

# 週年財務報告 2019-2020

The Annual Financial Report



**CHRISTIAN FAMILY SERVICE CENTRE  
(INCORPORATED UNDER THE HONG KONG  
COMPANIES ORDINANCE)  
DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2020**

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The directors present herewith their report and the audited consolidated financial statements for the year ended 31 March, 2020.

### **Principal activities**

The principal activities of Christian Family Service Centre ("the Centre") and its subsidiary ("the Group") are provision of family services, children and youth services, elderly services, rehabilitation services, community development services and health services, etc. to the needy people in Hong Kong with a view to manifesting the love of God and enhancing family life and provision of dental and ancillary services on a non-profit-making basis to improve the oral health of people. There were no significant changes in the nature of the Group's principal activities during the year.

The principal activities of its subsidiary are set out in note 8 to the financial statements.

### **Financial statements**

The financial performance of the Group for the year ended 31 March, 2020 and the state of affairs of the Group and the Centre at that date are set out in the consolidated financial statements on pages 9 to 44.

### **Group status**

The Group are companies incorporated in Hong Kong with liability limited by guarantee.

### **Reserves**

Details of movements in the reserves of the Group and of the Centre for the year ended 31 March, 2020 are set out in consolidated statement of changes in reserves and funds and note 34 to the financial statements.

## Directors

The directors who held office during the year and up to the date of this report were:

Professor Alex Kwan Yui-huen (Chairman)	關銳煊
Rev. Daniel Li Yat-shing (Vice-chairman)	李日誠
Mr. Antonio Kwong Cho-shing, M.H. (Hon. Treasurer)	鄺祖盛
Mr. Cheng Wing-for	鄭榮科
Mr. Chow Siu-ngor	鄒小岳
Mr. Kwok Wai-keung	郭偉強
Miss Nora Yau Ho-chun, M.H., J.P.	邱可珍
Rev. Chan Kwok-keung	陳國強
Rev. Chau Kwok-cheong	周國昌
Mr. Thomas Tsang Fuk-chuen	曾福全
Mr. Clifford Leung Siu-on, M.H.	梁紹安
Rev. Ko Kwok-hung	高國雄 (appointed on 1 January, 2020)
Rev. Wong Wing-chi	黃永智 (appointed on 1 January, 2020)
Lt.-Col. Tsang Hing-man	曾慶敏 (appointed on 1 January, 2020)
Rev. To Man-ling	杜敏玲 (appointed on 14 July, 2020)
Elder So Ming-po	蘇明波 (appointed on 9 July, 2019 and resigned on 31 December, 2019)
Rev. Yu Shing-yee	余勝意 (appointed on 1 January, 2020 and resigned on 4 April, 2020)
Rev. Chan Wing-on	陳永安 (resigned on 27 May, 2019)
Rev. Po Kam-cheong	蒲錦昌 (resigned on 31 December, 2019)
Rev. Yung Chuen-hung	翁傳鏗 (resigned on 31 December, 2019)
Rev. Wong Chak-tong	王澤堂 (resigned on 31 December, 2019)

In accordance with the provisions of Centre's Articles of Association, the remaining directors in office will continue to hold office for the coming year.

## Directors of the Centre's subsidiary

During the year and up to date of this report, Miss Nora Yau Ho-chun, M.H., J.P. is also a director in the subsidiary of the Centre. Other directors of the Centre's subsidiary during the year and up to the date of this report include: Professor Edward Lo Chin-man and Mr. Alfred So Ping-fai.

## Directors' material interests in transactions, arrangements and contracts that are significant in relation to the Centre's business

No transaction, arrangement and contract of significance to which the Centre or any of its subsidiary was a party and in which a director of the Centre had a material interest, subsisted at the end of the year or at any time during the year.

## Permitted indemnity provisions

At no time during the financial year and up to the date of this Directors' Report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Group (whether made by the Group or otherwise or an associated company (if made by the Group)).

## **Business Review 2020**

### **A fair review of business**

Christian Family Service Centre (CFSC) is a non-profit NGO providing multi-services to the people of Hong Kong since 1954. In the year 2019-20, CFSC continued to operate smoothly despite interruptions on service provision due to social movement and Covid-19 pandemic. In terms of business development, as a whole, significant growth was recorded in 2019-20. The total turnover of the year was \$701.2M, representing a 21.6% growth compared to \$576.5M in 2018-19. The revenue mainly came from four categories of service operations including the SWD Lump Sum Grant Services (LSG), the Applied-Funding Services (SWD & Government Projects), Applied-Funding Services (non-Government Projects) and the Self-Supporting Services (Self-Supporting). Revenue also came from a subsidiary Christian Family Service Centre Dental Services Limited (DS). The income for LSG Services has increased by 19.9% from \$346M last year to \$415M this year whereas the Applied Fund Services (both Government & non-Government) has increased by 67.8% from last year's \$168.6M to this year's \$282.9M. However, the revenue of Self-Supporting Services (including corporate support services) has dropped 9.9% from \$69.24M to \$62.34M mainly due to poor business affected by the Covid-19 pandemic. The overall surplus for the year is \$27.38M which has taken into account a fair value loss on financial assets. The LSG reserve increased from \$30.3M to \$46.1M while the total reserves increased from \$154M to \$180M.

The increase of LSG revenue mainly came from the newly operated LSG projects including the "Pilot Project on Professional Outreach Team for Private Residential Care Homes for Persons with Disabilities" started in March 2019, an expansion of School Social Work Service with the "Two School Social Workers for One School" Scheme from September 2019, and the commencement of four new units located in the Kai Nang Integrated Rehabilitation Complex (KNIRSC) from January 2020. The increase of revenue in Applied-Funding Services was mainly due to an additional service quota allocated to the Enhanced Home and Community Care Service (EHCCS) from October 2019 and a number of new projects funded by different funding bodies.

The high revenue increase in 2019-20 was also partly due to a change in accounting treatment where accrual method was adopted for funded projects and an effort to speed up the reimbursement of project funds.

### **Principal risks and uncertainties**

Entering the year 2020, Hong Kong experienced an unforeseeable Covid-19 pandemic strike started at the end of January 2020. A large number of job loss was reported due to a halt for certain business operation across the city. CFSC's operation was seriously affected and the service operations had to follow the guidelines of Social Welfare Department. Benefited from the stable subvention from SWD and the generosity of most funding bodies, the income for LSG Services and for most of the Applied Funding Services remained stable. However, for Self-Supporting Services, there were big deficits recorded in most of the self-financed services including Medical & Health Services, Dental Clinic, Chinese Medicine Centre, Dementia Care Service Centres, Community Care Service Vouchers, Whole Person Development Centre, Youth Exploration Unit, Home Café and Booking office. An estimated short of income in February and March 2020 was around \$6.7M. In the subsequent year 2020-2021, a further \$12M deficit is anticipated.

Despite the continuation of negative impact on services caused by Covid-19 pandemic, the overall revenue outlook would remain stable as 68.86% of the service income is stable subvention from SWD. To address the anticipated deficit for self-financed services, we would apply for support from the Employment Support Scheme (ESS) under the Government's Second Round Anti-epidemic Fund to cover part of the deficits. In addition, the operation mode of some services would be reviewed for its sustainability.

Regarding investment risk, CFSC continues to adopt a conservative strategy for reserve investment and the investment is closely monitored by the Board. The amount CFSC invested in the equity-related products is only 9.5% of the total reserve and the investment risk is considered to be low though there is greater uncertainties in the investment market in the coming year.



## **Business Review 2020 (continued)**

### **Important events in the financial year 2019-2020**

One major focus of work in the year 2019-20 was to prepare for the operation of six out of nine services in the new Kai Nang Integrated Rehabilitation Complex (KNIRSC). Among these six services, four were awarded to CFSC in January 2019 in a bundle contract includes operating a Supported Hostel for Mentally/Physically Handicapped Persons; a Hostel for Severely Physically Handicapped Persons; a Hostel for Moderately Mentally Handicapped Persons; and an Integrated Vocational Rehabilitation Services Centre. The other two CFSC units in KNIRSC were the re-provision of the District Support Centre and Community Rehabilitation Day Centre. The construction work of KNIRSC was completed in July 2019 and handed over to NGOs for fitting-out. The fitting-out work started in August and completed in December 2019 and most of the services were commenced in the first quarter of 2020. The KNIRSC is located just adjacent to the CFSC Headquarters building and it marked another milestone for CFSC development as it greatly synergizes with our existing services in the neighborhood.

Apart from new services in KNIRSC, there was a number of other service initiatives confirmed in the year 2019-20. For instance, in May 2019 we received confirmation from the Community Chest to support three time-limited projects, namely the "Hand-in-Hand to Co-create Harmonious School Environment Project", the "Renal and CAPD Care Service" for home-bound elderly and the "Dental Care Action" to provide dental care for low income families. In July 2019, the SWD awarded a contract to CFSC to fit-out and operate two rehabilitation service units in So Uk Estate in Shum Shui Po which includes a new 50-place Hostel for Moderately Mentally Handicapped Persons and a new 120-places Integrated Vocational Rehabilitation Service Centre. In August 2019, Vera Ruttonjee Desai Charitable Fund confirmed to sponsor the operation of Aberdeen Mind Delight Dementia Care Centre for three years and to fund a new project "Start with Zero" to promote zero restraints in elderly care. In December 2019, The Hong Kong Jockey Club Charities Trust (HKJC) confirmed to support a Mobile Recycling Programme in Kowloon East and a mental health project in Tseung Kwan O, namely the "Early Intervention and Community Support for Parents".

In response to the Covid-19 outbreak in January, CFSC received several special grants from SWD to purchase personal protective equipment and to support frontline staff who need to work in residential care settings or at clients' homes. We also partnered with various funding bodies and commercial donors to provide care packs, food packs, urgent cash assistance and comfort calls to support those most affected by the Covid-19 in the community.

Apart from providing services, an Outstanding Staff Award 2019 was launched to recognize the contribution of staff with outstanding performance. Fifty-two awardees were selected among 75 nominations and an Award Presentation Ceremony was held on 30 August 2019.

The service project "HKJC New Estate Support Programme at Anderson Road" was selected as one of the awardees of the "Ten Outstanding Service Project Award" in the "2019 Outstanding Service Recognition Scheme" organized by the Hong Kong Council of Social Service.

The CFSC Yeoh Choy Wai Haan Memorial Kindergarten had its Grand Opening held on 7 December 2019 with the President of The Education University of Hong Kong Professor Y. L. Cheung SBC JP being the officiating guest.

In view of the rapid growth of services and the normal retirement of both the Assistant Chief Executive in May 2019 and Finance Director in September 2019, the senior management structure was reviewed to ensure an adequate capacity in governance and service leadership. After the review, the establishment for executive staff was increased from fourteen to seventeen and the strength of Assistant Chief Executive increased from two to three. The duties of the Programme Directors were reshuffled to align with the new development plan.

**Business Review 2020 (continued)**

**Future development of the organization's operation**

After the completion of senior management review in September 2019, the plan was partly implemented in 2019-20 and will be fully implemented in the subsequent year. Coupled with the changes in management and in the society, the Strategic Plan 2018-2022 will be midway reviewed in 2020-21 to align the plan with the new context.

With continuous expansion of services, the lack of service space and office space has become a critical constraint for operation. There are plans drawn up to renovate the 7th floor and the 10th floor of the Headquarters building so as to better use the space. Other options will need to be explored to actually increase the service floor area.

In January 2020, the Environmental Protection and Green Living Core Service (EPGL) has submitted proposals to bid the EPD's tenders for Provision of Services for Setting Up and Operation of Community Recycling Centres (CRC) in three districts, namely Kowloon City, Kwun Tong and Shatin. In May, the three CRC contracts were confirmed to be offered to CFSC. Furthermore, there will be new Community Green Stations open for bidding in October 2020. It is anticipated that the portfolio of EPGL will grow substantially in 2020-21.

As part of the service development plan, the kindergarten and children development service would be strengthened. In this regards, CFSC will participate in the Pilot Scheme on Social Work Service for Pre-Primary Institutions in September 2020. Furthermore, a new Integrated Education Unit will be set up to strengthen the support to children with special education needs (SEN). If opportunity available, CFSC will bid one more Kindergarten in 2020-2021.

To follow up the recommendations proposed in the Staff Recognition Policy, after launching the Outstanding Staff Award in 2019, the Outstanding Projects Award will be another recognition scheme launched in 2020.

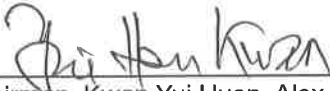
**Event after the reporting period**

Details of significant events occurring after the reporting period are set out in note 35 to the financial statements.

**Auditor**

A resolution to reappoint Fan, Chan & Co. Limited as auditor of the Centre will be put forth at the forthcoming annual general meeting.

For and on behalf of the Board

  
Chairman, Kwan Yui Huen, Alex  
Dated, 17 September, 2020



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF CHRISTIAN FAMILY SERVICE CENTRE**

(incorporated in Hong Kong and limited by guarantee)

*Opinion*

We have audited the consolidated financial statements of Christian Family Service Centre (the "Centre") and its subsidiary ("the Group") set out on pages 9 to 44, which comprise the consolidated statement of financial position as at 31 March, 2020, and the consolidated income and expenditure account, the consolidated statement of cash flows and the consolidated statement of changes in reserves and funds for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Centre and its subsidiary as at 31 March, 2020, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance, the "Lump Sum Grant Manual", the "Guide to Social Welfare Subventions" and compiled with the requirements as stipulated by Social Welfare Department and Community Care Fund on implementing the Community Care Fund Programme, the Lotteries Fund Manual and other instructions issued by the Director of Social Welfare.

*Basis for Opinion*

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRISTIAN FAMILY SERVICE CENTRE

### *Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements*

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, the "Lump Sum Grant Manual", the "Guide to Social Welfare Subventions", the requirements as stipulated by Social Welfare Department and Community Care Fund on implementing the Community Care Fund Programme, the Lotteries Fund Manual and other instructions issued by the Director of Social Welfare, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



范陳會計師行有限公司  
Fan, Chan & Co. Limited

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF CHRISTIAN FAMILY SERVICE CENTRE**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Fan, Chan & Co. Limited  
Certified Public Accountants  
Leung Kwong Kin  
Practising Certificate Number P03702

Hong Kong, 17 September, 2020

**CHRISTIAN FAMILY SERVICE CENTRE**  
**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH, 2020**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Income</b>		
Social Welfare Department subvention	482,841,063.67	393,405,436.08
Government Subvention (non-social welfare department)	39,065,950.65	31,389,323.44
Community Chest Allocation	11,397,773.88	7,114,082.65
Hong Kong Jockey Club Charities Trust subvention	28,474,703.64	14,140,130.41
Other project grants	23,215,555.25	6,071,569.37
Fee income	77,616,849.74	81,562,592.11
Programme income	28,387,061.94	31,764,543.96
Donations	2,553,851.62	5,980,305.09
Bank interest income	682,805.07	638,472.26
Investment income	1,645,531.97	3,212,502.51
Other income	5,334,564.17	1,232,912.69
<b>Total income</b>	<b>701,215,711.60</b>	<b>576,511,870.57</b>
<b>Deduct :</b>		
<b>Expenditures</b>		
Personal emoluments	470,725,505.53	409,516,956.74
Staff incentive and allowance	4,672,424.19	5,817,963.13
Staff benefits and training	7,092,915.12	5,091,465.43
Administrative expenses	6,801,740.92	5,346,620.50
Finance charges	634,945.19	552,084.92
Utilities expenses	7,521,980.34	8,026,403.82
Stores and equipment	42,394,045.58	32,221,144.78
Insurance premium for office	6,159,696.46	5,299,167.14
Publicity and promotion expenses	519,131.33	431,385.38
Programme expenses	21,164,642.55	22,261,012.49
Hire of services	50,251,318.87	33,545,872.03
Transportation and travelling	5,469,781.65	5,705,030.42
Food for clients	11,718,813.25	11,459,484.66
Incentive payment for clients	1,789,812.93	1,718,268.98
Clients' medical care and supplies	9,108,018.20	8,202,713.76
Insurance premium for clients	176,433.70	144,090.54
Rent and rates	21,284,041.19	17,486,701.18
Miscellaneous	3,500,152.90	2,796,933.95
<b>Total expenditures</b>	<b>670,985,399.90</b>	<b>575,623,299.85</b>

**CHRISTIAN FAMILY SERVICE CENTRE**  
**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH, 2020**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Surplus before fair value changes of finance assets</b>	30,230,311.70	888,570.72
Fair value loss on financial assets	(2,846,117.52)	(786,596.60)
<b>Surplus for the year before transfer to other funds and reserves</b>	27,384,194.18	101,974.12
<b>Transferring from/(to):</b>		
- Restricted reserves	(17,455,052.92)	6,196,916.93
- Designated reserves	(726,663.00)	(4,215,238.75)
- Unrestricted reserves	(5,320,540.33)	(7,736,212.56)
<b>General fund</b>	3,881,937.93	(5,652,560.26)

**CHRISTIAN FAMILY SERVICE CENTRE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH, 2020**

	Note	2020 HK\$	2019 HK\$ (As reclassified)
<b>Non-current assets</b>			
Property, plant and equipment	(7)	139,708,244.84	74,559,054.81
Financial assets at fair value	(9)	69,458,128.28	72,996,853.83
		209,166,373.12	147,555,908.64
<b>Current assets</b>			
Other receivables, deposits and prepayments	(10)	36,384,276.55	27,023,880.62
Pledged deposits	(11)	18,552,566.58	19,170,244.35
Cash and bank balances	(11)	70,767,816.47	49,831,713.31
		125,704,659.60	96,025,838.28
<b>Current liabilities</b>			
Accruals and other payables	(12)	21,975,903.79	23,771,059.77
Deferred income		31,639,757.89	16,534,546.23
Bank borrowings	(12)	19,000,000.00	20,000,000.00
		72,615,661.68	60,305,606.00
Net current assets		53,088,997.92	35,720,232.28
<b>Total assets less current liabilities</b>		262,255,371.04	183,276,140.92
<b>Non-current liabilities</b>			
Deferred income		81,820,955.31	29,210,004.46
<b>Net assets</b>		180,434,415.73	154,066,136.46




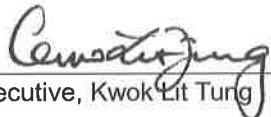
**CHRISTIAN FAMILY SERVICE CENTRE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH, 2020**

	Note	2020 HK\$	2019 HK\$ (As reclassified)
<b>Representing: -</b>			
General fund			
- Accumulated surplus	(13)	46,724,383.18	48,346,023.44
Restricted reserves			
- SWD Lump Sum Grant reserve	(14)	46,108,386.94	30,306,971.56
- SWD provident fund reserve	(15)	31,441,432.12	29,145,074.62
- Other restricted reserves	(16)	(10,870,824.69)	(29,948,055.57)
Capital project and restricted funds	(25)	(16,998,691.89)	(1,963,896.21)
Designated reserves	(29)	17,088,370.75	16,361,707.75
Unrestricted reserves	(30)	66,941,359.32	61,818,310.87
<b>Total reserves and funds</b>		<b>180,434,415.73</b>	<b>154,066,136.46</b>

The consolidated financial statements were approved and authorised for issue by the Board on 17 September, 2020 and are signed on its behalf by:

  
 Chairman, Kwan Yui Huen, Alex

  
 Vice-chairman, Li Yat Shing, Daniel

  
 Chief Executive, Kwok Lit Tung

**CHRISTIAN FAMILY SERVICE CENTRE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH, 2020**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Operating activities</b>		
Surplus before transfer to other funds and reserves	27,384,194.18	101,974.12
Net payment on SWD LSG Reserve Expenditure (pre-approved)	(116,276.52)	(1,661,926.07)
Net payment on SWD Lump Sum Grant reserve fund	(495,947.70)	(628,613.19)
Net payment on SWD provident fund reserve	(310,846.00)	(765,236.00)
Net payment on other restricted reserves	(106,126.08)	(16,595.50)
Net receipt on capital project and restricted funds	13,281.39	-
Adjustments for:		
Depreciation	28,936,134.14	21,826,973.40
Bond interest income	(2,068,564.99)	(2,048,262.73)
Dividend income	(271,287.11)	(181,342.33)
Interest income	(682,805.07)	(638,472.26)
Interest received from fund reserve	-	2,156.60
Finance charges	634,945.19	552,084.92
Loss on changes in fair value of financial assets	2,846,117.52	786,596.60
Loss/(gain) on disposal of financial assets	694,320.13	(982,897.45)
Operating surplus before changes in working capital	56,457,139.08	16,346,440.11
Increase in other receivables, deposits and prepayments	(9,360,395.93)	(11,980,035.46)
(Decrease)/increase in accruals and other payables	(1,795,155.98)	6,818,214.06
Increase in deferred income	67,716,162.51	13,711,066.63
<b>Cash flow generated from operating activities</b>	<b>113,017,749.68</b>	<b>24,895,685.34</b>
<b>Investing activities</b>		
Bond interest received	2,068,564.99	2,048,262.73
Dividend received	271,287.11	181,342.33
Interest received	682,805.07	638,472.26
Purchases of property, plant and equipment	(94,085,324.17)	(32,363,406.21)
Proceeds from sale of financial assets	24,213,493.14	41,647,244.56
Purchases of financial assets	(24,215,205.24)	(33,908,625.44)
Decrease/(increase) in pledged deposits	617,677.77	(5,090,045.13)
Decrease in time deposits	2,325,056.05	6,236,189.00
<b>Cash flow used in investing activities</b>	<b>(88,121,645.28)</b>	<b>(20,610,565.90)</b>

**CHRISTIAN FAMILY SERVICE CENTRE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH, 2020**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Financing activities</b>		
Interest paid	(634,945.19)	(552,084.92)
Repayment of bank loans	(1,000,000.00)	-
<b>Cash flow used in financing activities</b>	<b>(1,634,945.19)</b>	<b>(552,084.92)</b>
<b>Net increase in cash and cash equivalents</b>	<b>23,261,159.21</b>	<b>3,733,034.52</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>44,334,887.06</b>	<b>40,601,852.54</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>67,596,046.27</b>	<b>44,334,887.06</b>
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances – maturity within three months	67,596,046.27	44,334,887.06

**CHRISTIAN FAMILY SERVICE CENTRE**  
**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES AND FUNDS**  
**FOR THE YEAR ENDED 31 MARCH, 2020**

	General fund (Note 13) HK\$	SWD Lump Sum Grant reserve fund (Note 14) HK\$	SWD provident fund reserve (Note 15) HK\$	Other restricted reserves (Note 16) HK\$	Capital project and restricted funds (Note 25) HK\$	Designated reserves (Note 29) HK\$	Unrestricted reserves (Note 30) HK\$	Total HK\$
At 1 April, 2019	48,346,023.44	30,306,971.56	29,145,074.62	(29,948,055.57)	(1,963,896.21)	16,361,707.75	61,818,310.87	154,066,136.46
Surplus/(deficit) for the year	3,881,937.93	17,157,385.19	-	15,345,744.80	(15,048,077.07)	726,663.00	5,320,540.33	27,384,194.18
Funds transfer	(5,503,578.19)	(743,745.59)	2,607,203.50	3,837,612.16	-	-	(197,491.88)	-
Amounts refunded to Government	-	(79,913.52)	(436,396.00)	(141,164.21)	(2,307.31)	-	-	(659,781.04)
Funds receipt/(claw back)	-	(416,034.18)	125,550.00	35,038.13	15,588.70	-	-	(239,857.35)
SWD LSG Reserve Expenditure (pre-approved)	-	(116,276.52)	-	-	-	-	-	(116,276.52)
Net surplus/(deficit)	(1,621,640.26)	15,801,415.38	2,296,357.50	19,077,230.88	(15,034,795.68)	726,663.00	5,123,048.45	26,368,279.27
At 31 March, 2020	46,724,383.18	46,108,386.94	31,441,432.12	(10,870,824.69)	(16,998,691.89)	17,088,370.75	66,941,359.32	180,434,415.73

**CHRISTIAN FAMILY SERVICE CENTRE**  
**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES AND FUNDS**  
**FOR THE YEAR ENDED 31 MARCH, 2020**

	General fund (Note 13) HK\$	SWD Lump Sum Grant reserve fund (Note 14) HK\$	SWD provident fund reserve (Note 15) HK\$	Other restricted reserves (Note 16) HK\$	Capital project and restricted funds (Note 25) HK\$	Designated reserves (Note 29) HK\$	Unrestricted reserves (Note 30) HK\$	Total HK\$
At 1 April, 2018, as restated	53,998,583.70	24,029,871.24	27,957,668.15	(16,602,121.26)	1,421,807.36	12,146,469.00	54,082,098.31	157,034,376.50
Surplus/(deficit) for the year	(5,652,560.26)	10,520,282.05	-	(12,239,546.29)	(3,385,703.57)	4,596,410.12	6,263,092.07	101,974.12
Funds transfer	-	(2,029,372.26)	2,029,372.26	(1,091,949.12)	-	(381,171.37)	1,473,120.49	-
Amounts refunded to Government	-	(1,021,464.00)	(625,550.00)	(16,595.50)	-	-	-	(1,663,609.50)
Funds receipt/(claw back)	-	392,850.81	(139,686.00)	2,156.60	-	-	-	255,321.41
SWD LSG Reserve Expenditure (pre-approved)	-	(1,585,196.28)	(76,729.79)	-	-	-	-	(1,661,926.07)
Net surplus/(deficit)	(5,652,560.26)	6,277,100.32	1,187,406.47	(13,345,934.31)	(3,385,703.57)	4,215,238.75	7,736,212.56	(2,968,240.04)
At 31 March, 2019	48,346,023.44	30,306,971.56	29,145,074.62	(29,948,055.57)	(1,963,896.21)	16,361,707.75	61,818,310.87	154,066,136.46



**CHRISTIAN FAMILY SERVICE CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH, 2020**

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**1. General information**

Christian Family Service Centre ("The Centre") was incorporated on 20 July, 1971 as a company limited by guarantee incorporated in Hong Kong. The address of Centre's registered office and the principal place of operation is located at 10/F., 3 Tsui Ping Road, Kwun Tong, Kowloon, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Centre.

During the year, the principal activities of the Centre and its subsidiary ("the Group") are provision of family services, children and youth services, elderly services, rehabilitation services, community development services and health services, etc. to the needy people in Hong Kong with a view to manifesting the love of God and enhancing family life and provision of dental and ancillary services on a non-profit-making basis to improve the oral health of people.

The principal activities of the Centre's subsidiary are set out in note 8.

**2. Basis of preparation and accounting policies**

These consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard of Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. These financial statements have been prepared under the accrual basis of accounting and on the basis that the Group is a going concern. They have been prepared under the historical cost convention, except for the financial assets which are stated at its fair value, as explained in the respective accounting policy as set out below.

**Basis of consolidation**

These consolidated financial statements incorporate the financial statements of the Centre and its subsidiary. A subsidiary is an entity (including special purpose entity) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally but not necessarily accompanying a shareholding of more than half of the voting power. The subsidiary is fully consolidated from the date on which control is transferred to the Group and is de-consolidated from the date that control ceases.

All intragroup transactions, balances, income and expenses are eliminated. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group. There is no difference in the reporting date of the financial statements of the Centre and its subsidiary used in the preparation of the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiary are presented separately from the Group's equity therein. Non-controlling interests in net assets consist of the amount of those interests at the date of the original business combination and the share of changes in equity by the non-controlling parties since the date of the combination. Losses applicable to the non-controlling parties in excess of the non-controlling interests in the subsidiary equity are allocated to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**2. Basis of preparation and accounting policies (continued)**

**Revenue recognition**

Revenue is recognised in income and expenditure account when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following basis:

- (i) Subvention income is recognised in the accounting period which generally matched with the related costs incurred;
- (ii) Donation income is recognised when the income is received from donors;
- (iii) Fee income and programme income are recognised when the relevant services are rendered;
- (iv) F&E Replenishment and Minor Works Block Grant and Lotteries fund grants related to depreciable assets are usually recognised as income over the periods and in the proportions in which depreciation on those assets is charged;
- (v) Interest income is recognised as it accrues using the effective interest method; and
- (vi) Investment income (including bond interest and dividend income) is recognised when the Group's right to receive payment is established.

**Property, plant and equipment**

Items of property, plant and equipment are measured at initial recognition at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Where the Group acquires leasehold land for own use under a finance lease, the prepaid cost included in property, plant and equipment on initial recognition represents the fair value of the leasehold land, or if lower, the present value of the minimum lease payments, determined at the inception of the lease and any initial direct costs of the lessee (incremental costs that are directly attributable to negotiating and arranging a lease).

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. Assets held under finance leases, for which there is no reasonable certainty that the Group will obtain ownership at the end of the lease term, are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the terms of the relevant lease. The following annual rates are used for the depreciation of property, plant and equipment.

Leasehold land and building	Over the unexpired lease terms
Furniture, fixtures and equipment	3 years
Motor vehicles	5 years
Renovation	5 years

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

On disposal or retirement, the cost together with associated accumulated depreciation and impairment losses, if any, of the property, plant and equipment are derecognised and any gain or loss resulting from the disposal is recognised in surplus or deficit.

**2. Basis of preparation and accounting policies (continued)**

**Subsidiary**

A subsidiary is an entity whose financial and operating policies the Centre controls, directly or indirectly, so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

In the Centre's statement of financial position, investments in subsidiaries are stated at cost less any impairment losses. The carrying amount of the investments is reduced to its recoverable amount on an individual basis. The results of subsidiaries are accounted for by the Centre on the basis of dividends received and receivable.

**Deferred donation**

Deferred donation represents funds used by the Group relating to the purchase of property, plant and equipment. These funds are transferred to accumulated depreciation on a straight-line basis over the estimated useful lives of the related assets.

**Impairment of non-financial assets, other than inventories**

At each reporting date, property, plant and equipment, and investments in a subsidiary are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in income and expenditure account.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in income and expenditure account.

**Financial instruments**

Account and other receivables are recognised initially at the transaction price. All sales are made on the basis of normal credit terms, and the receivables do not bear interest. At the end of each reporting period, the carrying amounts of account and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in surplus or deficit.

Financial liabilities are initially recognised at the transaction price (including transaction costs). Account payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method. Interest bearing liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Investments in quoted shares are initially recognised at the transaction price and subsequently measured at fair value, with changes in fair value being recognised in surplus or deficit. Fair value is determined using the quoted bid price at the reporting date.

**2. Basis of preparation and accounting policies (continued)**

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

**Related parties**

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (a) A person or a close member of that person's family is related to the Group and the Centre if that person:
  - (i) is a member of the key management personnel of the Group and the Centre or of a parent of the Group and the Centre;
  - (ii) has control or joint control over the Group and the Centre; or
  - (iii) has significant influence over the Group and the Centre.
- (b) An entity is related to the Group and the Centre if any of the following conditions applies:
  - (i) the entity and the Group and the Centre are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
  - (iii) both entities are joint ventures of a third entity.
  - (iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group and the Centre or an entity related to the Group and the Centre. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
  - (vi) the entity is controlled or jointly controlled by a person identified in (a).
  - (vii) a person identified in (a)(ii) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

**Employee benefit obligations**

Salaries, bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present value.

Provision for long service payment is recognised in respect of probable future long services payment expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their services to the Centre at the end of the reporting period.

**2. Basis of preparation and accounting policies (continued)**

**Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to surplus or deficit on a straight-line basis over the term of the relevant lease.

**Government grants**

Government grants are recognised when there is reasonable assurance that the grants will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the grant is credited to a deferred income account and is released to surplus or deficit over the expected useful life of the relevant asset by equal annual instalments/deducted from the carrying amount of the asset and released to surplus or deficit by way of a reduced depreciation charge.

**Borrowing costs**

All borrowing costs are recognised in surplus or deficit in the period in which they are incurred.

**Reserves**

The reserves are classified as restricted reserves, capital project and restricted funds, designated reserves and unrestricted reserves, according to the level of rigidity of external control.

Restricted reserves, capital project and restricted funds are strictly and rigidly designated for specific purpose and governed by the funding bodies.

Capital nature or non-recurrent projects are categorised into capital project and restricted funds. They are subject to claw back, or expenditure governed by independent governing bodies.

Designated reserve is for specific purpose and governed by internal rules or respecting the wishes of donors or funders.

Unrestricted reserve is not restricted for specific purpose but with switching flexibility as delegated by the management.

**Deferred income**

Deferred income represents funds used by the Group relating to the purchase of property, plant and equipment. These funds are recognised as income on a straight-line basis over the estimated useful lives of related assets.



**3. Key sources of estimation uncertainty**

**Fair value of financial assets**

Fair value applicable to financial assets at fair value is determined by reference to quoted market price or, if such price is not available, by using valuation technique such as discounted cash flow analysis and option price model.

**Allowance for impairment of account receivables**

Allowance for impairment of account receivables are assessed and provided based on the directors' regular review of ageing analysis and evaluation of collectibility. A considerable level of judgement is exercised by the directors when assessing the creditworthiness and past collection history of each individual customer. Any increase or decrease in the allowance for impairment of trade receivables would affect surplus or deficit in future years.

**Property, plant and equipment and depreciation**

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives are different to those previously estimated, or it will write off or write-down technologically obsolete or non-strategic assets that have been abandoned or sold.

**CHRISTIAN FAMILY SERVICE CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH, 2020**

**4. Surplus for the year**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Surplus for the year is arrived at after charging/ (crediting) the following items:		
(a) Staff costs		
Key personnel management		
Salaries and benefits	15,546,969.00	14,069,863.00
Contribution to defined contribution plans	1,476,391.00	1,402,144.00
Other staff		
Salaries and benefits	429,401,684.91	374,034,178.83
Contribution to defined contribution plans	28,972,884.81	25,828,734.04
	475,397,929.72	415,334,919.87
(b) Other items		
Auditor's remuneration	222,100.00	240,800.00
Depreciation	28,936,134.14	21,826,973.40
Operating leases charges on:		
- hire of properties	16,208,643.44	11,518,962.52
Fair value loss on financial assets	2,846,117.52	786,596.60
Loss/(gain) on disposals of financial assets	694,320.13	(982,897.45)
(c) Finance costs		
Interest on bank borrowings	634,945.19	552,084.92

**5. Taxation**

No provision for Hong Kong profits tax has been made in the financial statements as the Group is exempt from Hong Kong taxation under section 88 of the Inland Revenue Ordinance (2019: Nil).

**6. Benefits and interests of directors**

The following information is disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 and 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation as follows:

The directors did not receive any fees or other emoluments in respect of their services to the Centre during the year (2019: Nil).

No loans, quasi-loans or credit transactions in favour of the directors, their controlled bodies corporate or connected entities subsisted at the end of the year or at any time during the year.

No significant transactions, arrangements and contracts in relation to the Centre's business to which the Centre or any of its subsidiary was a party and in which a director of the Centre had a material interest, subsisted at the end of the year or at any time during the year.

**CHRISTIAN FAMILY SERVICE CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH, 2020**

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**7. Property, plant and equipment**

The Group's headquarters is situated at 3 Tsui Ping Road, Kwun Tong, Kowloon, Hong Kong. The building costs of the headquarters have been financed by Designated reserves, Lotteries Fund and funds raised from flag day. The building costs of the headquarters are charged immediately against the respective accounts of Designated reserves, Lotteries Fund and flag day funds. The land of the headquarters was donated to the Group in previous year and is situated in Hong Kong held on lease term. The land of headquarters is stated at nominal value of HK\$1.00.

	<b>Building cost of headquarters HK\$</b>
<b>At cost</b>	
At 1 April, 2018, 31 March, 2019 and 2020	93,000,000.00
<b>Charged against Designated reserves and Lotteries Fund</b>	
At 1 April, 2018, 31 March, 2019 and 2020	93,000,000.00
<b>Net book value</b>	
At 31 March, 2019 and 2020	-

**CHRISTIAN FAMILY SERVICE CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH, 2020**

**7. Property, plant and equipment (continued)**

<b>Cost</b>	<b>Leasehold land and buildings HK\$</b>	<b>Furniture, fixtures and equipment HK\$</b>	<b>Motor vehicles HK\$</b>	<b>Renovation HK\$</b>	<b>Total HK\$</b>
At 1 April, 2019	25,391,001.00	69,491,150.14	23,086,843.50	146,208,429.60	264,177,424.24
Additions	-	10,829,557.33	1,720,524.50	81,535,242.34	94,085,324.17
At 31 March, 2020	25,391,001.00	80,320,707.47	24,807,368.00	227,743,671.94	358,262,748.41
<b>Accumulated depreciation</b>					
At 1 April, 2019	2,190,059.52	59,504,874.81	17,108,284.09	110,815,151.01	189,618,369.43
Charge for the year	821,272.32	7,474,764.88	1,609,876.29	19,030,220.65	28,936,134.14
At 31 March, 2020	3,011,331.84	66,979,639.69	18,718,160.38	129,845,371.66	218,554,503.57
<b>Net Book Value</b>					
At 31 March, 2020	22,379,669.16	13,341,067.78	6,089,207.62	97,898,300.28	139,708,244.84

CHRISTIAN FAMILY SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2020

7. Property, plant and equipment (continued)

	Leasehold land and buildings HK\$	Furniture, fixtures and equipment HK\$	Motor vehicles HK\$	Renovation HK\$	Total HK\$
<b>Cost</b>					
At 1 April, 2018	25,391,001.00	63,581,022.07	17,834,066.50	125,007,928.46	231,814,018.03
Additions	-	5,910,128.07	5,252,777.00	21,200,501.14	32,363,406.21
At 31 March, 2019	25,391,001.00	69,491,150.14	23,086,843.50	146,208,429.60	264,177,424.24
<b>Accumulated depreciation</b>					
At 1 April, 2018	1,368,787.20	52,861,280.49	15,802,301.07	97,759,027.27	167,791,396.03
Charge for the year	821,272.32	6,643,594.32	1,305,983.02	13,056,123.74	21,826,973.40
At 31 March, 2019	2,190,059.52	59,504,874.81	17,108,284.09	110,815,151.01	189,618,369.43
<b>Net Book Value</b>					
At 31 March, 2019	23,200,941.48	9,986,275.33	5,978,559.41	35,393,278.59	74,559,054.81

The leasehold land and buildings are situated in Hong Kong held under medium lease term.

**CHRISTIAN FAMILY SERVICE CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH, 2020**

**8. Interest in a subsidiary**

At 31 March, 2020, the Group had an interest in the following subsidiary:

<b>Company</b>	<b>Place of incorporation</b>	<b>Proportion of ownership interest held</b>	<b>Principal activities</b>
Christian Family Service Centre Dental Services Limited	Hong Kong	100%	Provision of dental and ancillary services on a non-profit-making basis to improve the oral health of people

The subsidiary is incorporated in Hong Kong with liability limited by guarantee.

**9. Financial assets at fair value**

	<b>2020 HK\$</b>	<b>2019 HK\$</b>
Debt securities and mutual funds, listed in Hong Kong and overseas	47,583,704.79	58,338,355.11
Equity securities, listed overseas	21,874,423.49	14,658,498.72
	<b>69,458,128.28</b>	<b>72,996,853.83</b>

The carrying amounts of the Group's financial assets that have been pledged as collaterals for bank facilities is HK\$54,438,627.23 (2019: HK\$ 58,272,326.53).

The fair values of the financial assets is determined based on the quoted market price in an active market.

**10. Other receivables, deposits and prepayments**

	<b>2020 HK\$</b>	<b>2019 HK\$</b>
Utility and other deposits	5,836,218.86	3,503,200.36
Sundry debtors and prepayments	30,548,057.69	23,520,680.26
	<b>36,384,276.55</b>	<b>27,023,880.62</b>

The amounts of sundry debtors are neither past due nor impaired and the balances are expected to be fully recoverable based on past experience.

**CHRISTIAN FAMILY SERVICE CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH, 2020**

**11. Pledged bank deposits and cash and bank balances and other cash flow information**

At 31 March, 2020, bank balances amounting to HK\$18,552,566.58 (2019: HK\$19,170,244.35) were pledged to banks for securing credit facilities granted to the Group.

Cash and bank balances comprise cash held by the Group and short-term bank deposits.

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Cash and bank balances</b>		
Maturity within three months	67,596,046.27	44,334,887.06
Maturity over three months	3,171,770.20	5,496,826.25
	<u>70,767,816.47</u>	<u>49,831,713.31</u>

**12. Accruals, other payables and bank borrowings**

**(a) Accruals and other payables**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Accounts payables and receipt in advance	20,358,884.78	22,293,816.55
Accruals, provisions and other payables	979,617.61	906,650.32
Deposits received	637,401.40	570,592.90
	<u>21,975,903.79</u>	<u>23,771,059.77</u>

**(b) Bank borrowings**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Bank loans, secured	19,000,000.00	20,000,000.00
Classification under contractual terms:		
Current portion	19,000,000.00	20,000,000.00
Non-current portion	-	-
	<u>19,000,000.00</u>	<u>20,000,000.00</u>

Interest on bank loans is charged at 2.94% - 3.95% per annum. The bank loans are repayable on demand.

The Group's bank borrowings are secured by the followings:

- a. Financial assets at fair value with net carrying value of HK\$54,538,667.23 at 31 March, 2020 (2019: HK\$58,272,326.53) (note 9); and
- b. Pledged bank deposits of the Group amounted to HK\$18,552,566.58 (2019: HK\$19,170,244.35 (note 11).

**CHRISTIAN FAMILY SERVICE CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH, 2020**

**13. General fund**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Surplus brought forward	48,346,023.44	53,998,583.70
Surplus/(deficit) for the year	3,881,937.93	(5,652,560.26)
Transfer to SWD LSG reserve (note 14(a))	(1,665,966.03)	-
Transfer to HKJC charities trust reserve (note 18)	(3,837,612.16)	-
<b>Surplus carried forward</b>	<b>46,724,383.18</b>	<b>48,346,023.44</b>

**14. SWD Lump Sum Grant reserve**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>(a) Lump Sum Grant</b>		
Balance brought forward	21,107,068.96	15,146,535.97
Surplus for the year	18,199,246.60	9,576,317.77
SWD LSG Reserve Expenditure (pre-approved)	(116,276.52)	(1,585,196.28)
Transfer from General fund (note 13)	1,665,966.03	-
Transfer from Unrestricted reserves (note 30(g))	185,729.51	-
Transfer to Central items (note 14(d))	(112.29)	(1,216.24)
Transfer to SWD Provident Fund reserve (note 15)	(2,600,320.95)	(2,029,372.26)
<b>Balance carried forward</b>	<b>38,441,301.34</b>	<b>21,107,068.96</b>
<b>(b) Interest income</b>		
Balance brought forward	8,797,700.45	8,431,544.13
Interest income for the year	367,597.25	366,156.32
<b>Balance carried forward</b>	<b>9,165,297.70</b>	<b>8,797,700.45</b>
<b>(c) Rent and rates</b>		
Balance brought forward	(2,081,698.92)	(1,218,977.56)
Deficit for the year	(3,501,943.87)	(844,956.36)
Transfer from Unrestricted reserves (note 30(g))	4,879.82	-
Refund over-deducted surplus 2017-18	-	392,850.81
Refund to Government	(79,913.52)	(410,615.81)
<b>Balance carried forward</b>	<b>(5,658,676.49)</b>	<b>(2,081,698.92)</b>
<b>(d) Central items</b>		
Balance brought forward	2,483,901.07	1,670,768.70
Surplus for the year	2,092,485.21	1,422,764.32
Transfer from Lump Sum Grant (note 14(a))	112.29	1,216.24
Funds claw back	(416,034.18)	(610,848.19)
<b>Balance carried forward</b>	<b>4,160,464.39</b>	<b>2,483,901.07</b>
<b>Total</b>	<b>46,108,386.94</b>	<b>30,306,971.56</b>



**CHRISTIAN FAMILY SERVICE CENTRE**  
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**15. SWD Provident Fund reserve**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	29,145,074.62	27,957,668.15
Transfer from SWD Lump Grant reserve (note 14(a))		
Existing staff	818,156.64	786,278.38
6.8% and other posts	1,782,164.31	1,243,093.88
	2,600,320.95	2,029,372.26
Funds receipt	125,550.00	-
Refund to Government	(436,396.00)	(765,236.00)
SWD LSG Reserve Expenditure (pre-approved)	-	(76,729.79)
Transfer from General fund	6,882.55	-
Balance carried forward	31,441,432.12	29,145,074.62

**16. Other restricted reserves**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
SWD one-off grant (note 17)	87,112.60	87,112.60
HKJC charities trust reserve (note 18)	(1,029,005.02)	(14,550,348.93)
Other project grant reserves (note 19)	3,455,363.88	(875,158.64)
Education Bureau reserve (note 20)	2,279,188.99	1,429,224.23
Chinese Medicine Centre for Training and Research reserve (note 21)	2,629,941.66	5,160,890.77
SWD surplus fund (note 22)	(7,413,400.07)	(7,598,636.57)
Sub-total (note 34(a))	9,202.04	(16,346,916.54)
Community chest fund (note 23)	(2,993,484.48)	(4,242,697.74)
Government subvention (non-social welfare department) reserves (note 24)	(7,886,542.25)	(9,358,441.29)
	(10,870,824.69)	(29,948,055.57)

**17. SWD one-off grant**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward and carried forward	87,112.60	87,112.60

**CHRISTIAN FAMILY SERVICE CENTRE**  
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**18. HKJC charities trust reserve**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	(14,550,348.93)	(7,874,349.28)
Transfer from General fund (note 13)	3,837,612.16	-
Adjustment (SWD)	11,070.05	-
Surplus/(deficit) for the year	9,672,661.70	(6,675,999.65)
	<hr/>	<hr/>
Balance carried forward	(1,029,005.02)	(14,550,348.93)

**19. Other project grant reserves**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	(875,158.64)	3,263,524.83
Surplus/(deficit) for the year	4,330,522.52	(4,138,683.47)
	<hr/>	<hr/>
Balance carried forward	3,455,363.88	(875,158.64)

**20. Education Bureau reserve**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	1,429,224.23	4,560,472.37
Surplus/(deficit) for the year (note 34(d)(vi))	849,964.76	(3,130,557.94)
Refund of surplus Adult Education	-	(690.20)
	<hr/>	<hr/>
Balance carried forward (note 34(d)(vii))	2,279,188.99	1,429,224.23

**21. Chinese Medicine Centre for Training and Research reserve**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	5,160,890.77	4,651,755.06
(Deficit)/surplus for the year	(2,530,949.11)	509,135.71
	<hr/>	<hr/>
Balance carried forward	2,629,941.66	5,160,890.77

**CHRISTIAN FAMILY SERVICE CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. SWD surplus fund**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>(a) SWD Lotteries fund reserve</b>		
Balance brought forward	192,125.97	189,969.37
Interest received	5,063.60	2,156.60
	<hr/>	<hr/>
Balance carried forward	197,189.57	192,125.97
<b>(b) SWD projects reserves</b>		
Balance brought forward	(7,790,762.54)	(7,419,427.95)
Surplus/(deficit) for the year	488,794.70	(355,429.29)
Adjustment	(167,457.59)	-
Refund to Government	(141,164.21)	(15,905.30)
	<hr/>	<hr/>
Balance carried forward	(7,610,589.64)	(7,790,762.54)
	<hr/>	<hr/>
Total	(7,413,400.07)	(7,598,636.57)

**23. Community chest fund**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	(4,242,697.74)	(3,304,468.01)
Adjustment	156,387.54	-
Surplus/(deficit) for the year	1,092,825.72	(938,229.73)
	<hr/>	<hr/>
Balance carried forward	(2,993,484.48)	(4,242,697.74)

**24. Government subvention (non-social welfare department) reserves**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	(9,358,441.29)	(10,756,710.25)
Funds receipt	35,038.13	-
Transfer from Service Units reserve (note 30(h))	-	(1,091,949.12)
Surplus for the year	1,436,860.91	2,490,218.08
	<hr/>	<hr/>
Balance carried forward	(7,886,542.25)	(9,358,441.29)

CHRISTIAN FAMILY SERVICE CENTRE  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH, 2020

25. Capital project and restricted funds

	2020 HK\$	2019 HK\$
F & E Replenishment and Minor Works		
Block Grant reserve (note 26)	4,026,738.69	3,473,336.55
Social Welfare Development Fund (note 27)	135,782.40	2,219,893.92
Lotteries fund (note 28)	(21,161,212.98)	(7,657,126.68)
	(16,998,691.89)	(1,963,896.21)

26. F & E Replenishment and Minor Works Block Grant reserve

	2020 HK\$	2019 HK\$
Balance brought forward	3,473,336.55	2,926,633.91
Add: Block Grant received	5,171,000.00	4,184,000.00
Interest income received	7,259.91	1,977.22
	8,651,596.46	7,112,611.13
Less: Expenditure during the year		
Minor Works Projects	(1,391,249.00)	(1,226,899.00)
Furniture and Equipment	(2,813,539.87)	(2,054,703.58)
Vehicle Overhauling	(420,068.90)	(357,672.00)
	(4,624,857.77)	(3,639,274.58)
Balance carried forward	4,026,738.69	3,473,336.55

**Capital commitment**

At the end of the reporting period, the outstanding commitments in respect of acquiring fixed assets under F & E Replenishment and Minor Works Block Grant were as follows :-

	2020 HK\$	2019 HK\$
Contracted for but not provided in the financial statements	154,700.00	-
Authorized but not contracted for	-	-
	154,700.00	-

**CHRISTIAN FAMILY SERVICE CENTRE**  
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**27. Social Welfare Development Fund**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	2,219,893.92	2,296,262.81
Add: Receipt	583,834.00	2,009,908.00
Interest income	3,794.34	1,475.32
	2,807,522.26	4,307,646.13
Less: Expenditure under Social Welfare Development Fund during the year		
Expenditure for projects under Scope A	(971,130.43)	(980,063.22)
Expenditure for projects under Scope B	(1,698,302.12)	(1,107,688.99)
Refund to government	(2,307.31)	-
	(2,671,739.86)	(2,087,752.21)
Balance carried forward	135,782.40	2,219,893.92

**Note:**

**Social Welfare Development Fund (Phase 1, 2 & 3)**

	<b>Phase 1</b>	<b>Phase 2</b>	<b>Phase 3</b>	<b>Total</b>
	<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	-	2,307.31	2,217,586.61	2,219,893.92
Add: Receipt	-	-	583,834.00	583,834.00
Interest income	-	-	3,794.34	3,794.34
	-	2,307.31	2,805,214.95	2,807,522.26
Less: Expenditure under Social Fund during the year				
Expenditure for projects under Scope A	-	-	(971,130.43)	(971,130.43)
Expenditure for projects under Scope B	-	-	(1,698,302.12)	(1,698,302.12)
	-	-	(2,669,432.55)	(2,669,432.55)
Refund to government	-	(2,307.31)	-	(2,307.31)
Balance carried forward	-	-	135,782.40	135,782.40

**CHRISTIAN FAMILY SERVICE CENTRE**  
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**28. Lotteries fund**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	(7,657,126.68)	(3,801,089.36)
Funds receipt	15,588.70	-
Deficit for the year	(13,519,675.00)	(3,856,037.32)
<b>Balance carried forward</b>	<b>(21,161,212.98)</b>	<b>(7,657,126.68)</b>

**29. Designated reserves**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>(a) Lai Chi Centre Designated Fund Reserves -</b>		
Balance brought forward and carried forward	141,979.74	141,979.74
<b>(b) Flag Day Fund -</b>		
Balance brought forward	6,787,769.84	4,802,789.75
Net proceeds raised in the Flag Day*	-	2,052,215.41
Deficit for the year	(150,839.38)	(67,235.32)
<b>Balance carried forward</b>	<b>6,636,930.46</b>	<b>6,787,769.84</b>
<b>(c) Anti-poverty project for youngster fund -</b>		
Balance brought forward and carried forward	(74.52)	(74.52)
<b>(d) Raffle tickets fund</b>		
Balance brought forward	1,523,211.88	1,260,727.30
Surplus for the year	58,941.41	262,484.58
<b>Balance carried forward</b>	<b>1,582,153.29</b>	<b>1,523,211.88</b>
<b>(e) Yam Pak Charitable Foundation -</b>		
Balance brought forward and carried forward	614,655.64	614,655.64
<b>Sub-total (note 34(b))</b>	<b>8,975,644.61</b>	<b>9,067,542.58</b>
<b>(f) CFSC Designated Fund -</b>		
Balance brought forward	7,294,165.17	5,326,391.09
Transfer from Service Units reserve (note 30(h))	-	(381,171.37)
Net proceeds raised in PSP 2018/175/1**	-	31,693.42
Surplus for the year	818,560.97	2,317,252.03
<b>Balance carried forward</b>	<b>8,112,726.14</b>	<b>7,294,165.17</b>
<b>Total</b>	<b>17,088,370.75</b>	<b>16,361,707.75</b>

**CHRISTIAN FAMILY SERVICE CENTRE**  
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**29. Designated reserves (continued)**

**\* Flag Day Public Subscription Permit No.: FD/T003/2018**

The purpose of raising funds are for:

- (1) Children and Family Services: developing supporting services for disadvantaged families and families affected by domestic violence;
- (2) Youth Services: developing services for self-exploration and social participation for the youth;
- (3) Elderly Services: enhancing support services for elderly with dementia and developing services for retirees and older people to keep them healthy and active;
- (4) Rehabilitation Services: enhancing support services for people with intellectual and physical disabilities; and
- (5) Community Development Services: developing community development services for new arrivals and underprivileged groups.

	<b>2019</b>
	<b>HK\$</b>
Income	2,258,167.93
Expenditure	205,952.52
Net proceeds	2,052,215.41

**\*\* Public Subscription Permit No.: 2018/175/1**

The purpose of raising funds is for improving the facilities in Yam Pak Charitable Foundation King Lam Home for the Elderly of Christian Family Service Centre to provide better services.

	<b>2019</b>
	<b>HK\$</b>
Income	34,694.10
Expenditure	3,000.68
Net proceeds	31,693.42

**30. Unrestricted reserves**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>(a) Cottage Repair Fund -</b>		
Balance brought forward and carried forward	12,781,151.85	12,781,151.85
<b>(b) CFSC Development Fund -</b>		
Balance brought forward	8,719,800.27	6,946,991.05
Surplus for the year	4,712,062.49	1,772,809.22
Balance carried forward	13,431,862.76	8,719,800.27
<b>(c) CFSC Building Redevelopment Fund -</b>		
Balance brought forward and carried forward	130,085.86	130,085.86

**CHRISTIAN FAMILY SERVICE CENTRE**  
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**30. Unrestricted reserves (continued)**

	2020 HK\$	2019 HK\$
<b>(d)</b> Miscellaneous Fund - Balance brought forward and carried forward	100.00	100.00
<b>(e)</b> HQ building maintenance reserves - Balance brought forward	2,070,588.94	1,828,643.31
Surplus for the year	148,393.46	241,945.63
Balance carried forward	2,218,982.40	2,070,588.94
<b>(f)</b> Corporate systems support reserves - Balance brought forward	568,029.54	323,583.34
Surplus for the year	148,393.47	244,446.20
Balance carried forward	716,423.01	568,029.54
<b>(g)</b> Service Development reserves - Balance brought forward	20,749,707.17	18,401,615.09
Transfer to SWD LSG reserve (note 14(a))	(185,729.51)	-
Transfer to Rent and rates reserve (note 14(c))	(4,879.82)	-
Transfer to SWD Provident fund reserve	(6,882.55)	-
Surplus for the year	3,059,044.20	2,348,092.08
Balance carried forward	23,611,259.49	20,749,707.17
Sub-total (note 34(c))	52,889,865.37	45,019,463.63
<b>(h)</b> Service Units reserves - Balance brought forward	16,798,847.24	13,669,927.81
Fund transfer to Government subvention (non-social welfare department) reserves (note 24)	-	1,091,949.12
Fund transfer from/(to) Designated Fund reserve (note 29(f))	-	381,171.37
Net proceeds raised in PSP 2018/255/1*	-	755.11
(Deficit)/surplus for the year	(2,747,353.29)	1,655,043.83
Balance carried forward	14,051,493.95	16,798,847.24
<b>Total</b>	<b>66,941,359.32</b>	<b>61,818,310.87</b>



**CHRISTIAN FAMILY SERVICE CENTRE**  
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**30. Unrestricted reserves (continued)**

**\* Public Subscription Permit No.: 2018/255/1**

The purpose of raising funds is for developing and promoting self-financing service, giving financial support to the people underprivileged.

	<b>2019</b> <b>HK\$</b>
Income	1,133.00
Expenditure	377.89
Net proceeds	755.11

**31. Operating lease commitments**

The Group entered into various leases on certain properties. These leases typically run for an initial lease term of one to three years with all terms renegotiated at the end of the lease.

At the year-end, the Group had outstanding commitments under non-cancellable operating leases falling due as follows:

	<b>2020</b> <b>HK\$</b>	<b>2019</b> <b>HK\$</b>
Within one year	14,780,257.00	3,938,868.00
In the second to fifth years, inclusive	13,220,318.00	2,417,429.00
	28,000,575.00	6,356,297.00

**32. Contingent liabilities**

At the end of reporting period, the Group had no contingent liabilities.

**33. Management on various funds**

The Group's funds accounts consist of General fund, SWD Lump Sum Grant reserve, SWD provident fund reserve, Other restricted reserves, Capital project and restricted funds, Designated reserves and Unrestricted reserves, which are set up for various designated purposes as described in notes 13 to 30. It is the Group's objective to maintain sufficient reserves and funds to safeguard the Group's ability to continue as a going concern and to support its current and future operating expenditure requirements.

**CHRISTIAN FAMILY SERVICE CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**34. Statement of financial position and reserve movement of the Centre**

	The Centre	
	2020 HK\$	2019 HK\$ (As reclassified)
<b>Non-current assets</b>		
Property, plant and equipment	138,629,423.68	72,960,911.13
Financial assets at fair value	69,458,128.28	72,996,853.83
	208,087,551.96	145,957,764.96
<b>Current assets</b>		
Other receivables, deposits and prepayments	34,211,749.37	25,783,813.31
Amount due from a subsidiary	704,450.22	458,344.77
Pledged deposits	18,552,566.58	19,170,244.35
Cash and cash equivalents	67,654,061.87	47,089,428.89
	121,122,828.04	92,501,831.32
<b>Current liabilities</b>		
Accruals and other payables	21,712,141.03	23,363,769.39
Deferred income	31,224,394.73	15,944,558.45
Bank borrowings	19,000,000.00	20,000,000.00
	71,936,535.76	59,308,327.84
Net current assets	49,186,292.28	33,193,503.48
<b>Total assets less current liabilities</b>	257,273,844.24	179,151,268.44
<b>Non-current liabilities</b>		
Deferred income	81,355,295.81	28,328,981.82
<b>Net assets</b>	175,918,548.43	150,822,286.62


**CHRISTIAN FAMILY SERVICE CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**34. Statement of financial position and reserve movement of the Centre (continued)**

		The Centre	
		2020 HK\$	2019 HK\$ (As reclassified)
<b>Representing: -</b>	<b>Note</b>		
General fund			
- Accumulated surplus	(13)	46,724,383.18	48,346,023.44
Restricted reserves			
- SWD Lump Sum Grant reserve	(14)	46,108,386.94	30,306,971.56
- SWD provident fund reserve	(15)	31,441,432.12	29,145,074.62
- Other restricted reserves	(34(a))	(9,018,854.58)	(28,594,302.95)
Capital project and restricted funds	(25)	(16,998,691.89)	(1,963,896.21)
Designated reserves	(34(b))	17,088,370.75	16,361,707.75
Unrestricted reserves	(34(c))	60,573,521.91	57,220,708.41
<b>Total reserves and funds</b>		<b>175,918,548.43</b>	<b>150,822,286.62</b>

Approved by the Board on 17 September, 2020

  
 Chairman, Kwan Yui Huen, Alex

  
 Vice-chairman, Li Yat Shing, Daniel

  
 Chief Executive, Kwok Lit Tung

**CHRISTIAN FAMILY SERVICE CENTRE**  
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**34. Statement of financial position and reserve movement of the Centre (continued)**

**(a) Other restricted reserves**

	The Centre	
	2020 HK\$	2019 HK\$
Other restricted reserves excluded Government subvention (non-social welfare department) reserves (note 16)	9,202.04	(16,346,916.54)
Government subvention (non-social welfare department) reserves		
Balance brought forward	(8,004,688.67)	(10,494,906.75)
Surplus for the year	1,993,840.08	2,490,218.08
Balance carried forward	(6,010,848.59)	(8,004,688.67)
Community chest fund		
Balance brought forward	(4,242,697.74)	(3,304,468.01)
Adjustment	156,387.54	-
Surplus/(deficit) for the year	1,069,102.17	(938,229.73)
Balance carried forward	(3,017,208.03)	(4,242,697.74)
<b>Total</b>	<b>(9,018,854.58)</b>	<b>(28,594,302.95)</b>

**(b) Designated reserves**

	The Centre	
	2020 HK\$	2019 HK\$
Designated reserves excluded CFSC Designated Fund (note 29)	8,975,644.61	9,067,542.58
CFSC Designated Fund		
Balance brought forward	7,294,165.17	4,945,219.72
Surplus for the year	818,560.97	2,348,945.45
Balance carried forward	8,112,726.14	7,294,165.17
<b>Total</b>	<b>17,088,370.75</b>	<b>16,361,707.75</b>

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**34. Statement of financial position and reserve movement of the Centre (continued)**

**(c) Unrestricted reserves**

	The Centre	
	2020 HK\$	2019 HK\$
Unrestricted reserves excluded service units reserves (note 30(g))	52,889,865.37	45,019,463.63
Service Units reserves		
Balance brought forward	12,201,244.78	10,009,723.82
(Deficit)/surplus for the year	(4,517,588.24)	2,191,520.96
Balance carried forward	7,683,656.54	12,201,244.78
<b>Total</b>	<b>60,573,521.91</b>	<b>57,220,708.41</b>

**(d) Detail breakdown of Education Bureau reserve**

	2020 HK\$	2019 HK\$
<b>(i) Kindergartens/Adult Education</b>		
Balance brought forward	1,431,966.95	4,614,637.67
Surplus/(deficit) for the year	878,802.25	(3,181,980.52)
Refund to Government – Audit Education	-	(690.20)
Balance carried forward (note 34(d)(vii))	2,310,769.20	1,431,966.95

	2020 HK\$	2019 HK\$
<b>(ii) Community-based Projects 2015/16</b>		
Balance brought forward	(50,472.81)	(41,106.22)
Income	-	-
Expenditure	-	(9,366.59)
Deficit for the year	-	(9,366.59)
Balance carried forward	(50,472.81)	(50,472.81)

**CHRISTIAN FAMILY SERVICE CENTRE**  
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**34. Statement of financial position and reserve movement of the Centre (continued)**

**(d) Detail breakdown of Education Bureau reserve (continued)**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>(iii) Community-based Projects 2016/17</b>		
Balance brought forward	(6,046.34)	(96,871.90)
Income	-	70,705.00
Expenditure	-	20,120.56
Surplus for the year	-	90,825.56
Balance carried forward	(6,046.34)	(6,046.34)
	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>(iv) Community-based Projects 2017/18</b>		
Balance brought forward	(2,383.96)	83,812.82
Income	-	222,751.00
Expenditure	-	(308,947.78)
Deficit for the year	-	(86,196.78)
Balance carried forward	(2,383.96)	(2,383.96)
	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>(v) Community-based Projects 2018/19</b>		
Balance brought forward	56,160.39	-
Income	-	127,684.00
Expenditure	(28,079.86)	(71,523.61)
(Deficit)/surplus for the year	(28,079.86)	56,160.39
Balance carried forward	28,080.53	56,160.39

**CHRISTIAN FAMILY SERVICE CENTRE**  
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**34. Statement of financial position and reserve movement of the Centre (continued)**

**(d) Detail breakdown of Education Bureau reserve (continued)**

	2020 HK\$	2019 HK\$
<b>(vi) Community-based Projects 2019/20</b>		
Balance brought forward	-	-
Income	22,458.00	-
Expenditure	(23,215.63)	-
Deficit for the year	(757.63)	-
Balance carried forward	(757.63)	-
<b>Total surplus/(deficit) for the year (note 20)</b>	<b>849,964.76</b>	<b>(3,130,557.94)</b>
	<b>2020 HK\$</b>	<b>2019 HK\$</b>
<b>(vii) Balance carried forward</b>		
Kindergardens/Adult Education (note 34(d)(i))	2,310,769.20	1,431,966.95
Community-based Projects	(31,580.21)	(2,742.72)
<b>Total (note 20)</b>	<b>2,279,188.99</b>	<b>1,429,224.23</b>

**35. Events after reporting period**

As a result of the uncertainties caused by the coronavirus outbreak, there is a potential impact on the future performance of the Group. At this stage the directors consider that the degree of the impact could not be reasonably estimated. The directors will closely monitor the development of the epidemic and assess its impact on the financial position and operating results of the Group.

**36. Comparative figures**

Certain comparative figures have been reclassified to conform to the current year's presentation.