

FU HONG SOCIETY
ASSURANCE REPORT
ON THE
ANNUAL FINANCIAL REPORT
AND
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH, 2026

TSE LO CPA LIMITED

Certified Public Accountants (Practising)
Hong Kong

FU HONG SOCIETY

**ASSURANCE REPORT ON THE ANNUAL FINANCIAL REPORT AND
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH, 2026**

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INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE COUNCIL OF FU HONG SOCIETY ("the Society")

We have audited the financial statements of the Society for the year ended 31st 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 24th September, 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 Society for the year ended 31st March, 2026.

Responsibilities of the Members of Council

In relation to this report, the Members of Council are responsible for ensuring the AFR of the Society for the year ended 31st 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 Society 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, for submission to the SWD, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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.

**INDEPENDENT AUDITOR'S ASSURANCE REPORT (CONTINUED)
TO THE COUNCIL OF
FU HONG SOCIETY ("the Society")**

Auditor's Responsibility (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 Society 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 Society for the year ended 31st 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 Society has not complied, in all material respects, with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

謝盧會計師事務所有限公司

TSE LO CPA LIMITED *Certified Public Accountants (Practising)*

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INDEPENDENT AUDITOR'S ASSURANCE REPORT (CONTINUED)
TO THE COUNCIL OF
FU HONG SOCIETY ("the Society")

Intended Users and Purpose

This report is intended solely for submission by the Society 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.



Tse Lo CPA Limited
Certified Public Accountants (Practising)
Hong Kong
Date: 24th September, 2026

Mak Kong Fan
Practising Certificate Number: P03120

ANNUAL FINANCIAL REPORT

FU HONG SOCIETY

1ST APRIL, 2025 TO 31ST MARCH, 2026

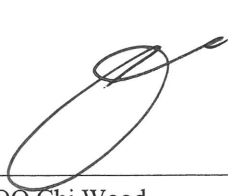
	Notes	2025-26 \$	2024-25 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	484,794,733.00	448,932,844.00
b. Provident Fund	1c	34,785,210.00	33,096,803.00
Sub-total		519,579,943.00	482,029,647.00
2. Fee Income	2	23,017,573.40	21,849,505.50
3. Central Items	3	1,487,885.90	2,212,795.00
4. Rent and Rates	4	15,223,295.00	13,098,878.00
5. Other Income	5	12,213,956.52	14,483,202.71
6. Interest Received		3,387,871.29	5,328,998.95
TOTAL INCOME		<u>574,910,525.11</u>	<u>539,003,027.16</u>
B. EXPENDITURE			
1. Personal Emoluments			
a1. Salaries		387,591,320.88	379,844,324.78
a2. Salaries (Other Funds or Donations for Designated Purposes)		-	2,347,770.16
b1. Provident Fund	1c	28,844,895.82	28,632,005.60
b2. Provident Fund (Other Funds or Donations for Designated Purposes)		-	137,929.51
c. Allowances		4,563,334.50	4,544,180.16
Sub-total	6	420,999,551.20	415,506,210.21
2. Other Charges	7	86,216,730.10	91,655,361.51
3. Central Items	3	1,250,613.00	2,375,952.71
4. Rent and Rates	4	16,122,938.27	14,970,620.45
TOTAL EXPENDITURE		<u>524,589,832.57</u>	<u>524,508,144.88</u>
C. SURPLUS FOR THE YEAR	8	<u>50,320,692.54</u>	<u>14,494,882.28</u>

The Annual Financial Report from pages 4 to 10 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURE


 Mr. CHEN Kwok Keung, Kenny
CHAIRMAN
 DATE: 24th September, 2026

SIGNATURE


 Dr. WOO Chi Wood
CHIEF EXECUTIVE OFFICER
 DATE: 24th September, 2026

FU HONG SOCIETY
NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE YEAR 2025-26

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. If the Society 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 1st April, 2000.

Other posts represent those staff that are employed after 1st 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:

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u>	<u>Other Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	6,309,527.00	28,475,683.00	34,785,210.00
Provident Fund Contribution paid during the Year	(6,003,290.00)	(22,841,605.82)	(28,844,895.82)
Surplus for the year	306,237.00	5,634,077.18	5,940,314.18
Add: Surplus b/f	2,356,716.07	37,441,925.25	39,798,641.32
Add: Additional subvention received for previous years	-	467,314.00	467,314.00
Refund from MPF Trustee during the year	-	978,775.10	978,775.10
Less: Refunded to Government	(1,404,818.00)	-	(1,404,818.00)
Surplus c/f	<u>1,258,135.07</u>	<u>44,522,091.53</u>	<u>45,780,226.60</u>

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 LSG Subvention Manual.

FU HONG SOCIETY
NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE YEAR 2025-26

3. Central Items

These are subvented services 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 Society. 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>2025/26</u>	<u>2024/25</u>
	\$	\$
a. Income		
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	-	330,000.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	1,129,006.00	1,511,382.00
Time-defined Allocation of Ethnic Minority District Ambassador Posts - Central Item (A) Salary and Mandatory Provident Fund	203,007.90	213,612.00
Time-defined Allocation of Ethnic Minority District Ambassador Posts - Central Item (B) Other Charges	28,472.00	27,801.00
Pilot Scheme on Training to Foreign Domestic Helpers in Care for Persons with Disabilities	29,400.00	30,000.00
Transition Subsidy for School Leavers (CITSL)	98,000.00	100,000.00
Total	<u>1,487,885.90</u>	<u>2,212,795.00</u>
b. Expenditure		
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	330,000.00	893,101.00
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	793,213.00	1,342,980.00
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	1,000.00
Time-defined Allocation of Ethnic Minority District Ambassador Posts Central Item (A) - Salary and Mandatory Provident Fund	-	34,316.79
Time-defined Allocation of Ethnic Minority District Ambassador Posts Central Item (B) - Other Charges	-	1,654.02
Pilot Scheme on Training to Foreign Domestic Helpers in Care for Persons with Disabilities	29,400.00	30,000.00
One-off Allocation for Providing Assistance to Persons with Disabilities under the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities	-	46,902.00
Transition Subsidy for School Leavers (CITSL)	98,000.00	25,998.90
Total	<u>1,250,613.00</u>	<u>2,375,952.71</u>

FU HONG SOCIETY
NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE YEAR 2025-26

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:

	<u>2025/26</u>	<u>2024/25</u>
Other Income	\$	\$
(a) Fees and charges for services incidented to the operation of subvented services		
Day care fee	1,209,612.75	1,223,071.50
Other fees	3,645,971.37	4,257,331.09
(b) Programme income	1,647,624.83	1,656,819.50
(c) Production income	3,300,291.95	2,951,529.99
(d) Other Funds or Donations for Designated Purposes	-	2,703,539.53
(e) Reimbursement of Maternity Leave Pay from Labour Department	171,575.35	-
(f) Subsidy received for Abolition of MPF Offsetting Arrangement from Labour Department	23,233.15	-
(g) Miscellaneous income	2,215,647.12	1,690,911.10
	<u>12,213,956.52</u>	<u>14,483,202.71</u>

6. Personal Emoluments

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

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

<u>Analysis of Personal Emoluments paid under LSG</u>	<u>No. of Posts</u>	\$
HK\$1,000,001 - HK\$1,100,000 p.a.	5	5,212,647
HK\$1,100,001 - HK\$1,200,000 p.a.	12	13,634,632
HK\$1,200,001 - HK\$1,300,000 p.a.	3	3,690,523
HK\$1,300,001 - HK\$1,400,000 p.a.	1	1,342,658
HK\$1,400,001 - HK\$1,500,000 p.a.	1	1,457,517
>HK\$1,500,000 p.a.	2	3,318,965

FU HONG SOCIETY
NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE YEAR 2025-26

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 8 of the AFR.

The breakdown on Other Charges is as follows:

	<u>2025/26</u>	<u>2024/25</u>
<u>Other Charges</u>	\$	\$
(a) Utilities	13,202,377.46	12,860,924.75
(b) Food (including food for service users)	13,227,778.34	13,170,768.30
(c) Administrative Expenses	3,851,182.38	4,387,221.23
(d) Stores and Equipment	2,945,958.76	3,112,193.83
(e) Minor Repair and Maintenance	13,818,697.54	14,933,833.78
(f) Renovation Expenses	285,180.16	1,273,591.95
(g) Special Allowances	2,274,024.50	2,257,966.00
(h) Programme Expenses	4,877,484.13	5,005,965.93
(i) Transport and Travelling	3,503,331.68	3,998,730.85
(j) Insurance	6,606,105.87	6,831,368.75
(k) Service Users' Work Payment	2,653,483.70	2,366,887.03
(l) Staff Development	2,037,764.87	1,939,628.95
(m) Staff Uniform	114,569.20	174,776.30
(n) Medical -VMP	2,752,504.00	2,610,836.50
(o) Staff post contract out	10,391,960.63	13,279,271.52
(p) Miscellaneous	3,674,326.88	3,451,395.84
	<u>86,216,730.10</u>	<u>91,655,361.51</u>

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

	Lump Sum Grant (LSG) \$	Holding Account (HA) \$	Other Funds or Donations for Designated Purposes \$	Adjustment for Utilised allocation under ASCP / Enhanced ASCP / ASCP (PC) / FWSS \$	Rent and Rates \$	Central Items (CI) \$	Total \$
Income							
Lump Sum Grant	519,579,943.00	-	-	-	-	-	519,579,943.00
Fee Income	23,017,573.40	-	-	-	-	-	23,017,573.40
Other Income	12,213,956.52	-	-	-	-	-	12,213,956.52
Interest Received (Note (1))	3,387,871.29	-	-	-	-	-	3,387,871.29
Rent and Rates	-	-	-	-	15,223,295.00	-	15,223,295.00
Central Items	-	-	-	-	-	1,487,885.90	1,487,885.90
Total Income (a)	558,199,344.21	-	-	-	15,223,295.00	1,487,885.90	574,910,525.11
Expenditure							
Personal Emoluments	416,061,173.20	4,938,378.00	-	-	-	-	420,999,551.20
Other Charges	86,216,730.10	-	-	-	-	-	86,216,730.10
Rent and Rates	-	-	-	-	16,122,938.27	-	16,122,938.27
Central Items	-	-	-	-	-	1,250,613.00	1,250,613.00
Total Expenditure (b)	502,277,903.30	4,938,378.00	-	-	16,122,938.27	1,250,613.00	524,589,832.57
Surplus / (Deficit) for the year (a) - (b)	55,921,440.91	(4,938,378.00)	-	-	(899,643.27)	237,272.90	50,320,692.54
Less: Surplus of Provident Fund	(5,940,314.18)	-	-	-	-	-	(5,940,314.18)
Surplus / (Deficit) b/f (Note (2))	49,981,126.73	(4,938,378.00)	-	-	(899,643.27)	237,272.90	44,380,378.36
Add / (Less) : Prior Year Adjustment for 2024/25	51,582,444.89	61,992,573.00	-	-	(2,146,936.16)	234,457.39	111,662,539.12
	600,165.86	-	-	-	(2.26)	-	600,163.60
Less: Adjustment of clawback amount of rent and rates for 2024/2025	-	-	-	-	(13,166.00)	-	(13,166.00)
	102,163,737.48	57,054,195.00	-	-	(3,059,747.69)	471,730.29	156,629,915.08
Add: Refund from Government	-	-	-	-	1,527,877.26	-	1,527,877.26
Less: Refund to Government	-	-	-	-	-	(74,001.10)	(74,001.10)
Surplus / (Deficit) c/f	102,163,737.48	57,054,195.00	-	-	(1,531,870.43)	397,729.19	158,083,791.24

Note:

- (1.) Interest received on LSG (including HA) and Provident Fund reserves, Rent and rates and 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.) The level of LSG cumulative reserve less LSG reserve kept in holding account, will be capped at 25% of the Society's operating expenditure (excluding Provident Fund expenditure) for the year. Regarding the calculation of the amount of LSG cumulative reserve for this purpose, the balance as at 31.3.2007 of \$84,779,791.00 is excluded as per SWD's instruction.

Schedule for Central Items
Analysis of Subvention and Expenditure for the period from 1 April 2025 to 31 March 2026

Name of Agency : 648 Fu Hong Society

Unit Code and Name/ Remittance Advice No. (Note 7)	Subvented Element	Subvention Released (Note 1a)	Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received (Note 1b)#	Actual Expenditure (Note 2a)	Actual Expenditure incurred under RMLP Scheme (Note 2b)#	Surplus (Note 3)	Deficit for the Year			Refund to from (to) Government	Adjustment (Note 9)	Surplus / (Deficit) b/f (Note 5)	Surplus / (deficit) c/f (Note 6)
							Deficit (Note 3)	Deficit transferred to LSG (Note 4)	Adjusted Deficit				
		(a1)	(a1) - (a2)	(a2)	(a2) - (a3)	(a3) - (a4)	(a4) - (a5)	(a5) - (a6)	(a6) - (a7)	(a7) - (a8)	(a8) - (a9)	(a9) - (a10)	(a10) - (a11)
6472	Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-	-	-	-	-	-	-	-	-	152,125.00	152,125.00
6580	Training Sponsorship Scheme for Two-year MOT/MPT Programme of POLYU	-	-	330,000.00	-	-	(330,000.00)	-	(330,000.00)	-	-	330,000.00	-
6591	Training Subsidy for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	1,129,006.00	-	793,213.00	-	335,793.00	-	-	-	-	-	(530,891.00)	(195,098.00)
6813	Ethnic Minority District Ambassador (Central Item A)	203,007.90	-	-	-	203,007.90	-	-	-	-	-	183,075.31	386,083.21
6814	Ethnic Minority District Ambassador (Central Item B)	28,472.00	-	-	-	28,472.00	-	-	-	-	-	26,146.98	54,618.98
AH08	Pilot Scheme on Training to Foreign Domestic Helpers in Care for PWD (T/D 30/09/2026)	29,400.00	-	29,400.00	-	-	-	-	-	-	-	-	-
AL91	DSC- Transition Subsidy for School Leavers (CITSL)	98,000.00	-	98,000.00	-	-	-	-	-	(74,001.10)	-	74,001.10	-
TOTAL		1,487,885.90	-	1,250,613.00	-	567,272.90	(330,000.00)	-	(330,000.00)	(74,001.10)	-	234,457.39	397,729.19

Note:

- 1(a). The figures for the whole financial year are extracted from the payroll 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 i.e. 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
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 payroll 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.