

**CHRISTIAN FAMILY SERVICE CENTRE**  
**(INCORPORATED UNDER THE HONG KONG COMPANIES ORDINANCE)**  
**DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH, 2022**

The directors present herewith their report and the audited consolidated financial statements for the year ended 31 March, 2022.

### 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 the subsidiary are set out in note 8 to the consolidated financial statements.

### Financial statements

The financial performance of the Group for the year ended 31 March, 2022 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 40.

### 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, 2022 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
Rev. Wong Wing-chi	黃永智
Lt.-Col. Tsang Hing-man	曾慶敏
Rev. To Man-ling	杜敏玲

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 Centre (whether made by the Centre or otherwise or an associated company (if made by the Centre)).

**Business review****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. With the mission to support and enhance family functioning and to foster an environment for growth and change, CFSC provides multi-services including Children & Family Services, Youth and Education Services, Elderly Care Services, Services for People with Disabilities, Mental Health Services, Active Ageing Services, Opportunities & Inclusion for People with Disabilities, Primary Health Care Services, Environmental Protection & Green Living, Community Development Services and Employee Service Consultancy.

In 2021-22, the negative impacts of the COVID-19 pandemic as well as the fifth wave had deeply impacted service operations and manpower supply. Adherence to the zero COVID strategy and vaccination pass has garnered a lot of attention on sustaining the manpower supply, especially for the residential services and community services that are our core business.

All walks of life were striving to adapt to living and pacing under the new normal. Adhering to our mission and demonstrating creativity and spirit, CFSC has experienced positive growth due to a number of factors.

The total turnover of the year was \$963M, representing a 13.3% growth compared to \$850M in 2021-22. 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 Self-Supporting Services (Self-Supporting). Revenue also came from a subsidiary of Christian Family Service Centre Dental Services Limited (DS).

The income for LSG Services has increased by 19.2% from \$538M last year to \$641M this year, whereas the Applied Fund Services (Government & non-Government) has dropped by 8.9% from last year's \$268.6M to this year's \$244.8M. For the Self-Supporting Services (including corporate support), the revenue has dropped by 2.6% from \$62.5M to \$60.9M despite having some donations for the COVID-19 pandemic. The overall surplus for CFSC in 2021-22 is \$109.9M which has measured a \$1.03M fair value loss on financial assets. The total reserves increased from \$282.5M to \$390.5M. The significant increase was mainly contributed by the accumulated LSG reserve, which has increased to \$176M with a covering of 18.2M holding account.



**Business review (continued)**

The increase of LSG revenue from \$538M to \$641M in 2021-22 was generated by service enhancement, partial service commencement of new units, one-off subsidies, and manpower shortage. The strengthening supporting manpower for School Social Work services in secondary schools was subsidized from June 2021. The full commencement of rehabilitation service units of the SO UK site brought additional subvention. The one-off subsidy for Strengthened Provision of Visiting Medical Officer Service for residential care homes for the elderly and Visiting Medical Practitioner Scheme for residential care homes for persons with disabilities, and the one-off subsidy for Strengthened Provision of Visiting Medical Practitioner Service for residential care homes (private and self-financing) brought together additional \$24.8M in 2021-22. Same as other industries in Hong Kong, CFSC has been facing recruitment difficulties due to the persistent shortage of manpower. The most affected are personal care services and para-medical services that have hampered the service delivery for the elderly and rehabilitation services.

**Principal risks and uncertainties**

For the entire 2021-2022, Hong Kong was still clouded by COVID-19. In CFSC, some of the service delivery was replaced by online services as face-to-face contacts and mass activities were reduced. Unlike the general public, most of our service users are in the digital divide and are most likely having difficulties adopting an online service mode. The resources and efforts used to improve digital facilities and mode of service delivery were at the attention of CFSC.

The increasing number of affected service users and staff had hampered the operation of the service throughout the whole year. Entering 2022, the fifth wave of infections had climbed up to the peak. The effort spent on purchasing and distributing the COVID-19 rapid antigen test was spread across the organization. Among all services, residential homes would be the most difficult service sat at the front to face the crisis. The management had initiated a temporary human resources policy as well as a special allowance to encourage employee deployment to support residential homes. Around a \$3M special allowance was used for cross-unit support and hardship duties. The application of the vaccine pass and quarantine policy has served both sides of a coin, resulting in an inadequate workforce and rising workload on protective measures that have become significant management challenges.

In terms of business, the service income of the Self-Supporting Services was greatly hampered, particularly for the Booking Office, the Chinese Medicine Service and Dementia Care Service Centres etc. The Vital Employee Service Consultancy maintained a desirable income that has largely compensated for the loss of other Self-Supporting Services. Hence, with the stable subvention from the SWD and the generosity of most funding bodies, the income of LSG services and most of the Applied Funding Services remained unaffected.

SWD confirmed the budget cut of 1% in 2022-23, which will represent a reduction of approximately \$5.7M in the recurring LSG subvention. The 2021-22 LSG reserve reached a record high of 25.13% and exceeded the capped 25% claw-back ratio. The reduction of 1% of the budget would not have an immediate effect next year.

The manpower shortage is on the rising trend. Residential homes and community services became the hot spot after the fifth wave epidemic, in addition to the growing trend of migration. The unspent resource that contributed to the increase in the LSG reserve has been closely monitored by management. Effective recruitment strategies as well as job re-design and salary re-package would be reviewed on an ongoing basis.



**Business review (continued)****Important events in the financial year 2021-2022**

In the first quarter, a subsidy of \$4.3M was granted by the Department of Health to run a 3-years Outreach Dental Care Programme for the Elderly from April 2021. Professional oral health care for the elderly and training for caregivers were provided to promote prevention and enhance oral hygiene for the elderly receiving long-term care services. The Sai Kung District Community Green Station was the third Green Station granted by the Environmental Protection Department to CFSC. A subsidy of \$17M for three years of operation was approved in May 2021. This Green Station was established to proactively connect with housing estates and property management companies in the Sai Kung and Tseung Kwan O districts to establish a service network through different recycling programmes and educational activities.

For the mental health service, a subsidy of \$3.9M for a three-year project "ACT with Your HeART – Anxiety Relief Project for Students" was granted by the Community Chest in July 2021. This project aimed at reducing students' anxiety through support service which integrated the Acceptance and Commitment Approach (ACT) and Expressive Arts Therapy (EAT) as well as providing support and training to parents and teachers. The Cancer Support and Survivorship Care Project has been extended for an additional four years by The Hong Kong Jockey Club Charities Trust ("HKJC") in August 2021. A total of \$17.8M was granted. The Lee Hysan Foundation granted \$1.9M to our District Support Centre to provide the Home Respite Caring Buddies for Persons with Intellectual Disabilities from September 2021 to 2023. This project served the carers and family members of persons with intellectual disabilities by providing temporary daytime relief so that they could handle their various commitments and sudden engagements.

Up to the end of October, the Housing Bureau approved altogether four transitional housing projects, Tong Yin Street, Po Yap Road, Po Lam Road North and Cheung Shun Street to CFSC. The total approved funding in 2021 was \$534M and finally uplifted to \$666M in 2022 for providing 1,212 living units for those in need. The four newly established rehabilitation services and two relocated services at Kai Nang Integrated Rehabilitation Complex commenced service in June 2020. Due to the Covid-19 epidemic, the full-service operation was extended to 2021-22. The new services generated about \$38.7M annually. The official grand opening had been scheduled on 19 November 2021 which remarked the significant milestone in the development of our rehabilitation core services. In November 2021, CFSC accepted a grant of \$6.9M from HKJC to carry out a three-year Elderly Pain Management Project in Kowloon East with the aim to assist 800 elderly people in managing their pain problems through proper physical exercise and enhancement of psycho-social well-being. In December 2021, Buildings Department subsidized around \$6.7M to CFSC to set up Social Service Team to support the low-income residents who lived in the old urban districts and were necessary to comply with the Mandatory Building and Window Inspection Scheme. Our District Elderly Community Centres participated in Jockey Club Digital Support Project for the Elderly in December 2021 to provide LeaveHomeSafe compatible smartphones, together with 12-month free basic mobile service to around 20,000 underprivileged elderlies. The total subsidy was \$3M.

The Mental Health Initiative Funding Scheme of Health Bureau granted three mental health projects with a sum of \$2.7M to CFSC. All three projects lasted 12 months starting in January 2022. The Community Investment and Inclusion Fund granted \$3.6M to our dementia centre to provide Dementia-Friendly Community in Ngau Tau Kok District in February 2022. This three-year project would serve the dementia elderlies and their carers through both direct service and capacity-building programmes. To proactively response to the over-crowded outpatient service under the fifth wave epidemic, HKJC granted \$2.6M to launch a three-month project to provide general outpatient services for vulnerable groups in three districts in March 2022, including Kwun Tong, Sham Shui Po and Wong Tai Sin. In March, Futu Securities International (Hong Kong) Limited generously subsidized \$5M to launch a Supporting Scheme for the Poor Families (富途抗疫同行支援貧困家庭計劃). The Scheme was intended to provide an immediate and direct financial subsidy to 550 families whose breadwinners lost their jobs or had lower incomes during epidemics. Throughout the year, the SWD continuous supplied face masks for the services, which contributed to effective prevention measures.

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

Given that no salary adjustment was introduced by the government in the period from 2019 to 2021, the total revenue of CFSC has reached \$963M in 2021-22 with an accumulated 37% increase in these two financial years. In the coming two years, some significant movements which will probably result in the increase of revenue and maintaining a high level of LSG reserve, include the service commencement of the Hoi Tat bundle of rehabilitation services which will start in August 2022, Home Care and Support for Elderly Persons with Mild Impairment for Kwun Tong district and Wong Tai Sin district shifting from Applied Fund service to LSG service in the first quarter of 2023, the operation of four transitional housing services will start from the second quarter of 2023, and the potential expansion opportunities of Green Community Projects and Primary Health Care projects.

Following the increasing trend of both revenue and LSG reserve in the past two years, CFSC continues on the track for service expansion, which is very likely in line with government policies, particularly in green and environmental services, primary health care services, caregiver support services, and services to poor families. To build a healthy organization, enhancing quality control, continuous internal alignment and knowledge renewal efforts will be fundamental to the further development of the organization. As such, management capacity as well as system capacity will be constantly reviewed and improved to ensure healthy expansion.

**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



Vice-chairman

Li Yat Shing, Daniel

Dated, 15 September, 2022





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**

(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 40, which comprise the consolidated statement of financial position as at 31 March, 2022, 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, 2022, 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**

(incorporated in Hong Kong and limited by guarantee)

*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 HKSAs 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 HKSAs, 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**

(incorporated in Hong Kong and limited by guarantee)

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- 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, 15 September, 2022



## CHRISTIAN FAMILY SERVICE CENTRE

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH, 2022**

	2022 HK\$	2021 HK\$
<b>Income</b>		
Social Welfare Department subvention	702,766,010.13	636,743,224.13
Government Subvention (non-social welfare department)	72,351,561.94	65,190,910.28
Community Chest Allocation	8,727,905.80	9,532,574.97
Hong Kong Jockey Club Charities Trust subvention	35,618,584.72	25,870,785.68
Other project grants	30,026,660.07	21,222,229.09
Fee income	63,905,303.72	54,820,796.05
Programme income	37,284,499.67	24,258,320.03
Donations	2,670,257.91	4,341,031.57
Bank interest income	183,808.36	278,530.42
Investment income	1,352,848.51	4,609,750.57
Other income	8,200,320.34	3,110,992.93
<b>Total income</b>	<b>963,087,761.17</b>	<b>849,979,145.72</b>
<b>Deduct :</b>		
<b>Expenditures</b>		
Personal emoluments	579,442,011.07	541,318,588.39
Staff incentive and allowance	22,774,048.22	5,208,688.56
Staff benefits and training	6,052,557.17	4,786,158.45
Administrative expenses	7,945,300.39	7,269,633.74
Finance charges	203,728.77	339,605.47
Utilities expenses	10,263,318.48	6,817,091.69
Stores and equipment	69,559,093.52	60,158,053.38
Insurance premium for office	8,715,528.92	7,421,070.72
Publicity and promotion expenses	933,906.91	923,089.20
Programme expenses	23,427,930.86	16,186,457.62
Hire of services	51,910,481.62	45,685,190.92
Transportation and travelling	8,571,553.63	5,424,383.79
Food for clients	12,359,763.53	9,895,405.09
Incentive payment for clients	4,519,471.52	2,602,398.25
Clients' medical care and supplies	10,529,138.06	8,923,832.43
Insurance premium for clients	268,237.97	234,207.46
Rent and rates	27,962,065.39	23,912,832.43
Miscellaneous	6,742,873.80	3,565,123.49
<b>Total expenditures</b>	<b>852,181,009.83</b>	<b>750,671,811.08</b>



**CHRISTIAN FAMILY SERVICE CENTRE**  
**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH, 2022**

	2022 HK\$	2021 HK\$
<b>Surplus before fair value changes of financial assets</b>	110,906,751.34	99,307,334.64
Fair value (loss)/gain on financial assets	(1,031,869.53)	5,688,432.11
<b>Surplus for the year</b>	<b>109,874,881.81</b>	<b>104,995,766.75</b>
<b>Transferring from/(to):</b>		
- Restricted reserves	(111,688,612.28)	(82,490,522.88)
- Designated reserves	(2,983,502.35)	(1,436,939.63)
- Unrestricted reserves	1,820,363.36	2,853,170.29
<b>(Deficit)/Surplus transferred to General fund</b>	<b>(2,976,869.46)</b>	<b>23,921,474.53</b>

## CHRISTIAN FAMILY SERVICE CENTRE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH, 2022


	Note	2022 HK\$	2021 HK\$
<b>Non-current assets</b>			
Property, plant and equipment	7	146,349,185.85	157,037,314.69
Financial assets at fair value	9	75,534,056.55	76,632,801.87
		221,883,242.40	233,670,116.56
<b>Current assets</b>			
Other receivables, deposits and prepayments	10	40,959,730.93	30,454,193.57
Pledged deposits	11	26,876,216.03	19,366,186.76
Cash and bank balances	11	269,130,100.21	173,929,072.69
		336,966,047.17	223,749,453.02
<b>Current liabilities</b>			
Accruals and other payables	12	29,988,858.48	25,581,667.66
Deferred income		48,220,773.39	42,634,063.72
Bank borrowings	12	15,000,000.00	15,000,000.00
		93,209,631.87	83,215,731.38
Net current assets		243,756,415.30	140,533,721.64
<b>Total assets less current liabilities</b>		465,639,657.70	374,203,838.20
<b>Non-current liabilities</b>			
Deferred income		75,182,243.00	91,678,812.54
<b>Net assets</b>		390,457,414.70	282,525,025.66

CHRISTIAN FAMILY SERVICE CENTRE  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH, 2022**

	Note	2022 HK\$	2021 HK\$
<b>Representing: -</b>			
General fund			
- Accumulated surplus	13	37,411,772.15	40,346,295.62
Restricted reserves			
- SWD Lump Sum Grant reserve	14	176,082,749.89	107,100,785.28
- SWD Provident Fund reserve	15	35,832,854.59	28,640,235.86
- Other restricted reserves	16	51,081,195.47	15,944,534.23
Capital project and restricted funds	25	1,644,517.43	(1,011,828.21)
Designated reserves	29	21,510,417.55	18,526,915.20
Unrestricted reserves	30	66,893,907.62	72,978,087.68
<b>Total reserves and funds</b>		<b>390,457,414.70</b>	<b>282,525,025.66</b>

The consolidated financial statements were approved and authorised for issue by the Board on 15 September, 2022 and are signed on its behalf by:

  
 Vice-chairman, Li Yat Shing, Daniel

  
 Director, Yau Ho Chun, Nora

  
 Chief Executive, Leung Siu Ling



CHRISTIAN FAMILY SERVICE CENTRE

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH, 2022

	2022 HK\$	2021 HK\$
<b>Operating activities</b>		
Surplus for the year	109,874,881.81	104,995,766.75
Net payment on SWD LSG Reserve Expenditure (pre-approved)	(254,572.35)	(544,990.39)
Net payment on SWD Lump Sum Grant reserve fund	(1,126,001.67)	(1,735,272.44)
Net payment on SWD provident fund reserve	(561,844.00)	(625,740.50)
Net payment on other restricted reserves	(74.75)	(5,591.49)
Net receipt on capital project and restricted funds	-	6,438.00
Adjustments for:		
Depreciation	50,001,817.03	43,589,354.57
Bond interest income	(1,343,339.54)	(1,942,735.59)
Dividend income	(239,846.34)	(195,506.54)
Interest income	(183,808.36)	(278,530.42)
Finance charges	203,728.77	339,605.47
Fair value loss/(gain) on financial assets	1,031,869.53	(5,688,432.11)
Gain on disposals of property, plant and equipment	-	(311,701.11)
Loss/(Gain) on disposal of financial assets	230,337.37	(2,471,508.43)
<b>Operating surplus before changes in working capital</b>	<b>157,633,147.50</b>	<b>135,131,155.77</b>
(Increase)/Decrease in other receivables, deposits and prepayments	(10,505,537.36)	5,930,082.98
Increase in accruals and other payables	4,407,190.82	3,605,763.87
(Decrease)/Increase in deferred income	(10,909,859.87)	20,852,163.06
<b>Cash flow generated from operating activities</b>	<b>140,624,941.09</b>	<b>165,519,165.68</b>
<b>Investing activities</b>		
Bond interest received	1,343,339.54	1,942,735.59
Dividend received	239,846.34	195,506.54
Interest received	183,808.36	278,530.42
Purchases of property, plant and equipment	(39,313,688.19)	(62,404,063.31)
Proceeds from sale of property, plant and equipment	-	1,797,340.00
Proceeds from sale of financial assets	33,547,960.51	43,504,508.69
Purchases of financial assets	(33,711,422.09)	(42,519,241.74)
Increase in pledged deposits	(7,510,029.27)	(813,620.18)
Increase in time deposits	(35,853,577.02)	(17,084,473.16)
<b>Cash flow used in investing activities</b>	<b>(81,073,761.82)</b>	<b>(75,102,777.15)</b>
<b>Financing activities</b>		
Interest paid	(203,728.77)	(339,605.47)
Repayment of bank loans	-	(4,000,000.00)
<b>Cash flow used in financing activities</b>	<b>(203,728.77)</b>	<b>(4,339,605.47)</b>
<b>Net increase in cash and cash equivalents</b>	<b>59,347,450.50</b>	<b>86,076,783.06</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>153,672,829.33</b>	<b>67,596,046.27</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>213,020,279.83</b>	<b>153,672,829.33</b>
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances – maturity within three months	213,020,279.83	153,672,829.33

CHRISTIAN FAMILY SERVICE CENTRE  
**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES AND FUNDS  
FOR THE YEAR ENDED 31 MARCH, 2022**

	General fund (Note 13) HK\$	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, 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
Surplus/(deficit) for the year	23,921,474.53	61,071,484.81	-	5,438,612.39	15,980,425.68	1,436,939.63	(2,853,170.29)	104,995,766.75
Funds transfer	(30,299,562.09)	2,201,176.36	(2,175,455.76)	21,382,338.02	-	1,604.82	8,889,898.65	-
Amounts refunded to Government	-	(1,735,272.44)	(789,654.50)	(5,591.49)	-	-	-	(2,530,518.43)
Funds receipt/(claw back)	-	-	163,914.00	-	6,438.00	-	-	170,352.00
SWD LSG Reserve Expenditure (pre-approved)	-	(544,990.39)	-	-	-	-	-	(544,990.39)
Net surplus/(deficit)	(6,378,087.56)	60,992,398.34	(2,801,196.26)	26,815,358.92	15,986,863.68	1,438,544.45	6,036,728.36	102,090,609.93
At 31 March, 2021	40,346,295.62	107,100,785.28	28,640,235.86	15,944,534.23	(1,011,828.21)	18,526,915.20	72,978,087.68	282,525,025.66
At 1 April, 2021	40,346,295.62	107,100,785.28	28,640,235.86	15,944,534.23	(1,011,828.21)	18,526,915.20	72,978,087.68	282,525,025.66
Surplus/(deficit) for the year	(2,976,869.46)	76,684,676.65	-	32,347,589.99	2,656,345.64	2,983,502.35	(1,820,363.36)	109,874,881.81
Funds transfer	42,345.99	(6,322,138.02)	7,754,462.73	2,789,146.00	-	-	(4,263,816.70)	-
Amounts refunded to Government	-	(1,126,001.67)	(818,157.00)	(74.75)	-	-	-	(1,944,233.42)
Funds receipt/(claw back)	-	-	256,313.00	-	-	-	-	256,313.00
SWD LSG Reserve Expenditure (pre-approved)	-	(254,572.35)	-	-	-	-	-	(254,572.35)
Net surplus/(deficit)	(2,934,523.47)	68,991,964.61	7,192,618.73	35,136,661.24	2,656,345.64	2,983,502.35	(6,084,180.06)	107,932,389.04
At 31 March, 2022	37,411,772.15	176,082,749.89	35,832,854.59	51,081,195.47	1,644,517.43	21,510,417.55	66,893,907.62	390,457,414.70



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022

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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.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022**

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**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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022**

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**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 recognised as income on a straight-line basis over the estimated useful lives of 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.

Financial assets at fair value 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022**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**

A person or an entity is related to the Group if:

- (a) A person, or a close member of that person's family, is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent.
  
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One 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 or an entity related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) 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).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with 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 Company at the end of the reporting period.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022**

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**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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022**

**3. Key sources of estimation uncertainty****Allowance for impairment of account receivables**

Allowance for impairment of account receivables is 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.

**4. Surplus for the year**

	2022	2021
	HK\$	HK\$
Surplus for the year is arrived at after charging/(crediting)		
the following items:		
(a) Staff costs		
Key personnel management		
Salaries and benefits	16,654,404.70	15,891,871.00
Contribution to defined contribution plans	1,601,876.87	1,624,960.00
Other staff		
Salaries and benefits	549,047,837.18	486,786,995.23
Contribution to defined contribution plans	34,911,940.54	42,223,450.72
	602,216,059.29	546,527,276.95
(b) Other items		
Auditor's remuneration	304,700.00	291,000.00
Depreciation	50,001,817.03	43,589,354.57
Operating leases charges on:		
- hire of properties	21,704,914.04	18,656,018.90
Fair value loss/(gain) on financial assets	1,031,869.53	(5,688,432.11)
Gain on disposals of property, plant and equipment	-	(311,701.11)
Loss/(Gain) on disposals of financial assets	230,337.37	(2,471,508.43)
(c) Finance costs		
Interest on bank borrowings	203,728.77	339,605.47

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022

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**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 (2021: 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 (2021: 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.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022**

**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, 2020, 31 March, 2021 and 2022	93,000,000.00				
<b>Charged against Designated reserves and Lotteries Fund</b>					
At 1 April, 2020, 31 March, 2021 and 2022	93,000,000.00				
<b>Net book value</b>					
At 31 March, 2021 and 2022	-				
	<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>
<b>Cost</b>					
At 1 April, 2020	25,391,001.00	80,320,707.47	24,807,368.00	227,743,671.94	358,262,748.41
Additions	-	14,025,732.09	5,747,059.00	42,631,272.22	62,404,063.31
Disposals	-	-	(6,738,614.50)	-	(6,738,614.50)
At 31 March and 1 April, 2021	25,391,001.00	94,346,439.56	23,815,812.50	270,374,944.16	413,928,197.22
Additions	-	17,533,078.41	7,533,645.00	14,246,964.78	39,313,688.19
Disposals	-	(8,814,160.26)	-	-	(8,814,160.26)
At 31 March, 2022	25,391,001.00	103,065,357.71	31,349,457.50	284,621,908.94	444,427,725.15
<b>Accumulated depreciation</b>					
At 1 April, 2020	3,011,331.84	66,979,639.69	18,718,160.38	129,845,371.66	218,554,503.57
Charge for the year	821,272.32	9,419,708.78	1,993,747.34	31,354,626.13	43,589,354.57
Written-back	-	-	(5,252,975.61)	-	(5,252,975.61)
At 31 March and 1 April, 2021	3,832,604.16	76,399,348.47	15,458,932.11	161,199,997.79	256,890,882.53
Charge for the year	821,272.32	12,176,373.86	3,233,143.04	33,771,027.81	50,001,817.03
Written-back	-	(8,814,160.26)	-	-	(8,814,160.26)
At 31 March, 2022	4,653,876.48	79,761,562.07	18,692,075.15	194,971,025.60	298,078,539.30
<b>Carrying amount</b>					
At 31 March, 2022	20,737,124.52	23,303,795.64	12,657,382.35	89,650,883.34	146,349,185.85
At 31 March, 2021	21,558,396.84	17,947,091.09	8,356,880.39	109,174,946.37	157,037,314.69

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022**

**8. Interest in a subsidiary**

At 31 March, 2022, the Group had an interest in the following subsidiary:

<u>Company</u>	<u>Place of incorporation</u>	<u>Proportion of ownership interest held</u>	<u>Principal activities</u>
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>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
Debt securities and mutual funds, listed in Hong Kong and overseas	47,371,251.64	49,658,006.84
Equity securities, listed overseas	28,162,804.91	26,974,795.03
	<b>75,534,056.55</b>	<b>76,632,801.87</b>

The carrying amounts of the Group's financial assets that have been pledged as collaterals for bank facilities is HK\$58,783,058.05 (2021: HK\$59,198,382.27).

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

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

	<b>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
Utility and other deposits	10,084,560.74	9,711,955.11
Sundry debtors and prepayments	30,875,170.19	20,742,238.46
	<b>40,959,730.93</b>	<b>30,454,193.57</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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022**

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

At 31 March, 2022, bank balances amounting to HK\$26,876,216.03 (2021: HK\$19,366,186.76) 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>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Cash and bank balances</b>		
Maturity within three months	213,020,279.83	153,672,829.33
Maturity over three months	56,109,820.38	20,256,243.36
	269,130,100.21	173,929,072.69

**12. Accruals, other payables and bank borrowings****(a) Accruals and other payables**

	<b>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
Accounts payables and receipt in advance	27,002,726.15	23,487,520.94
Accruals, provisions and other payables	2,297,341.73	1,441,895.62
Deposits received	688,790.60	652,251.10
	29,988,858.48	25,581,667.66

**(b) Bank borrowings**

	<b>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
Bank loans, secured	15,000,000.00	15,000,000.00
Classification under contractual terms:		
Current portion	15,000,000.00	15,000,000.00
Non-current portion	-	-
	15,000,000.00	15,000,000.00

Interest on bank loans is charged at 1.31% - 1.56% 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\$58,783,058.05 at 31 March, 2022 (2021: HK\$59,198,382.27) (note 9); and
- b. Pledged bank deposits of the Group amounted to HK\$26,876,216.03 (2021: HK\$19,366,186.76) (note 11).



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022**

**13. General fund**

	2022 HK\$	2021 HK\$
Surplus brought forward	40,346,295.62	46,724,383.18
(Deficit)/Surplus for the year	(2,976,869.46)	23,921,474.53
Transfer to SWD rent and rates (note 14(c))	-	(25,720.60)
Transfer from/(to) HKJC charities trust reserve (note 18)	50,335.65	(54,870.27)
Transfer from other project grant reserves (note 19)	-	107,667.90
Transfer to Education Bureau reserve (note 20)	-	(42,919.46)
Transfer (to)/from SWD projects reserves (note 22(b))	(7,989.66)	719.86
Transfer to Community chest fund (note 23)	-	(122,345.58)
Transfer to Government subvention (non-social welfare department) reserves (note 24)	-	(162,093.94)
Transfer to Service Development reserves (note 30(g))	-	(5,000,000.00)
Transfer to Service Units reserves (note 30(h))	-	(25,000,000.00)
<b>Surplus carried forward</b>	<b>37,411,772.15</b>	<b>40,346,295.62</b>

**14. SWD Lump Sum Grant reserve**

	2022 HK\$	2021 HK\$
<b>(a) Lump Sum Grant</b>		
Balance brought forward	96,854,765.73	38,441,301.34
Surplus for the year	49,289,714.60	56,784,178.42
SWD LSG Reserve Expenditure (pre-approved)	(254,572.35)	(544,990.39)
Transfer to Central items (note 14(d))	(1,755.96)	(1,179.40)
Transfer (to)/from SWD Provident Fund reserve (note 15)	(7,225,539.02)	2,175,455.76
<b>Balance carried forward</b>	<b>138,662,613.00</b>	<b>96,854,765.73</b>
<b>(b) Interest income</b>		
Balance brought forward	9,367,831.83	9,165,297.70
Interest income for the year	175,327.13	202,534.13
<b>Balance carried forward</b>	<b>9,543,158.96</b>	<b>9,367,831.83</b>
<b>(c) Rent and rates</b>		
Balance brought forward	(5,967,488.20)	(5,658,676.49)
Surplus/(Deficit) for the year	2,309,728.63	(263,902.55)
Transfer from General fund (note 13)	-	25,720.60
Transfer from Service Units reserves (note 30(h))	903,401.00	-
Refund to Government	(258,592.64)	(70,629.76)
<b>Balance carried forward</b>	<b>(3,012,951.21)</b>	<b>(5,967,488.20)</b>
<b>(d) Central items</b>		
Balance brought forward	6,845,675.92	4,160,464.39
Surplus for the year	24,909,906.29	4,348,674.81
Transfer from Lump Sum Grant (note 14(a))	1,755.96	1,179.40
Refund to Government	(867,409.03)	(1,664,642.68)
<b>Balance carried forward</b>	<b>30,889,929.14</b>	<b>6,845,675.92</b>
	<b>176,082,749.89</b>	<b>107,100,785.28</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022**

**15. SWD Provident Fund reserve**

	2022 HK\$	2021 HK\$
Balance brought forward	28,640,235.86	31,441,432.12
Transfer from/(to) SWD Lump Grant reserve (note 14(a))		
Existing staff	322,338.73	248,962.85
6.8% and other posts	6,903,200.29	(2,424,418.61)
	7,225,539.02	(2,175,455.76)
Transfer from CFSC Development Fund (note 30(b))	528,923.71	-
Funds receipt	256,313.00	163,914.00
Refund to Government	(818,157.00)	(789,654.50)
<b>Balance carried forward</b>	<b>35,832,854.59</b>	<b>28,640,235.86</b>

**16. Other restricted reserves**

	2022 HK\$	2021 HK\$
SWD one-off grant (note 17)	87,112.60	87,112.60
HKJC charities trust reserve (note 18)	(3,078,968.52)	(3,752,292.82)
Other project grant reserves (note 19)	2,200,407.47	1,026,565.02
Education Bureau reserve (note 20)	8,232,295.14	5,959,834.42
Chinese Medicine Centre for Training and Research reserve (note 21)	3,846,154.65	3,542,140.36
SWD surplus fund (note 22)	21,104,509.16	2,197,134.43
Sub-total (note 34(a))	32,391,510.50	9,060,494.01
Community chest fund (note 23)	(2,363,908.39)	(967,785.60)
Government subvention (non-social welfare department) reserves (note 24)	21,053,593.36	7,851,825.82
<b>Balance carried forward</b>	<b>51,081,195.47</b>	<b>15,944,534.23</b>

**17. SWD one-off grant**

	2022 HK\$	2021 HK\$
<b>Balance brought forward and carried forward</b>	<b>87,112.60</b>	<b>87,112.60</b>

**18. HKJC charities trust reserve**

	2022 HK\$	2021 HK\$
Balance brought forward	(3,752,292.82)	(1,029,005.02)
Surplus/(Deficit) for the year	836,420.49	(2,944,263.85)
Transfer (to)/from General fund (note 13)	(50,335.65)	54,870.27
Transfer (to)/from Service Units reserve (note 30(h))	(112,760.54)	166,105.78
<b>Balance carried forward</b>	<b>(3,078,968.52)</b>	<b>(3,752,292.82)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**19. Other project grant reserves**

	<b>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	1,026,565.02	3,455,363.88
Surplus/(Deficit) for the year	1,173,842.45	(5,655,420.30)
Transfer to General fund (note 13)	-	(107,667.90)
Transfer from Service Development reserves (note 30(g))	-	552,806.50
Transfer from Service Units reserves (note 30(h))	-	2,696,923.62
Adjustments	-	84,559.22
<b>Balance carried forward</b>	<b>2,200,407.47</b>	<b>1,026,565.02</b>

**20. Education Bureau reserve**

	<b>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	5,959,834.42	2,279,188.99
Surplus for the year (note 34(d)(iv))	2,272,460.72	3,584,013.28
Transfer from General fund (note 13)	-	42,919.46
Transfer from Service Units reserves (note 30(h))	74.75	59,304.18
Refund to Government	(74.75)	(5,591.49)
<b>Balance carried forward (note 34(d)(viii))</b>	<b>8,232,295.14</b>	<b>5,959,834.42</b>

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

	<b>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	3,542,140.36	2,629,941.66
Surplus for the year	304,014.29	912,198.70
<b>Balance carried forward</b>	<b>3,846,154.65</b>	<b>3,542,140.36</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022**

**22. SWD surplus fund**

	<b>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>(a)</b> SWD Lotteries fund reserve		
Balance brought forward	198,452.07	197,189.57
Interest received	1,262.50	1,262.50
<b>Balance carried forward</b>	<b>199,714.57</b>	<b>198,452.07</b>
<b>(b)</b> SWD projects reserves		
Balance brought forward	1,998,682.36	(7,610,589.64)
Surplus/(Deficit) for the year	18,898,122.57	(122,400.65)
Transfer to General fund (note 13)	7,989.66	(719.86)
Transfer from Service Development reserves (note 30(g))	-	1,630,155.68
Transfer from Service Units reserves (note 30(h))	-	8,179,702.11
Adjustments	-	(77,465.28)
<b>Balance carried forward</b>	<b>20,904,794.59</b>	<b>1,998,682.36</b>
<b>Total</b>	<b>21,104,509.16</b>	<b>2,197,134.43</b>

**23. Community chest fund**

	<b>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	(967,785.60)	(2,993,484.48)
Surplus for the year	(1,395,528.14)	(58,014.81)
Transfer from General fund (note 13)	-	122,345.58
Transfer from Service Development reserves (note 30(g))	-	603,325.32
Transfer (to)/from Service Units reserves (note 30(h))	(594.65)	1,493,092.79
Adjustments	-	(135,050.00)
<b>Balance carried forward</b>	<b>(2,363,908.39)</b>	<b>(967,785.60)</b>

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

	<b>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	7,851,825.82	(7,886,542.25)
Surplus for the year	10,256,995.11	9,721,237.52
Transfer from General fund (note 13)	-	162,093.94
Transfer from Service Development reserves (note 30(g))	261,302.88	7,460,953.46
Transfer from/(to) Service Units reserves (note 30(h))	2,683,469.55	(1,733,872.91)
Adjustments	-	127,956.06
<b>Balance carried forward</b>	<b>21,053,593.36</b>	<b>7,851,825.82</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022**

**25. Capital project and restricted funds**

	<b>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
F & E Replenishment and Minor Works		
Block Grant reserve (note 26)	7,077,119.12	3,766,335.22
Social Welfare Development Fund (note 27)	(220,650.08)	(399,967.95)
Lotteries fund (note 28)	(5,211,951.61)	(4,378,195.48)
	<hr/>	<hr/>
Balance carried forward	1,644,517.43	(1,011,828.21)

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

	<b>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	3,766,335.22	4,026,738.69
Add: Block Grant received	8,521,000.00	5,978,000.00
Other income	309,159.83	-
Interest income received	88.60	99.03
	<hr/>	<hr/>
	12,596,583.65	10,004,837.72
	<hr/>	<hr/>
Less: Expenditure during the year		
Minor Works Projects	(1,962,463.77)	(2,153,317.10)
Furniture and Equipment	(3,149,863.46)	(3,749,457.90)
Vehicle Overhauling	(407,137.30)	(335,727.50)
	<hr/>	<hr/>
	(5,519,464.53)	(6,238,502.50)
	<hr/>	<hr/>
Balance carried forward	7,077,119.12	3,766,335.22

**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 :-

	<b>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
Contracted for but not provided in the financial statements	499,456.94	38,000.00
Authorized but not contracted for	-	-
	<hr/>	<hr/>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022**

**27. Social Welfare Development Fund**

	2022 HK\$	2021 HK\$
Balance brought forward	(399,967.95)	135,782.40
Add: Receipt	750,510.00	135,570.00
Interest income	110.53	20.67
	<u>350,652.58</u>	<u>271,373.07</u>
Less: Expenditure under Social Welfare Development Fund during the year		
Expenditure for projects under Scope A	-	(403,824.86)
Expenditure for projects under Scope B	(571,302.66)	(267,516.16)
	<u>(571,302.66)</u>	<u>(671,341.02)</u>
Balance carried forward	<u>(220,650.08)</u>	<u>(399,967.95)</u>

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

	Phase 1 HK\$	Phase 2 HK\$	Phase 3 HK\$	Total HK\$
Balance brought forward	-	-	(399,967.95)	(399,967.95)
Add: Receipt	-	-	750,510.00	750,510.00
Interest income	-	-	110.53	110.53
	<u>-</u>	<u>-</u>	<u>350,652.58</u>	<u>350,652.58</u>
Less: Expenditure under Social Welfare Development Fund during the year				
Expenditure for projects under Scope A	-	-	-	-
Expenditure for projects under Scope B	-	-	(571,302.66)	(571,302.66)
	<u>-</u>	<u>-</u>	<u>(571,302.66)</u>	<u>(571,302.66)</u>
Refund to government			-	-
Balance carried forward	<u>-</u>	<u>-</u>	<u>(220,650.08)</u>	<u>(220,650.08)</u>

**28. Lotteries fund**

	2022 HK\$	2021 HK\$
Balance brought forward	(4,378,195.48)	(21,161,212.98)
(Deficit)/Surplus for the year	(833,756.13)	16,776,579.50
Funds receipt	-	6,438.00
Balance carried forward	<u>(5,211,951.61)</u>	<u>(4,378,195.48)</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022**

**29. Designated reserves**

	2022 HK\$	2021 HK\$
(a) Lai Chi Centre Designated Fund Reserves - Balance brought forward and carried forward	141,979.74	141,979.74
(b) Flag Day Fund - Balance brought forward	6,636,930.46	6,636,930.46
Deficit for the year	(12,003.08)	-
Balance carried forward	6,624,927.38	6,636,930.46
(c) Anti-poverty project for youngster fund - Balance brought forward and carried forward	(74.52)	(74.52)
(d) Raffle tickets fund - Balance brought forward	1,594,598.80	1,582,153.29
Surplus for the year	136,849.87	12,445.51
Balance carried forward	1,731,448.67	1,594,598.80
(e) Yam Pak Charitable Foundation - Balance brought forward and carried forward	614,655.64	614,655.64
Sub-total (note 34(b))	9,112,936.91	8,988,090.12
(f) CFSC Designated Fund - Balance brought forward	9,538,825.08	8,112,726.14
Surplus for the year	2,858,655.56	1,424,494.12
Transfer from Service Development reserves (note 30(g))	-	1,604.82
Balance carried forward	12,397,480.64	9,538,825.08
<b>Total</b>	<b>21,510,417.55</b>	<b>18,526,915.20</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022**

**30. Unrestricted reserves**

	2022 HK\$	2021 HK\$
(a) Cottage Repair Fund - Balance brought forward and carried forward	12,781,151.85	12,781,151.85
(b) CFSC Development Fund - Balance brought forward (Deficit)/Surplus for the year Transfer to SWD Provident Fund Reserve (note 15)	15,655,826.41 (1,680,802.91) (528,923.71)	13,431,862.76 2,223,963.65 -
Balance carried forward	13,446,099.79	15,655,826.41
(c) CFSC Building Redevelopment Fund - Balance brought forward and carried forward	130,085.86	130,085.86
(d) Miscellaneous Fund - Balance brought forward and carried forward	100.00	100.00
(e) HQ building maintenance reserves - Balance brought forward Deficit for the year	734,827.73 (162,689.14)	2,218,982.40 (1,484,154.67)
Balance carried forward	572,138.59	734,827.73
(f) Corporate systems support reserves - Balance brought forward Deficit for the year	137,129.57 -	716,423.01 (579,293.44)
Balance carried forward	137,129.57	137,129.57
(g) Service Development reserves - Balance brought forward Surplus for the year Transfer from General fund (note 13) Transfer to other project grant reserves (note 19) Transfer to SWD projects reserves (note 22(b)) Transfer to Community chest fund (note 23) Transfer to Government subvention (non-social welfare department) reserves (note 24) Transfer to CFSC Designated Fund (note 29(f))	21,743,605.20 2,198,106.82 - - - - (261,302.88) -	23,611,259.49 3,381,191.49 5,000,000.00 (552,806.50) (1,630,155.68) (603,325.32) (7,460,953.46) (1,604.82)
Balance carried forward	23,680,409.14	21,743,605.20
Sub-total (note 34(c))	50,747,114.80	51,182,726.62

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2022**

**30. Unrestricted reserves (continued)**

	<b>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>(h) Service Units reserves -</b>		
Balance brought forward	21,795,361.06	14,051,493.95
Deficit for the year	(2,174,978.13)	(6,394,877.32)
Transfer from General fund (note 13)	-	25,000,000.00
Transfer to SWD rent and rates (note 14(c))	(903,401.00)	-
Transfer from/(to) HKJC charities trust reserve (note 18)	112,760.54	(166,105.78)
Transfer to other project grant reserves (note 19)	-	(2,696,923.62)
Transfer to Education Bureau reserve (note 20)	(74.75)	(59,304.18)
Transfer to SWD projects reserves (note 22(b))	-	(8,179,702.11)
Transfer from/(to) Community chest fund (note 23)	594.65	(1,493,092.79)
Transfer (to)/from Government subvention (non-social welfare department) reserves (note 24)	(2,683,469.55)	1,733,872.91
<b>Balance carried forward</b>	<b>16,146,792.82</b>	<b>21,795,361.06</b>
<b>Total</b>	<b>66,893,907.62</b>	<b>72,978,087.68</b>

**31. Commitments****a) Capital commitments**

Capital commitments outstanding at 31 March 2022 not provided for in the consolidated financial statements are as follows:

- i) Capital commitments which are subvented by Furniture and Equipment Replenishment and Minor Works Block Grant are set out in note 26.
- ii) Subvented by others and self finance

	<b>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
Contracted for but not provided in the financial statements	39,263,951.76	6,995,789.17
Authorized but not contracted for	-	-

**b) 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>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
Within one year	10,980,785.60	20,981,572.50
In the second to fifth years, inclusive	6,749,940.60	6,815,290.00
	<b>17,730,726.20</b>	<b>27,796,862.50</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**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.

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

	The Centre	
	2022 HK\$	2021 HK\$
<b>Non-current assets</b>		
Property, plant and equipment	145,551,274.81	156,394,695.88
Financial assets at fair value	75,534,056.55	76,632,801.87
	221,085,331.36	233,027,497.75
<b>Current assets</b>		
Other receivables, deposits and prepayments	37,947,407.83	28,962,103.53
Amount due from a subsidiary	271,915.28	2,513,971.05
Pledged deposits	26,876,216.03	19,366,186.76
Cash and bank balances	266,546,795.33	168,435,731.71
	331,642,334.47	219,277,993.05
<b>Current liabilities</b>		
Accruals and other payables	29,861,414.41	25,282,685.39
Deferred income	47,841,369.20	42,355,884.94
Bank borrowings	15,000,000.00	15,000,000.00
	92,702,783.61	82,638,570.33
Net current assets	238,939,550.86	136,639,422.72
<b>Total assets less current liabilities</b>	460,024,882.22	369,666,920.47
<b>Non-current liabilities</b>		
Deferred income	74,846,362.17	91,491,331.84
<b>Net assets</b>	385,178,520.05	278,175,588.63


CHRISTIAN FAMILY SERVICE CENTRE  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH, 2022

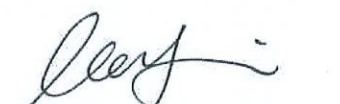
34. Statement of financial position and reserve movement of the Centre (continued)

	Note	The Centre	
		2022	2021
		HK\$	HK\$
<b>Representing: -</b>			
General fund			
- Accumulated surplus	13	37,411,772.15	40,346,295.62
Restricted reserves			
- SWD Lump Sum Grant reserve	14	176,082,749.89	107,100,785.28
- SWD Provident Fund reserve	15	35,832,854.59	28,640,235.86
- Other restricted reserves	34(a)	51,462,474.08	18,641,127.74
Capital project and restricted funds	25	1,644,517.43	(1,011,828.21)
Designated reserves	34(b)	22,160,497.55	18,566,925.47
Unrestricted reserves	34(c)	60,583,654.36	65,892,046.87
<b>Total reserves and funds</b>		<b>385,178,520.05</b>	<b>278,175,588.63</b>

Approved by the Board on 15 September, 2022

  
 Vice-chairman, Li Yat Shing, Daniel

  
 Director, Yau Ho Chun, Nora

  
 Chief Executive, Leung Siu Ling

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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## 34. Statement of financial position and reserve movement of the Centre (continued)

## (a) Other restricted reserves

	The Centre	
	2022	2021
	HK\$	HK\$
Other restricted reserves excluded Government subvention (non-social welfare department) reserves (note 16)	32,391,510.50	9,060,494.01
Government subvention (non-social welfare department) reserves		
Balance brought forward	10,548,254.66	(6,010,848.59)
Surplus for the year	10,487,129.83	10,541,972.70
Transfer from General fund (note 13)	-	162,093.94
Transfer from Service Development reserves (note 30(g))	261,302.88	7,460,953.46
Transfer from/(to) Service Units reserves (note 30(h))	138,184.60	(1,733,872.91)
Adjustments	-	127,956.06
Balance carried forward	21,434,871.97	10,548,254.66
Community chest fund		
Balance brought forward	(967,620.93)	(3,017,208.03)
Deficit for the year	(1,395,692.81)	(34,126.59)
Transfer from General fund (note 13)	-	122,345.58
Transfer from Service Development reserves (note 30(g))	-	603,325.32
Transfer (to)/from Service Units reserves (note 30(h))	(594.65)	1,493,092.79
Adjustments	-	(135,050.00)
Balance carried forward	(2,363,908.39)	(967,620.93)
Total	51,462,474.08	18,641,127.74

## (b) Designated reserves

	The Centre	
	2022	2021
	HK\$	HK\$
Designated reserves excluded		
CFSC Designated Fund (note 29)	9,112,936.91	8,988,090.12
CFSC Designated Fund		
Balance brought forward	9,578,835.35	8,112,726.14
Surplus for the year	3,468,725.29	1,464,504.39
Transfer from Service Development reserves (note 30(g))	-	1,604.82
Balance carried forward	13,047,560.64	9,578,835.35
Total	22,160,497.55	18,566,925.47



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**34. Statement of financial position and reserve movement of the Centre (continued)****(c) Unrestricted reserves**

	The Centre	
	2022 HK\$	2021 HK\$
Unrestricted reserves excluded service units reserves (note 30(g))	50,747,114.80	51,182,726.62
Service Units reserves		
Balance brought forward	14,709,320.25	7,683,656.54
Deficit for the year	(3,944,475.53)	(7,113,080.72)
Transfer from General fund (note 13)	-	25,000,000.00
Transfer to SWD rent and rates (note 14(c))	(903,401.00)	-
Transfer from/(to) HKJC charities trust reserve (note 18)	112,760.54	(166,105.78)
Transfer to other project grant reserves (note 19)	-	(2,696,923.62)
Transfer to Education Bureau reserve (note 20)	(74.75)	(59,304.18)
Transfer to SWD projects reserves (note 22(b))	-	(8,179,702.11)
Transfer from/(to) Community chest fund (note 23)	594.65	(1,493,092.79)
Transfer (to)/from Government subvention (non-social welfare department) reserves (note 24)	(138,184.60)	1,733,872.91
Balance carried forward	9,836,539.56	14,709,320.25
<b>Total</b>	<b>60,583,654.36</b>	<b>65,892,046.87</b>

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

	The Centre	
	2022 HK\$	2021 HK\$
(i) Kindergartens/Adult Education		
Balance brought forward	5,826,522.52	2,310,769.20
Surplus for the year	2,199,765.80	3,474,635.35
Refund to Government – Audit Education	(74.75)	(1,801.49)
Transfer from General fund (note 13)	-	42,919.46
Transfer from Service Units reserves (note 30(h))	74.75	-
Balance carried forward (note 34(d)(viii))	8,026,288.32	5,826,522.52
(ii) Community-based Projects 2015/16		
Balance brought forward	-	(50,472.81)
Income	-	-
Expenditure	-	3,184.95
Surplus for the year	-	3,184.95
Refund to government	-	(1,800.00)
Transfer from Service Units reserves (note 30(h))	-	49,087.86
Balance carried forward	-	-

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

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

	The Centre	
	2022 HK\$	2021 HK\$
(iii) Community-based Projects 2016/17		
Balance brought forward	-	(6,046.34)
Income	-	-
Expenditure	-	203.98
Surplus for the year	-	203.98
Refund to government		(1,990.00)
Transfer from Service Units reserves (note 30(h))		7,832.36
Balance carried forward	-	-
(iv) Community-based Projects 2017/18		
Balance brought forward	-	(2,383.96)
Income	-	-
Expenditure	-	-
Surplus for the year	-	-
Transfer from Service Units reserves (note 30(h))		2,383.96
Balance carried forward	-	-
(v) Community-based Projects 2018/19		
Balance brought forward	28,080.53	28,080.53
Income	-	-
Expenditure	-	-
Surplus for the year	-	-
Balance carried forward	28,080.53	28,080.53

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

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

	The Centre	
	2022 HK\$	2021 HK\$
(vi) Community-based Projects 2019/20		
Balance brought forward	29,186.37	(757.63)
Income	-	29,944.00
Expenditure	-	-
<u>(Deficit)/Surplus for the year</u>	<u>-</u>	<u>29,944.00</u>
Balance carried forward	29,186.37	29,186.37
(vii) Community-based Projects 2020/21		
Balance brought forward	76,045.00	-
Income	-	76,485.00
Expenditure	(7,392.60)	(440.00)
<u>Surplus for the year</u>	<u>(7,392.60)</u>	<u>76,045.00</u>
Balance carried forward	68,652.40	76,045.00
(viii) Community-based Projects 2021/22		
Balance brought forward	-	-
Income	85,727.00	-
Expenditure	(5,639.48)	-
<u>Surplus for the year</u>	<u>80,087.52</u>	<u>-</u>
Balance carried forward	80,087.52	-
<u>Total surplus for the year (note 20)</u>	<u>2,272,460.72</u>	<u>3,584,013.28</u>
(ix) Balance carried forward represents: -		
Kindergartens/Adult Education (note 34(d)(i))	8,026,288.32	5,826,522.52
Community-based Projects	206,006.82	133,311.90
<u>Total (note 20)</u>	<u>8,232,295.14</u>	<u>5,959,834.42</u>



**35. Novel Coronavirus (“COVID-19”) outbreak**

As a result of the uncertainties caused by the coronavirus outbreak in early 2020, there was a certain impact on the performance of the Group. Since the COVID-19 continues to evolve depending on future development and spread of COVID-19, the directors will closely monitor the development of 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.