

HONG KONG SOUTHERN DISTRICT WOMEN'S ASSOCIATION LIMITED
NGO 370

ANNUAL FINANCIAL REPORT

For the period from 1 April 2024 to 31
March 2025

楊少銓會計師事務所
ALBERT S. C. YOUNG & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

楊少銓會計師事務所 香港執業會計師

ALBERT S. C. YOUNG & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

89-93 Bonham Strand, 2nd Floor, Office C, Man Lok Building, Hong Kong.

**INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE MEMBERS OF
HONG KONG SOUTHERN DISTRICT WOMEN'S ASSOCIATION LIMITED
NGO 370 ("the NGO")**

INDEPENDENT AUDITOR'S ASSURANCE REPORT

**To the Committee Members of HONG KONG SOUTHERN DISTRICT WOMEN'S
ASSOCIATION LIMITED**

We have audited the financial statements of the NGO for the period from 1 April 2024 to 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 October 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 NGO for the period from 1 April 2024 to 31 March 2025.

Responsibilities of the Committee Members

In relation to this report, the Committee Members are responsible for ensuring the AFR of the NGO for the period from 1 April 2024 to 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 HONG KONG SOUTHERN DISTRICT WOMEN'S ASSOCIATION LIMITED 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.

楊少銓會計師事務所 香港執業會計師

ALBERT S. C. YOUNG & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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HONG KONG SOUTHERN DISTRICT WOMEN'S ASSOCIATION LIMITED
NGO 370 ("the NGO")**

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.

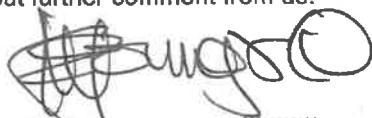
In relation to our conclusion 2 below, we have obtained an understanding in respect of the purposes of the use of the funds as specified in the LSG Manual and other instructions issued by the SWD and obtaining an understanding of the control procedures. We are not required to perform any procedures to search for instances of the use of funds from the LSG by the HONG KONG SOUTHERN DISTRICT WOMEN'S ASSOCIATION LIMITED 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 NGO for the period from 1 April 2024 to 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 HONG KONG SOUTHERN DISTRICT WOMEN'S ASSOCIATION LIMITED 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 HONG KONG SOUTHERN DISTRICT WOMEN'S ASSOCIATION LIMITED 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.

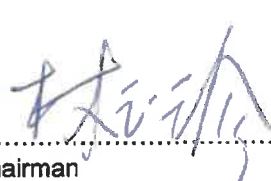


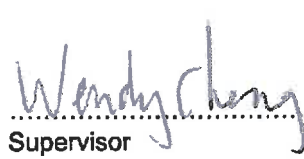
Albert S. C. Young & Company,
Certified Public Accountants.
Young Siu Chuen, Albert
Practising Certificate Number P00992
Hong Kong, 27 OCT 2025

ANNUAL FINANCIAL REPORT
HONG KONG SOUTHERN DISTRICT WOMEN'S ASSOCIATION LIMITED
NGO370
FOR THE PERIOD FROM 1 APRIL 2024 to 31 MARCH 2025

	Note	<u>2025</u> \$	<u>2024</u> \$
INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	4,756,624.00	1,296,228.00
b. Provident Fund	1c	322,220.00	94,176.00
2. Fee Income	2	532,800.00	145,440.00
3. Central Items	3	6,859,913.00	234,000.00
4. Rent and rates	4	103,376.00	107,253.00
5. Other income	5	3,120.00	1,385.00
6. Interest received		8,940.39	644.74
TOTAL INCOME		<u>12,586,993.39</u>	<u>1,879,126.74</u>
EXPENDITURE			
1. Personal Emoluments			
a. Salaries		3,381,160.00	909,171.70
b. Provident Fund	1c	142,363.49	39,587.40
c. Allowances		-	-
Sub-total	6	<u>3,523,523.49</u>	<u>948,759.10</u>
2. Other Charges	7	1,158,748.52	245,618.80
3. Central Items	3	144,782.00	1,080.00
4. Rent and rates	4	277,115.10	101,376.60
Total expenditure		<u>5,104,169.11</u>	<u>1,296,834.50</u>
SURPLUS FOR THE YEAR		<u>7,482,824.28</u>	<u>582,292.24</u>

The Annual Financial Report from pages 3 to 8 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.


Chairman
Lam Yuk Chun
Date: 27 OCT 2025


Supervisor
Cheng Man King
Date: 27 OCT 2025

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 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. 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 period.

c. **Provident Fund**

This is Provident Fund received and contributed during the period.

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 which are separately included as part of the income and expenditure of the relevant items have been shown under Note 3.

Details are analysed below:

Provident Fund Contribution	Snapshot Staff HK\$	6.8% and Other Posts HK\$	Total HK\$
Subvention Received	-	322,220.00	322,220.00
Provident Fund Contribution paid during the period	-	(142,363.49)	(142,363.49)
Surplus for the period	-	179,856.51	179,856.51
Add: Surplus / (Deficit) b/f	-	61,369.20	61,369.20
Additional subvention received for previous period	-	-	-
Less: Refund to Government	-	-	-
Surplus c/f	-	241,225.71	241,225.71

2. **Fee Income**

This represents social welfare fee income received for the period in respect of the fees and charges recognised for the purpose of subvention as set out in the LSG Manual.

NOTES ON THE ANNUAL FINANCIAL REPORT

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 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 have been separately included as part of the income and expenditure of the relevant items (paragraph 3.14 of the LSG Manual). The income and expenditure of each of the Central Items are as follows:

	<u>2025</u>	<u>2024</u>
	\$	\$
a. Income		
ASCP(PC) Fee Subsidy	-	234,000.00
NSCCP – Subsidy for Fee Reduction/Waiving	2,657,953.00	-
NSCCP – Subsidy for Incentive Payment	4,164,160.00	-
NSCCP – Subsidy for Training Allowance	37,800.00	-
	<u>6,859,913.00</u>	<u>234,000.00</u>
b. Expenditure		
ASCP(PC) Fee Subsidy	-	1,080.00
NSCCP – Subsidy for Fee Reduction/Waiving	16,897.00	-
NSCCP – Subsidy for Incentive Payment	86,540.00	-
NSCCP – Subsidy for Training Allowance	26,080.00	-
ASCP(PC) Fee Subsidy	15,265.00	-
	<u>144,782.00</u>	<u>1,080.00</u>

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 ON THE ANNUAL FINANCIAL REPORT

5. Other Income

This includes programme income and all income other than recognised social welfare fee income received during the period. Non-SWD subventions and donations received need not be 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:

	<u>2025</u>	<u>2024</u>
	\$	\$
(a) Programme income	3,120.00	1,385.00
(b) Production income	-	-
(c) Donation	-	-
(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*	-	-
(f) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	-	-
(g) Miscellaneous income	-	-
Sub-total	3,120.00	1,385.00
Less: Utilised allocation under CI: ASCP / Enhanced ASCP / ASCP(PC) -FWSS which forms as part of other income*	-	-
Total	3,120.00	1,385.00

* For those programmes which are regarded as FSA services / FSA-related activities 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 \$700,000 each paid under LSG is appended below:

Analysis of Personal Emoluments paid under LSG	No. of Posts	\$
HK\$700,001- HK\$800,000 p.a.	Nil	Nil amount
HK\$800,001 - HK\$900,000 p.a.	Nil	Nil amount
HK\$900,001 - HK\$1,000,000 p.a.	Nil	Nil amount
HK\$1,000,001 - HK\$1,100,000 p.a.	Nil	Nil amount
HK\$1,100,001 - HK\$1,200,000 p.a.	Nil	Nil amount
>HK\$1,200,000 p.a	Nil	Nil amount

NOTES ON THE ANNUAL FINANCIAL REPORT

7. Other Charges

		<u>2025</u>	<u>2024</u>
		\$	\$
The breakdown on Other Charges is as follows:			
(a)	Utilities	54,997.50	22,486.40
(b)	Food	37,851.80	7,556.10
(c)	Administrative Expenses	383,427.60	135,328.20
(d)	Stores and Equipment	113,680.57	22,514.60
(e)	Repair and Maintenance	52,984.70	23,664.00
(f)	Payment to Home-based child carers	102,780.00	-
(g)	Programme Expenses	341,203.10	29,673.30
(h)	Transportation and Travelling	4,795.75	1,294.00
(i)	Insurance	55,438.20	2,342.70
(j)	Miscellaneous	11,589.30	759.50
	Sub-total	<u>1,158,748.52</u>	<u>245,618.80</u>
Less: Utilised allocation under CI : ASCP / Enhanced ASCP / ASCP(PC) - FWSS* which forms as part of Other Income to fund the operating expenses of FSA services / FSA-related activities		-	-
	Total	<u><u>1,158,748.52</u></u>	<u><u>245,618.80</u></u>

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

8 Analysis of Lump Sum Grant Reserve and balance of other SWD subventions

	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$
INCOME				
Lump Sum Grant	5,078,844.00	-	-	5,078,844.00
Fee Income	532,800.00	-	-	532,800.00
Other Income	3,120.00	-	-	3,120.00
Interest Received (Note (1))	8,940.39	-	-	8,940.39
Rent and Rates	-	103,376.00	-	103,376.00
Central Items	-	-	6,859,913.00	6,859,913.00
TOTAL INCOME (a)	5,623,704.39	103,376.00	6,859,913.00	12,586,993.39
EXPENDITURE				
Personal Emoluments	3,523,523.49	-	-	3,523,523.49
Other Charges	1,158,748.52	-	-	1,158,748.52
Rent and Rates	-	277,115.10	-	277,115.10
Central Items	-	-	144,782.00	144,782.00
TOTAL EXPENDITURE (b)	4,682,272.01	277,115.10	144,782.00	5,104,169.11
Surplus for the period (a)-(b)	941,432.38	(173,739.10)	6,715,131.00	7,482,824.28
Less: Surplus of Provident Fund	179,856.51	-	-	179,856.51
	761,575.87	(173,739.10)	6,715,131.00	7,302,967.77
Surplus / (Deficit) b/f (Note (2))	304,113.43	(8,588.30)	466,920.00	762,445.13
	1,065,689.30	(182,327.40)	7,182,051.00	8,065,412.90
Add: Refund from Government	-	-	-	-
Less: Refund to Government	(15,415.80)	-	-	(15,415.80)
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 period(s)	-	-	-	-
Surplus/Deficit c/f (Note (4))	1,050,273.50	(182,327.40)	7,182,051.00	8,049,997.10

Notes:

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

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

- (1) (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.
- (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 (1,050,273.50) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (4,682,272.01) excluding Provident Fund Contribution (142,363.49)) 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 (1,050,273.50) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (4,682,272.01) excluding Provident Fund Contribution (142,363.49)) 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 (1,050,273.50) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (4,682,272.01) excluding Provident Fund Contribution (142,363.49)) 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. 1,050,273.50) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (4,682,272.01) excluding Provident Fund Contribution (142,363.49)) 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 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.