	2,866,625.00
2.	Fee Income	2	-	-
3.	Central Items	3	254,780.00	3,752,492.00
4.	Rent and Rates	4	2,701,399.00	757,935.00
5.	Other Income	5	4,516,505.63	5,390,087.30
6.	Interest Received		18,705.02	51,280.66
	TOTAL INCOME		53,791,261.65	51,306,520.96
B.	**EXPENDITURE**			
1.	Personal Emoluments			
	a. Salaries		40,048,154.23	37,422,341.03
	b. Provident Fund	1c	2,293,721.03	2,719,437.70
	c. Allowances		-	-
	Sub-total	6	42,341,875.26	40,141,778.73
2.	Other Charges	7	3,968,193.44	4,957,560.90
3.	Central Items	3	275,486.00	3,311,686.88
4.	Rent and Rates	4	2,703,300.00	1,570,009.95
	TOTAL EXPENDITURE		49,288,854.70	49,981,036.46
C.	**SURPLUS (DEFICIT) FOR THE YEAR**	8	4,502,406.95	1,325,484.50

The Annual Financial Report from pages 3 to 10 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

Authorised Signature		Authorised Signature	
Name	Chan Ngan Fung	Name	Kan Ming Yuk, Eric
Title	Chairman	Title	Chief Executive
Date	27 October, 2026	Date	27 October, 2026

Agency Code and Name : **(S02) The Church of United Brethren in Christ Social Service Limited**

NOTES ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant

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. If NGOs receive funding from (i) specified government funds / subsidy schemes to implement services / projects or (ii) the Hong Kong Jockey Club Charities Trust or the Community Chest to implement welfare services / projects (should meet the conditions stipulated in paragraph 3.7.1 (b) of the Lump Sum Grant Subvention Manual) in 2025-26 and carry them forward to 2026-27, they are neither required to include these in the AFR nor apportion the costs of operating such services / projects, regardless of whether subvented resources are deployed or whether the services / projects provided are FSA services or FSA-related activities. Specified government funds / subsidy schemes are listed on SWD ' s website. 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**	**6.8% and Other Posts**	**Total**
	$	**$**	**$**
Subvention Received	685,909.00	2,476,916.00	3,162,825.00
Provident Fund Contribution Paid during the Year	601,968.63	1,691,752.40	2,293,721.03
Surplus (Deficit) for the Year	83,940.37	785,163.60	869,103.97
Add : Surplus (Deficit) b/f	52,205.59	794,685.26	846,890.85
Additional subvention received for previous year(s)	-	10,228.00	10,228.00
Less: Refund to Government	(29,518.00)	-	(29,518.00)
Transfer of Provident Fund Reserve for use in the same areas as LSG Reserve			
Surplus (Deficit) c/f	106,627.96	1,590,076.86	1,696,704.82

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 Lump Sum Grant Manual.

NOTES ON THE ANNUAL FINANCIAL REPORT

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 expenditure of each of the Central Items are as follows:

	2025-26	2024-25
a. Income	$	$
After School Care Programme - Fee Waiving Subsidy Scheme	176,088.00	211,896.00
Training Subsidy for Children on the Waiting List of Subvented Pre-School Rehabilitation Services	78,692.00	159,062.00
Time-defined Service Contract of Social Work Service for Pre-primary Institutions		
- Allocation	-	2,630,700.00
- Rent & rates	-	750,834.00
Total	254,780.00	3,752,492.00
b. Expenditure		
After School Care Programme - Fee Waiving Subsidy Scheme	160,747.00	211,896.00
Training Subsidy for Children on the Waiting List of Subvented Pre-School Rehabilitation Services	114,739.00	94,639.00
Time-defined Service Contract of Social Work Service for Pre-primary Institutions		
- Allocation	-	2,754,459.56
- Rent & rates	-	250,692.32
Total	275,486.00	3,311,686.88

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 represents all income, other than recognised fee income for subvented welfare services, received during the year in the operation of subvented services including income from other services that are incidental to the operation, programme income, etc. 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 and have been separately included in the relevant disclosures under the " Other Funds or Donations for Designated Purposes" column in Note 8 of the AFR.

The breakdown on Other Income is as follows:

	2025-26	**2024-25**
Other Income	$	$
(a) Programme income	4,376,571.10	5,270,271.11
(b) Production income		
(c)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	80,040.00	102,024.00
(d) Reimbursement of Maternity Leave Pay from Labour Department	27,173.53	19,276.19
(e)Subsidy received for Abolition of MPF Offsetting Arrangement from Labour Department		
(f)Miscellaneous income (e.g. general donations, photocopying charges, etc.)	112,761.00	100,540.00
Sub-Total	4,596,545.63	5,492,111.30
Less: Utilised allocation under CI - ASCP / Enhanced ASCP - FWSS which forms as part of Other Income*	(80,040.00)	(102,024.00)
Total	4,516,505.63	5,390,087.30

* For those programmes which are regarded as FSA-related activities only

Agency Code and Name : (S02) The Church of United Brethren in Christ Social Service Limited

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 appended below:

Analysis of Personal Emoluments paid under LSG	**No. of Posts**	**$**
HK$1,000,001 - HK$1,100,000 p.a.	3	3,109,582
HK$1,100,001 - HK$1,200,000 p.a.	1	1,156,403
HK$1,200,001 - HK$1,300,000 p.a.	0	0
HK$1,300,001 - HK$1,400,000 p.a.	0	0
HK$1,400,001 - HK$1,500,000 p.a.	0	0
>HK$1,500,000 p.a.	0	0

7. Other Charges

This refers to expenses, other than personal emoluments, incurred in the operation and excluded expenditure for FSA services / FSA-related activities supported by Other Funds or Donations for Designated Purposes, which have been separately included in the relevant disclosures under the "Other Funds or Donations for Designated Purposes" column in Note

The breakdown on Other Charges is as follows:

Other Charges	**2025-26** $	**2024-25** $
(a) Utilites	380,194.99	376,785.46
(b) Food (including food for service users)	-	-
(c) Administrative Expenses	514,505.08	640,026.27
(d) Store and Equipment	547,091.46	162,633.43
(e) Minor Repair and Maintenance	73,784.00	663,521.00
(f) Special Allowances	-	-
(g) Programme Expenses	1,984,258.60	2,649,526.66
(h) Transportation and Travelling	41,664.50	59,643.67
(i) Insurance	359,710.39	308,320.71
(j) Miscellaneous	147,024.42	199,127.70
Total	4,048,233.44	5,059,584.90
Less: Utilised allocation under CI: ASCP / Enhanced ASCP / ASCP(PC) – FWSS* which forms as part of Other Income*	(80,040.00)	(102,024.00)
Total	3,968,193.44	4,957,560.90

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

Agency Code and Name : (S02) The Church of United Brethren in Christ Social Service Limited

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

	Lump Sum Grant (LSG)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP - FWSS	Rent and Rates	Central Items (CI)	Total
	$		$	$	$
Income					
Lump Sum Grant	46,299,872.00		-	-	46,299,872.00
Fee Income	-		-	-	-
Other Income	4,596,545.63	(80,040.00)	-	-	4,516,505.63
Interest Received **(Note (1))**	18,705.02		-	-	18,705.02
Rent and Rates	-		2,701,399.00	-	2,701,399.00
Central Items	-		-	254,780.00	254,780.00
Total Income (a)	50,915,122.65	(80,040.00)	2,701,399.00	254,780.00	53,791,261.65
Expenditure					
Personal Emoluments	42,341,875.26		-	-	42,341,875.26
Other Charges	4,048,233.44	(80,040.00)	-	-	3,968,193.44
Rent and Rates	-		2,703,300.00	-	2,703,300.00
Central Items	-		-	275,486.00	275,486.00
Total Expenditure (b)	46,390,108.70	(80,040.00)	2,703,300.00	275,486.00	49,288,854.70
Surplus (Deficit) for the Year (a) - (b)	4,525,013.95	-	(1,901.00)	(20,706.00)	4,502,406.95
Less : Surplus/(Deficit) of Provident Fund	869,103.97	-	-	-	869,103.97
	3,655,909.98	-	(1,901.00)	(20,706.00)	3,633,302.98
Surplus (Deficit) b/f (Note (2))	5,380,975.23		(819,583.95)	1,633,290.60	6,194,681.88
	9,036,885.21	-	(821,484.95)	1,612,584.60	9,827,984.86
Add : Refund from Government			812,074.95		812,074.95
Less : Refund to Government					-
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement (Note (3))			-		-
Adjustment for utilised allocation under Enhanced ASCP - FWSS* (over-estimated) / under-estimated in previous year(s)	-	-			
Surplus (Deficit) c/f (Note (4))	9,036,885.21		(9,410.00)	1,612,584.60	10,640,059.81

Notes:

\# Including an amount $ being the utilised allocation under CI:ASCP / Enhanced ASCP/ ASCP(PC) -FWSS*

* For those programmes which are regarded as FSA-related activities only

^ Balance generated from those completed FSA services / FSA-related activities which are funded by Other Funds or Donations for Designated Purposes.

(1) Interest received on LSG, HA 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 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.

(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 will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year.
For NGOs with HA, with effect from 2022-23, 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 than zero]
The level of LSG cumulative reserve will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) 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 will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) 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 will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year. In this regard, separate disclosure of the movement of HA in their respective AFRs is not necessary.

[For details of (4)(i) and (4)(ii) above, please also refer to SWD's letter under reference (11) in SWD/S/109/1/10 of 4 April 2022.]

(5) As a support 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.

(6) With reference to paragraph 3.7.1 -3.7.3 of the Lump Sum Grant Subvention Manual, the Association is not required to include such projects in the AFR and to apportion the costs of operating such projects. Instead, these projects are reported in Annex 5A (3.5). Therefore, the Surplus c/f reported in the 2024/25 AFR has been reversed in 2025/26 AFR.

Schedule for Central Items

Analysis of Subvention and Expenditure for the Period from 1 April 2025 to 31 March 2026

Appendix B

Name of NGO : (S02) The Church of United Brethren in Christ Social Service Limited

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			Surplus b/f (Note 5) (e)	Refund from (to) Government (f)	Adjustment (Note 9) (g)	Surplus c/f (Note 6) (h)=(e)+(a)-(d)-(f)+/-(g)
							Deficit (Note 3) (b) = (a1) - (a2)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d) = (b) - (c)				
		$	$	$	$	$	$	$	$	$	$	$	$
Unit 3224	After School Care Programme - Fee Waiving Subsidy Scheme	176,088.00		160,747.00		15,341.00	0.00	N.A.	0.00	174,503.64			189,844.64
Unit 6635	Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	78,692.00		114,739.00		0.00	36,047.00	N.A.	36,047.00	(15,997.90)			(52,044.90)
Unit AC-68	Time-defined Service Contract of Social Work Service for Pre-primary Institutions (Note 11)												
	- Allocation	0.00					0.00			1,477,243.64			1,477,243.64
	- Rent and Rates	0.00				0.00		N.A.		(2,458.78)			(2,458.78)
TOTAL		254,780.00		275,486.00		15,341.00	36,047.00		36,047.00	1,633,290.60			1,612,584.60

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

^ Please take note of para. 4(f) of Points to Note on Preparation of AFR and Analysis Schedules in reporting the amounts of subvention.

Notes :

1(a). 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.

1(b). 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 2(b) below).

2(a). 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 2(b) below, if any.

2(b). 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 t.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. 0075-0010-0055-0010-0020-0010-0010-P001 dated 7 March 2025:
   (i) Infirmary Care Supplement for the Aged Blind Persons
   (ii) Infirmary Care Supplement for Residential Elderly services

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. 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.

10. Allocation mode was changed to LSG in Sept 2024. Claw-back of unspent balance is in progress.

11. Allocation mode was changed to LSG in Aug 2024. Claw-back of unspent balance is in progress.