Barnabas Charitable Service Association Limited
基督教巴拿巴愛心服務團有限公司

Note

a. 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.

b. The report is intended for filing with the Social Welfare Department of the Government of the HKSAR and should not be used for any other purpose.

BARNABAS CHARITABLE SERVICE ASSOCIATION LIMITED
基督教巴拿巴愛心服務團有限公司
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2026
FOR SUBMISSION TO THE SOCIAL WELFARE DEPARTMENT

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INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE ANNUAL FINANCIAL REPORT TO THE BOARD OF DIRECTORS OF BARNABAS CHARITABLE SERVICE ASSOCIATION LIMITED 基督教巴拿巴愛心服務團有限公司

(incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of Barnabas Charitable Service Association 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 19 August 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 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.

Auditor's Responsibility

Our responsibility is to form a conclusion, based on our engagement, and to report our conclusion to you. We do not assume or accept any responsibility or liability or duty of care 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.

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.

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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 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 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.

K.W. Tam & Co.
Certified Public Accountants (Practising)
Unit 2002, 20th Floor,
Millennium City 3,
370 Kwun Tong Road,
Kowloon, Hong Kong

19 August 2026

ANNUAL FINANCIAL REPORT

NGO 53: BARNABAS CHARITABLE SERVICE ASSOCIATION LIMITED
(基督教巴拿巴愛心服務團有限公司)
(1 APRIL 2025 TO 31 MARCH 2026)

	Note	2025-26 HK$	2024-25 HK$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	9,490,902.00	8,669,410.00
b. Provident Fund	1c	560,346.00	528,137.00
2. Fee Income	2	1,935,267.38	1,654,687.43
3. Central Items	3	---	---
4. Rent and Rates	4	570,552.00	507,240.00
5. Other Income	5	46,855.55	49,964.26
6. Interest Received		11,685.20	15,691.99
TOTAL INCOME		12,615,608.13	11,425,130.68
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		7,511,035.72	7,277,981.77
b. Provident Fund	1c	452,845.53	444,188.18
c. Allowances		44,500.00	50,452.00
Sub-total	6	8,008,381.25	7,772,621.95
2. Other Charges	7	2,612,563.35	2,480,278.14
3. Central Items	3	---	---
4. Rent and Rates	4	525,274.00	579,622.00
TOTAL EXPENDITURE		11,146,218.60	10,832,522.09
C. SURPLUS FOR THE YEAR	8	**1,469,389.53**	**592,608.59**

The Annual Financial Report from pages 3 to 7 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Subvention Manual.

SIGNATURE

Chairman
Date: 19 August 2026

Chief Executive
Date: 19 August 2026

NOTES ON THE ANNUAL FINANCIAL REPORT

NGO 53: BARNABAS CHARITABLE SERVICE ASSOCIATION LIMITED
(基督教巴拿巴愛心服務團有限公司)
(1 APRIL 2025 TO 31 MARCH 2026)

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 ("LSG") 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 **Notes 3 and 8.**
Details are analysed below :

Provident Fund Contribution	Snapshot staff HK$	Other Posts HK$	Total HK$
Subvention Received	---	560,346.00	560,346.00
Provident Fund Contribution Paid during the Year	---	(452,845.53)	(452,845.53)
Surplus for the Year	---	107,500.47	107,500.47
Add: Surplus/(Deficit) b/f	---	657,336.78	657,336.78
Additional subvention received for previous year(s)	---	---	---
Less: Refund to Government	---	---	---
Surplus/(Deficit) c/f	---	764,837.25	764,837.25

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.

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).

There is no income received or expenditure paid for the year.

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:

Other Income	2025-26 Unit 7875 HK$	2025-26 Unit 7874 HK$	2025-26 Total HK$	2024-25 Total HK$
(a) Programme income	---	-	-	100.00
(b) Miscellaneous income (e.g. general donations, photocopying charges, etc.)	16,536.55	30,319.00	46,855.55	49,864.26
Total	**16,536.55**	**30,319.00**	**46,855.55**	**49,964.26**

** 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 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.	---	---
HK$1,100,001 - HK$1,200,000 p.a.	---	---
HK$1,200,001 - HK$1,300,000 p.a.	---	---
HK$1,300,001 - HK$1,400,000 p.a.	---	---
HK$1,400,001 - HK$1,500,000 p.a.	---	---
>HK$1,500,000 p.a.	---	---

7. **Other Charges** The breakdown on Other Charges is as follows:

Other Charges	2025-26 Unit 7875 HK$	2025-26 Unit 7874 HK$	2025-26 Total HK$	2024-25 Total HK$
(a) Utilities	181,503.00	94,949.50	276,452.50	261,911.80
(b) Food (including food for service users)	284,718.90	238,421.70	523,140.60	444,378.10
(c) Administrative Expenses	162,278.33	44,224.00	206,502.33	224,712.78
(d) Stores and Equipment	134,652.11	48,090.23	182,742.34	328,477.58
(e) Minor Repair and Maintenance	72,742.00	176,422.51	249,164.51	299,068.80
(f) Programme Expenses	512,494.27	212,710.40	725,204.67	602,409.80
(g) Transportation and Travelling	8,888.40	79,984.33	88,872.73	80,603.00
(h) Insurance	173,626.50	4,504.74	178,131.24	149,060.88
(i) Miscellaneous	87,326.55	95,025.88	182,352.43	89,655.40
Total	**1,618,230.06**	**994,333.29**	**2,612,563.35**	**2,480,278.14**

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

NOTES ON THE ANNUAL FINANCIAL REPORT

NGO 53: BARNABAS CHARITABLE SERVICE ASSOCIATION LIMITED
(基督教巴拿巴愛心服務團有限公司)
(1 APRIL 2025 TO 31 MARCH 2026)

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

	Lump Sum Grant (LSG)	Rent and Rates	Central Items (CI)	Total
	HK$	HK$	HK$	HK$
Income				
Lump Sum Grant	10,051,248.00	---	---	10,051,248.00
Fee Income	1,935,267.38	---	---	1,935,267.38
Other Income	46,855.55	---	---	46,855.55
Interest Received (Note (1))	11,685.20	---	---	11,685.20
Rent and Rates	---	570,552.00	---	570,552.00
Central Items	---	---	---	---
Total Income (a)	**12,045,056.13**	**570,552.00**	---	**12,615,608.13**
Expenditure				
Personal Emoluments	8,008,381.25	---	---	8,008,381.25
Other Charges	2,612,563.35	---	---	2,612,563.35
Rent and Rates	---	525,274.00	---	525,274.00
Central Items	---	---	---	---
Total Expenditure (b)	**10,620,944.60**	**525,274.00**	---	**11,146,218.60**
Surplus/(Deficit) for the Year (a) - (b)	**1,424,111.53**	**45,278.00**	---	**1,469,389.53**
Less: Surplus/(Deficit) of Provident Fund	107,500.47	---	---	107,500.47
Surplus/(Deficit) for the Year (excl. PF)	1,316,611.06	45,278.00	---	1,361,889.06
Surplus/(Deficit) b/f (Note (2))	**2,320,026.88**	**(165,213.00)**	---	**2,154,813.88**
	3,636,637.94	**(119,935.00)**	---	**3,516,702.94**
Add: Refund from Government	---	28,012.00	---	28,012.00
Add: Deficit borne by own fund	---	92,831.00	---	92,831.00
Surplus/(Deficit) c/f (Note (3))	**3,636,637.94**	**908.00**	---	**3,637,545.94**

Notes:

(1) Interest received on LSG (including Holding accounts ("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 the balance of Other Funds or Donations for Designated Purposes should be separately reported.

(3) Amount of LSG Reseve 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 (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 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.