

CHRISTIAN FAMILY SERVICE CENTRE
(INCORPORATED UNDER THE HONG KONG COMPANIES ORDINANCE)
DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2023

The directors present herewith their report and the audited consolidated financial statements for the year ended 31 March, 2023.

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, 2023 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 42.

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, 2023 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. Chow Siu-ngor (Hon. Treasurer)	鄒小岳
Mr. Cheng Wing-for	鄭榮科
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
Rev. Wong Wing-chi	黃永智
Lt.-Col. Alfred Tsang Hing-man	曾慶敏
Mr. David Au Chi-wai	區志偉 (Appointed on 1 January, 2023)
Rev. Paul Yam Yuen-fai	任遠輝 (Appointed on 1 January, 2023)
Rev. Yiu Chi-ho	姚志豪 (Appointed on 1 January, 2023)
Dr. Alfred So Ping-fai, M.H., CStJ	蘇平鞏 (Appointed on 1 January, 2023)
Elder So Ming-po	蘇明波 (Appointed on 1 January, 2023)
Mr. Antonio Kwong Cho-shing, M.H.	鄭祖盛 (Resigned on 1 January, 2023)
Mr. Kwok Wai-keung	郭偉強 (Resigned on 1 January, 2023)
Mr. Clifford Leung Siu-on, M.H.	梁紹安 (Resigned on 1 January, 2023)
Rev. Ko Kwok-hung	高國雄 (Resigned on 1 January, 2023)
Rev. To Man-ling	杜敏玲 (Resigned on 1 January, 2023)

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. and Dr. Alfred So Ping-fai, M.H., CSTJ are also directors in the subsidiary of the Centre. Other director of the Centre's subsidiary during the year and up to the date of this report include: Professor Edward Lo Chin-man.

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, our services include 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 the 2022-2023 financial year, the total turnover was \$960M, representing a 0.3% negative growth compared to \$963M in 2021-22. The CFSC's revenue mainly came from four categories of service operations, including the Social Welfare Department's Lump Sum Grant ("LSG") Services, the Applied-Fund Services (Social Welfare Department ("SWD") & Government Projects), Applied-Fund Services (Non-Government Projects) and Self-Supporting Services, and a subsidiary of Christian Family Service Centre Dental Services Limited.

The income for LSG Services has dropped by 2.5% from \$641M last year to \$625M this year, whereas the Applied Fund Services, government & non-government, has increased by 7.3% from last year's \$244.8M to this year's \$262.7M. For the Self-Supporting Services, the revenue has increased by 16.7% from \$60.9M to \$71.1M. The overall surplus for CFSC in 2022-23 is \$9.3M which has measured a \$2.56M fair value loss on financial assets. The total reserves decreased from \$390.5M to \$376.2M, which was mainly affected by the LSG reserve that has dropped to \$157M with a covering of \$18.2M holding account.

Principal risks and uncertainties

About 68% of the service income of CFSC was sub-vented by the SWD. The revenue drop for LSG services was not significant, as a 2.5% decrease was mainly caused by the discontinuation of pandemic subsidies. There are no foreseeable risks associated with the continuity of LSG sub-vented services.

Business review (continued)**Principal risks and uncertainties (continued)**

The service income of the Self-Supporting Services gradually rebounded after the pandemic and its strict zero COVID policy, which was eased by the end of 2022. The Vital Employee Service Consultancy has been able to sustain a desirable surplus that has largely compensated for the loss of other Self-Supporting Services. The income of the Applied Fund Services, government and non-government, has increased due to the service resumption to meet the changing needs after the pandemic.

The SWD confirmed the budget cut of 1% in 2022-23, which will represent a reduction of approximately \$5.7M in the recurring LSG subvention. This year, the LSG reserve level has decreased to 21.97%, which is within the safe range and would not trigger claw-back.

For the reserve investment, most fund houses have underperformed since the start of 2022 due to the larger-than-expected increase in US inflation and economic downturns. For the first time, there was a deficit in investment income of \$0.6M. CFSC will continue to adopt a conservative investment strategy and the investment portfolio is closely monitored by the Board.

Important events in the financial year 2022-2023

In relation to the new development for LSG services, the Hoi Tat service bundle includes a new hostel for moderately Mentally Handicapped Persons, a Supported Hostel for Mentally/Physically Handicapped Persons and Vocational Rehabilitation Services Centre were established in August 2022. Regularization of the Pilot Scheme for Home Care and Support for Elderly Persons with Mild Impairment was effective from January 1, 2023, with an annual subvention of around \$19M.

A community pharmacy, namely Diamond Hill Family Pharmacy, was commenced on 16 June 2023 at Sun Po Kong. The first year of operation was fully subsidized by Kerry Holdings Limited. Subsidies for the next two years will be decreased and the operation model will be fully self-sustained after.

On November 26, 2022, a flag-selling event was held across the territory that attracted 6,000 volunteers and received a donation of around \$1.86M.

Following the pandemic of the past three years, service units have been plunged into challenges of preventive measures and manpower shortages. In view of service resumption, an amount that not more than \$200,000 in LSG operational expenses was allocated for each LSG unit to improve the physical environment and service quality. The stores and equipment increased by \$8.7M compared to 2021-22.

Due to the long-term challenges caused by the pandemic, CFSC staff were given a hardship allowance with the purpose of supporting and acknowledging their dedication and commitment during the challenging times. The release was based on the length of their employment. An amount of \$15.2M was paid to staff, of which \$11.5M was for LSG staff and \$3.7M was for non-LSG staff.

Future development of the organization's operation

Following the increasing service income in the past two years, CFSC goes on the track for service expansion which is very likely in line with government policies, particularly in green and environmental services, caregiver support services, and services to poor families.

Business review (continued)

Future development of the organization's operation (continued)

The construction and renovation of four Transitional Housing projects started in 2022 and the operation permits for Cheung Sha Wan, Tong Yin Street, and Po Lam Road North will be obtained before October 2023. Serious delays have been identified for the last project, the Po Yap Road Project, which will be completed in early 2024. A total of 1,211 households are provided for eligible applicants who have been waiting-listed for public rental housing for more than three years. Screening, assessment work, and home visits will be conducted to recruit the most suitable families by our social work team.

Under the Green@Community initiatives, among the existing three Community Recycling Stores, the service contracts were successfully renewed for Kowloon City District (Ho Man Tin) and Kwun Tong District (Yu Man Square) whereas Tai Wai District was lost. Two new contracts have been obtained for Kowloon City District (To Kwa Wan) and Kowloon City District (Hung Hom). All of the four Community Recycling Stores were commenced in April 2023.

In the coming year, some major funding support for projects will be granted from the Hong Kong Jockey Club Charities Trust. Modernization of Tsui Lam Integrated Vocational Rehabilitation Service Centre is granted the amount of \$31.36M for renovation and health promotion for two years. The Fitness Walking Programme for Elders is subsidized to encourage active and healthy ageing at the amount of \$17.22M for three years. CFSC will also receive funding for Dementia Diagnosis and Support of the Community at \$9.99M for three and a half years. Funding for Pilot Project on Engaging and Supporting Hard-to-reach Elderly has been approved in the amount of \$10.79M for four years.

Further to the completion of the last strategic plan, the management started to craft the new strategic plan 2023-2025 which will involve human resource management, talent development, quality management and digital transformation as core strategies. In addition, carer support services, mental health services, anti-poverty services and medical-social collaboration are adopted as service strategies. The plan was submitted to the Development Committee and the Board for endorsement in May 2023.

Based on the SWD's implementation of the Operational Guidelines on Funding and Service Agreement-related Activities and Cost Apportionment for NGOs, principles and criteria are set out for delineating FSA-related activities, and methodology of amortizing the costs of operating FSA-related Services and non-FSA services. The management will conduct a review of the service purpose, objectives, nature, content, and targets of non-LSG services, and their utilization of LSG's premises. The proposed apportionment methodology will be put forward in April 2024.

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, 15 September, 2023



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 42, which comprise the consolidated statement of financial position as at 31 March, 2023, 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, 2023, 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.



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)

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

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**

(incorporated in Hong Kong and limited by guarantee)

- 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.

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

Hong Kong, 15 September, 2023

CHRISTIAN FAMILY SERVICE CENTRE

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH, 2023**

	Note	2023 HK\$	2022 HK\$
Income			
Social Welfare Department subvention		660,749,464.35	702,766,010.13
Government Subvention (non-social welfare department)		95,475,074.68	72,351,561.94
Community Chest Allocation		10,814,649.84	8,727,905.80
Hong Kong Jockey Club Charities Trust subvention		47,696,931.94	35,618,584.72
Other project grants		34,108,793.11	30,026,660.07
Fee income		65,276,269.47	63,905,303.72
Programme income		34,566,042.54	37,284,499.67
Donations		3,614,430.17	2,670,257.91
Bank interest income		1,623,366.92	183,808.36
Investment income	4	(636,359.89)	1,352,848.51
Other income		7,034,763.83	8,200,320.34
Total income		960,323,426.96	963,087,761.17
Deduct :			
Expenditures			
Personal emoluments		636,276,549.91	579,442,011.07
Staff incentive and allowance		23,333,377.19	22,774,048.22
Staff benefits and training		8,279,713.01	6,052,557.17
Administrative expenses		7,714,314.91	7,945,300.39
Finance charges		496,467.12	203,728.77
Utilities expenses		11,769,683.12	10,263,318.48
Stores and equipment		79,091,635.12	69,559,093.52
Insurance premium for office		8,892,255.06	8,715,528.92
Publicity and promotion expenses		2,910,869.03	933,906.91
Programme expenses		29,463,501.92	23,427,930.86
Hire of services		58,563,132.00	51,910,481.62
Transportation and travelling		9,458,764.59	8,571,553.63
Food for clients		12,965,844.07	12,359,763.53
Incentive payment for clients		4,946,252.28	4,519,471.52
Clients' medical care and supplies		11,780,626.60	10,529,138.06
Insurance premium for clients		256,298.66	268,237.97
Rent and rates		28,839,617.19	27,962,065.39
Miscellaneous		13,436,241.28	6,742,873.80
Total expenditures		948,475,143.06	852,181,009.83
Surplus before fair value changes of financial assets		11,848,283.90	110,906,751.34

CHRISTIAN FAMILY SERVICE CENTRE
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH, 2023

	Note	2023 HK\$	2022 HK\$
Fair value loss on financial assets		(2,558,887.45)	(1,031,869.53)
Surplus for the year		9,289,396.45	109,874,881.81
Transferring from/(to):			
- Restricted reserves		(5,924,414.73)	(111,688,612.28)
- Designated reserves		981,566.56	(2,983,502.35)
- Unrestricted reserves		(670,983.00)	1,820,363.36
Surplus/(Deficit) transferred to General fund		3,675,565.28	(2,976,869.46)

CHRISTIAN FAMILY SERVICE CENTRE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH, 2023

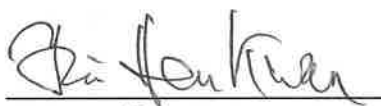
	Note	2023 HK\$	2022 HK\$
Non-current assets			
Property, plant and equipment	7	145,437,556.17	146,349,185.85
Financial assets at fair value	9	75,976,315.34	75,534,056.55
		221,413,871.51	221,883,242.40
Current assets			
Other receivables, deposits and prepayments	10	67,131,802.42	40,959,730.93
Pledged deposits	11	28,052,823.58	26,876,216.03
Cash and bank balances	11	240,183,124.42	269,130,100.21
		335,367,750.42	336,966,047.17
Current liabilities			
Accruals and other payables	12	43,370,471.39	29,988,858.48
Deferred income		67,841,861.98	48,220,773.39
Bank borrowings	12	15,000,000.00	15,000,000.00
		126,212,333.37	93,209,631.87
Net current assets		209,155,417.05	243,756,415.30
Total assets less current liabilities		430,569,288.56	465,639,657.70
Non-current liabilities			
Deferred income		54,365,258.93	75,182,243.00
Net assets		376,204,029.63	390,457,414.70

CHRISTIAN FAMILY SERVICE CENTRE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH, 2023

	Note	2023 HK\$	2022 HK\$
Representing: -			
General fund			
- Accumulated surplus	13	41,075,170.66	37,411,772.15
Restricted reserves			
- SWD Lump Sum Grant reserve	14	157,167,683.22	176,082,749.89
- SWD Provident Fund reserve	15	41,199,937.37	35,832,854.59
- Other restricted reserves	16	39,778,943.35	51,081,195.47
Capital project and restricted funds	25	2,876,586.95	1,644,517.43
Designated reserves	29	20,837,032.09	21,510,417.55
Unrestricted reserves	30	73,268,675.99	66,893,907.62
Total reserves and funds		376,204,029.63	390,457,414.70

The consolidated financial statements were approved and authorised for issue by the Board on 15 September, 2023 and are signed on its behalf by:



Chairman, Kwan Yui Huen, Alex



Hon. Treasurer, Chow Siu Ngor



Chief Executive, Leung Siu Ling

CHRISTIAN FAMILY SERVICE CENTRE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH, 2023

	2023 HK\$	2022 HK\$
Operating activities		
Surplus for the year	9,289,396.45	109,874,881.81
Net payment on SWD LSG Reserve Expenditure (pre-approved)	(1,906,814.17)	(254,572.35)
Net payment on SWD Lump Sum Grant reserve fund	(4,629,219.04)	(1,126,001.67)
Net payment on SWD provident fund reserve	(134,775.00)	(561,844.00)
Net payment on other restricted reserves	(14,511,438.56)	(74.75)
Net payment on unrestricted reserves	(122,534.75)	-
Fund transfer to sundry debtors and prepayments	(2,238,000.00)	-
Adjustments for:		
Depreciation	57,375,677.17	50,001,817.03
Bond interest income	(1,358,817.61)	(1,343,339.54)
Dividend income	(159,010.03)	(239,846.34)
Interest income	(1,623,366.92)	(183,808.36)
Finance charges	496,467.12	203,728.77
Fair value loss on financial assets	2,558,887.45	1,031,869.53
Gain on disposals of property, plant and equipment	(3,500.00)	-
Loss on disposal of financial assets	2,154,187.53	230,337.37
Operating surplus before changes in working capital	45,187,139.64	157,633,147.50
Increase in other receivables, deposits and prepayments	(26,172,071.49)	(10,505,537.36)
Increase in accruals and other payables	13,381,612.91	4,407,190.82
Decrease in deferred income	(1,195,895.48)	(10,909,859.87)
Cash flow generated from operating activities	31,200,785.58	140,624,941.09
Investing activities		
Bond interest received	1,358,817.61	1,343,339.54
Dividend received	159,010.03	239,846.34
Interest received	1,623,366.92	183,808.36
Purchases of property, plant and equipment	(56,464,047.49)	(39,313,688.19)
Proceeds from sale of property, plant and equipment	3,500.00	-
Proceeds from sale of financial assets	38,407,311.66	33,547,960.51
Purchases of financial assets	(43,562,645.43)	(33,711,422.09)
Increase in pledged deposits	(1,176,607.55)	(7,510,029.27)
Increase in time deposits	(838,525.77)	(35,853,577.02)
Cash flow used in investing activities	(60,489,820.02)	(81,073,761.82)
Financing activities		
Interest paid	(496,467.12)	(203,728.77)
Cash flow used in financing activities	(496,467.12)	(203,728.77)
Net (decrease)/increase in cash and cash equivalents	(29,785,501.56)	59,347,450.50
Cash and cash equivalents at the beginning of the year	213,020,279.83	153,672,829.33
Cash and cash equivalents at the end of the year	183,234,778.27	213,020,279.83
Analysis of balances of cash and cash equivalents		
Cash and bank balances – maturity within three months	183,234,778.27	213,020,279.83

CHRISTIAN FAMILY SERVICE CENTRE

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES AND FUNDS
FOR THE YEAR ENDED 31 MARCH, 2023

	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, 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	-	-	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)	68,981,964.61	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
At 1 April, 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
Surplus/(deficit) for the year	3,675,565.28	(6,902,015.68)	-	12,169,887.13	656,543.28	(981,566.56)	670,983.00	9,289,396.45
Funds transfer	(12,166.77)	(5,477,017.78)	5,501,857.78	(6,722,700.69)	575,526.24	308,181.10	5,826,320.12	-
Amounts refunded to Government	-	(4,629,219.04)	(248,963.00)	(14,511,438.56)	-	-	(122,534.75)	(19,512,155.35)
Fund transfer to sundry debtors and prepayments	-	-	-	(2,238,000.00)	-	-	-	(2,238,000.00)
Funds receipt	-	-	114,188.00	-	-	-	-	114,188.00
SWD LSG Reserve Expenditure (pre-approved)	-	(1,906,814.17)	-	-	-	-	-	(1,906,814.17)
Net surplus/(deficit)	3,663,398.51	(18,915,066.67)	5,367,082.78	(11,302,252.12)	1,232,069.52	(673,385.46)	6,374,768.37	(14,253,385.07)
At 31 March, 2023	41,075,170.66	157,167,683.22	41,199,937.37	39,778,943.35	2,876,586.95	20,837,032.09	73,268,675.99	376,204,029.63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2023

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, 2023**

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, 2023

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, 2023

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, 2023

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, 2023**

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

	2023 HK\$	2022 HK\$
Surplus for the year is arrived at after charging/(crediting) the following items:		
(a) Staff costs		
Key personnel management		
Salaries and benefits	17,349,213.00	16,654,404.70
Contribution to defined contribution plans	1,715,151.99	1,601,876.87
Other staff		
Salaries and benefits	604,163,718.31	549,047,837.18
Contribution to defined contribution plans	36,381,843.80	34,911,940.54
	659,609,927.10	602,216,059.29
(b) Other items		
Auditor's remuneration	289,250.00	304,700.00
Depreciation	57,375,677.17	50,001,817.03
Operating leases charges on:		
- hire of properties	22,090,885.23	21,704,914.04
Fair value loss on financial assets	2,558,887.45	1,031,869.53
Gain on disposals of property, plant and equipment	(3,500.00)	-
(c) Finance costs		
Interest on bank borrowings	496,467.12	203,728.77
(d) Investment income		
Bond interest	1,358,817.61	1,343,339.54
Dividend income	159,010.03	239,846.34
Loss on disposal of financial assets	(2,154,187.53)	(230,337.37)
	(636,359.89)	1,352,848.51

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2023

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 (2022: 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 (2022: 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, 2023**

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.

	Building cost of headquarters HK\$				
At cost					
At 1 April, 2021, 31 March, 2022 and 2023	93,000,000.00				
Charged against Designated reserves and Lotteries Fund					
At 1 April, 2021, 31 March, 2022 and 2023	93,000,000.00				
Net book value					
At 31 March, 2022 and 2023	-				
	Leasehold land and buildings HK\$	Furniture, fixtures and equipment HK\$	Motor vehicles HK\$	Renovation HK\$	Total HK\$
Cost					
At 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 and 1 April, 2022	25,391,001.00	103,065,357.71	31,349,457.50	284,621,908.94	444,427,725.15
Additions	-	21,211,974.94	2,006,906.60	33,245,165.95	56,464,047.49
Disposals	-	(11,507,776.52)	(640,836.00)	-	(12,148,612.52)
At 31 March, 2023	25,391,001.00	112,769,556.13	32,715,528.10	317,867,074.89	488,743,160.12
Accumulated depreciation					
At 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 and 1 April, 2022	4,653,876.48	79,761,562.07	18,692,075.15	194,971,025.60	298,078,539.30
Charge for the year	821,272.32	15,494,566.35	3,797,533.13	37,262,305.37	57,375,677.17
Written-back	-	(11,507,776.52)	(640,836.00)	-	(12,148,612.52)
At 31 March, 2023	5,475,148.80	83,748,351.90	21,848,772.28	232,233,330.97	343,305,603.95
Carrying amount					
At 31 March, 2023	19,915,852.20	29,021,204.23	10,866,755.82	85,633,743.92	145,437,556.17
At 31 March, 2022	20,737,124.52	23,303,795.64	12,657,382.35	89,650,883.34	146,349,185.85

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, 2023**

8. Interest in a subsidiary

At 31 March, 2023, the Group had an interest in the following subsidiary:

Company	Place of incorporation	Proportion of ownership interest held	Principal activities
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

	2023 HK\$	2022 HK\$
Debt securities and mutual funds, listed in Hong Kong and overseas	52,333,687.48	47,371,251.64
Equity securities, listed overseas	23,642,627.86	28,162,804.91
	75,976,315.34	75,534,056.55

The carrying amounts of the Group's financial assets that have been pledged as collaterals for bank facilities is HK\$58,962,758.76 (2022: HK\$58,783,058.05).

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

	2023 HK\$	2022 HK\$
Utility and other deposits	17,073,921.32	10,084,560.74
Sundry debtors and prepayments	50,057,881.10	30,875,170.19
	67,131,802.42	40,959,730.93

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, 2023**

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

At 31 March, 2023, bank balances amounting to HK\$28,052,823.58 (2022: HK\$26,876,216.03) 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.

	2023 HK\$	2022 HK\$
Cash and bank balances		
Maturity within three months	183,234,778.27	213,020,279.83
Maturity over three months	56,948,346.15	56,109,820.38
	240,183,124.42	269,130,100.21

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

	2023 HK\$	2022 HK\$
Accounts payables and receipt in advance	36,876,127.49	27,002,726.15
Accruals, provisions and other payables	5,792,281.51	2,297,341.73
Deposits received	701,786.10	688,790.60
Funds of transitional housing project (note 35)	276.29	-
	43,370,471.39	29,988,858.48

(b) Bank borrowings

	2023 HK\$	2022 HK\$
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 1.43% - 5.63% 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\$58,962,758.76 at 31 March, 2023 (2022: HK\$59,783,058.05) (note 9); and

b. Pledged bank deposits of the Group amounted to HK\$28,052,823.58 (2022: HK\$26,876,216.03) (note 11).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2023**

13. General fund

	2023 HK\$	2022 HK\$
Surplus brought forward	37,411,772.15	40,346,295.62
Surplus/(Deficit) for the year	3,675,565.28	(2,976,869.46)
Transfer (to)/from HKJC charities trust reserve (note 18)	(2,789.45)	50,335.65
Transfer to SWD projects reserves (note 22(b))	(380.88)	(7,989.66)
Transfer from Community chest fund (note 23)	140.74	-
Transfer to Government subvention (non-social welfare department) reserves (note 24)	(9,137.18)	-
Surplus carried forward	41,075,170.66	37,411,772.15

14. SWD Lump Sum Grant reserve

	2023 HK\$	2022 HK\$
(a) Lump Sum Grant		
Balance brought forward	138,662,613.00	96,854,765.73
Surplus for the year	2,392,244.49	49,289,714.60
SWD LSG Reserve Expenditure (pre-approved)	(1,906,814.17)	(254,572.35)
Transfer to Central items (note 14(d))	(1,237.65)	(1,755.96)
Transfer to SWD Provident Fund reserve (note 15)	(5,501,857.78)	(7,225,539.02)
Transfer from Service Development reserves (note 30(g))	19,440.00	-
Refund to Government	(679,105.38)	-
Balance carried forward	132,985,282.51	138,662,613.00
(b) Interest income		
Balance brought forward	9,543,158.96	9,367,831.83
Interest income for the year	1,509,436.46	175,327.13
Balance carried forward	11,052,595.42	9,543,158.96
(c) Rent and rates		
Balance brought forward	(3,012,951.21)	(5,967,488.20)
(Deficit)/Surplus for the year	(395,956.55)	2,309,728.63
Transfer from Service Development reserves (note 30(g))	5,400.00	-
Transfer from Service Units reserves (note 30(h))	-	903,401.00
Refund to Government	(979,019.84)	(258,592.64)
Balance carried forward	(4,382,527.60)	(3,012,951.21)
(d) Central items		
Balance brought forward	30,889,929.14	6,845,675.92
(Deficit)/Surplus for the year	(10,407,740.08)	24,909,906.29
Transfer from Lump Sum Grant (note 14(a))	1,237.65	1,755.96
Refund to Government	(2,971,093.82)	(867,409.03)
Balance carried forward	17,512,332.89	30,889,929.14
	157,167,683.22	176,082,749.89

CHRISTIAN FAMILY SERVICE CENTRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2023

15. SWD Provident Fund reserve

	2023 HK\$	2022 HK\$
Balance brought forward	35,832,854.59	28,640,235.86
Transfer from SWD Lump Grant reserve (note 14(a))		
Existing staff	192,816.31	322,338.73
6.8% and other posts	5,309,041.47	6,903,200.29
	5,501,857.78	7,225,539.02
Transfer from CFSC Development Fund (note 30(b))	-	528,923.71
Funds receipt	114,188.00	256,313.00
Refund to Government	(248,963.00)	(818,157.00)
Balance carried forward	41,199,937.37	35,832,854.59

16. Other restricted reserves

	2023 HK\$	2022 HK\$
SWD one-off grant (note 17)	87,112.60	87,112.60
HKJC charities trust reserve (note 18)	(2,676,126.91)	(3,078,968.52)
Other project grant reserves (note 19)	587,596.79	2,200,407.47
Education Bureau reserve (note 20)	6,428,464.16	8,232,295.14
Chinese Medicine Centre for Training and Research reserve (note 21)	7,459,032.88	3,846,154.65
SWD surplus fund (note 22)	2,687,523.93	21,104,509.16
Sub-total (note 34(a))	14,573,603.45	32,391,510.50
Community chest fund (note 23)	(1,407,890.78)	(2,363,908.39)
Government subvention (non-social welfare department) reserves (note 24)	26,613,230.68	21,053,593.36
Balance carried forward	39,778,943.35	51,081,195.47

17. SWD one-off grant

	2023 HK\$	2022 HK\$
Balance brought forward and carried forward	87,112.60	87,112.60

18. HKJC charities trust reserve

	2023 HK\$	2022 HK\$
Balance brought forward	(3,078,968.52)	(3,752,292.82)
Surplus for the year	2,630,720.63	836,420.49
Fund transfer to sundry debtors and prepayments	(2,238,000.00)	-
Transfer from/(to) General fund (note 13)	2,789.45	(50,335.65)
Transfer from/(to) Service Units reserve (note 30(h))	7,331.53	(112,760.54)
Balance carried forward	(2,676,126.91)	(3,078,968.52)

CHRISTIAN FAMILY SERVICE CENTRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2023

19. Other project grant reserves

	2023 HK\$	2022 HK\$
Balance brought forward	2,200,407.47	1,026,565.02
(Deficit)/Surplus for the year	(1,592,998.13)	1,173,842.45
Transfer to Service Units reserves (note 30(h))	(19,635.88)	-
Refund to Government	(176.67)	-
Balance carried forward	587,596.79	2,200,407.47

20. Education Bureau reserve

	2023 HK\$	2022 HK\$
Balance brought forward	8,232,295.14	5,959,834.42
(Deficit)/Surplus for the year (note 34(d)(vi))	(1,802,584.97)	2,272,460.72
Transfer from Service Units reserves (note 30(h))	-	74.75
Refund to Government	(1,246.01)	(74.75)
Balance carried forward (note 34(d)(vii))	6,428,464.16	8,232,295.14

21. Chinese Medicine Centre for Training and Research reserve

	2023 HK\$	2022 HK\$
Balance brought forward	3,846,154.65	3,542,140.36
Surplus for the year	3,612,878.23	304,014.29
Balance carried forward	7,459,032.88	3,846,154.65

CHRISTIAN FAMILY SERVICE CENTRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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22. SWD surplus fund

	2023 HK\$	2022 HK\$
(a) SWD Lotteries fund reserve		
Balance brought forward	199,714.57	198,452.07
Interest received	1,613.40	1,262.50
Balance carried forward	201,327.97	199,714.57
(b) SWD projects reserves		
Balance brought forward	20,904,794.59	1,998,682.36
(Deficit)/Surplus for the year	(2,902,258.97)	18,898,122.57
Transfer from General fund (note 13)	380.88	7,989.66
Transfer to Service Units reserves (note 30(h))	(1,414,278.07)	-
Refund to Government	(14,102,442.47)	-
Balance carried forward	2,486,195.96	20,904,794.59
Total	2,687,523.93	21,104,509.16

23. Community chest fund

	2023 HK\$	2022 HK\$
Balance brought forward	(2,363,908.39)	(967,785.60)
Surplus/(Deficit) for the year	934,480.15	(1,395,528.14)
Transfer to General fund (note 13)	(140.74)	-
Transfer from/(to) Service Units reserves (note 30(h))	21,678.20	(594.65)
Balance carried forward	(1,407,890.78)	(2,363,908.39)

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

	2023 HK\$	2022 HK\$
Balance brought forward	21,053,593.36	7,851,825.82
Surplus for the year	11,288,036.79	10,256,995.11
Transfer from General fund (note 13)	9,137.18	-
Transfer from Service Development reserves (note 30(g))	805.77	261,302.88
Transfer (to)/from Service Units reserves (note 30(h))	(5,330,769.01)	2,683,469.55
Refund to Government	(407,573.41)	-
Balance carried forward	26,613,230.68	21,053,593.36

CHRISTIAN FAMILY SERVICE CENTRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2023

25. Capital project and restricted funds

	2023 HK\$	2022 HK\$
F & E Replenishment and Minor Works		
Block Grant reserve (note 26)	10,075,117.09	7,077,119.12
Social Welfare Development Fund (note 27)	283,972.34	(220,650.08)
Lotteries fund (note 28)	(7,482,502.48)	(5,211,951.61)
Balance carried forward	2,876,586.95	1,644,517.43

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

	2023 HK\$	2022 HK\$
Balance brought forward	7,077,119.12	3,766,335.22
Add: Block Grant received	8,668,000.00	8,521,000.00
Other income	1,323,000.00	309,159.83
Interest income received	3,713.46	88.60
	17,071,832.58	12,596,583.65
Less: Expenditure during the year		
Minor Works Projects	(3,653,041.55)	(1,962,463.77)
Furniture and Equipment	(2,847,292.94)	(3,149,863.46)
Vehicle Overhauling	(496,381.00)	(407,137.30)
	(6,996,715.49)	(5,519,464.53)
Balance carried forward	10,075,117.09	7,077,119.12

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 :-

	2023 HK\$	2022 HK\$
Contracted for but not provided in the financial statements	281,691.39	499,456.94
Authorized but not contracted for	-	-

CHRISTIAN FAMILY SERVICE CENTRE

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27. Social Welfare Development Fund

	2023 HK\$	2022 HK\$
Balance brought forward	(220,650.08)	(399,967.95)
Add: Receipt	110,206.00	750,510.00
Interest income	7,743.77	110.53
	<u>(102,700.31)</u>	<u>350,652.58</u>
Less: Expenditure under Social Welfare Development Fund during the year		
Expenditure for projects under Scope A	(188,853.59)	(571,302.66)
Expenditure for projects under Scope B	-	-
	<u>(188,853.59)</u>	<u>(571,302.66)</u>
Transfer from Service Development reserves (note 30(g))	575,526.24	-
Balance carried forward	<u>283,972.34</u>	<u>(220,650.08)</u>

Note:

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

	Phase 1 HK\$	Phase 2 HK\$	Phase 3 HK\$	Total HK\$
Balance brought forward	-	-	(220,650.08)	(220,650.08)
Add: Receipt	-	-	110,206.00	110,206.00
Interest income	-	-	7,743.77	7,743.77
	<u>-</u>	<u>-</u>	<u>(102,700.31)</u>	<u>(102,700.31)</u>
Less: Expenditure under Social Welfare Development Fund during the year				
Expenditure for projects under Scope A	-	-	(188,853.59)	(188,853.59)
Expenditure for projects under Scope B	-	-	-	-
	<u>-</u>	<u>-</u>	<u>(188,853.59)</u>	<u>(188,853.59)</u>
Transfer from Service Development reserves (note 30(g))	-	-	575,526.24	575,526.24
Balance carried forward	<u>-</u>	<u>-</u>	<u>283,972.34</u>	<u>283,972.34</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2023

28. Lotteries fund

	2023 HK\$	2022 HK\$
Balance brought forward	(5,211,951.61)	(4,378,195.48)
Deficit for the year	(2,270,550.87)	(833,756.13)
Balance carried forward	(7,482,502.48)	(5,211,951.61)

29. Designated reserves

	2023 HK\$	2022 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	6,624,927.38	6,636,930.46
Net proceeds raised in the Flag Day*	1,708,751.10	-
Surplus/(Deficit) for the year	12,003.08	(12,003.08)
Balance carried forward	8,345,681.56	6,624,927.38
(c) Anti-poverty project for youngster fund - Balance brought forward and carried forward	(74.52)	(74.52)
(d) Raffle tickets fund - Balance brought forward	1,731,448.67	1,594,598.80
Surplus for the year	55,205.11	136,849.87
Transfer from Service Development reserves (note 30(g))	308,181.10	-
Balance carried forward	2,094,834.88	1,731,448.67
(e) Yam Pak Charitable Foundation - Balance brought forward and carried forward	614,655.64	614,655.64
Sub-total (note 34(b))	11,197,077.30	9,112,936.91
(f) CFSC Designated Fund - Balance brought forward	12,397,480.64	9,538,825.08
(Deficit)/Surplus for the year	(2,757,525.85)	2,858,655.56
Balance carried forward	9,639,954.79	12,397,480.64
Total	20,837,032.09	21,510,417.55

* Flag Day Public Subscription Permit No.: FD/T005/2022

The purpose of raising funds are for:

- (1) providing emergency support service for family carers;
- (2) purchasing of ICT and technological devices/ aids/ equipment for deprived service users;
- (3) supporting education and training service children with special educational needs; and
- (4) providing community services to improve the living of disadvantaged families living in sub-divided units.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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30. Unrestricted reserves

	2023 HK\$	2022 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	13,446,099.79	15,655,826.41
Deficit for the year	(6,108,021.25)	(1,680,802.91)
Transfer to SWD Provident Fund Reserve (note 15)	-	(528,923.71)
Balance carried forward	7,338,078.54	13,446,099.79
(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	572,138.59	734,827.73
Deficit for the year	(81,293.67)	(162,689.14)
Balance carried forward	490,844.92	572,138.59
(f) Corporate systems support reserves - Balance brought forward	137,129.57	137,129.57
Deficit for the year	(257,784.17)	-
Transfer from Service Units reserves (note 30(h))	579,293.44	-
Balance carried forward	458,638.84	137,129.57
(g) Service Development reserves - Balance brought forward	23,680,409.14	21,743,605.20
Surplus for the year	7,488,045.96	2,198,106.82
Transfer to Lump Sum Grant (note 14(a))	(19,440.00)	-
Transfer to Rent and rates (note 14(c))	(5,400.00)	-
Transfer to Government subvention (non-social welfare department) reserves (note 24)	(805.77)	(261,302.88)
Transfer to Social Welfare Development Fund (note 27)	(575,526.24)	-
Transfer to Raffle tickets fund (note 29(d))	(308,181.10)	-
Refund to government	(122,534.75)	-
Balance carried forward	30,136,567.24	23,680,409.14
Sub-total (note 34(c))	51,335,467.25	50,747,114.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2023

30. Unrestricted reserves (continued)

	2023 HK\$	2022 HK\$
(h) Service Units reserves -		
Balance brought forward	16,146,792.82	21,795,361.06
Deficit for the year	(369,963.87)	(2,174,978.13)
Transfer to SWD rent and rates (note 14(c))	-	(903,401.00)
Transfer (to)/from HKJC charities trust reserve (note 18)	(7,331.53)	112,760.54
Transfer from other project grant reserves (note 19)	19,635.88	-
Transfer to Education Bureau reserve (note 20)	-	(74.75)
Transfer from SWD projects reserves (note 22(b))	1,414,278.07	-
Transfer (to)/from Community chest fund (note 23)	(21,678.20)	594.65
Transfer from/(to) Government subvention (non-social welfare department) reserves (note 24)	5,330,769.01	(2,683,469.55)
Transfer to Corporate systems support reserves (note 30(f))	(579,293.44)	-
Balance carried forward	21,933,208.74	16,146,792.82
Total	73,268,675.99	66,893,907.62

31. Commitments

a) Capital commitments

Capital commitments outstanding at 31 March 2023 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

	2023 HK\$	2022 HK\$
Contracted for but not provided in the financial statements	500,256,532.14	39,263,951.76
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:

	2023 HK\$	2022 HK\$
Within one year	24,438,720.60	10,980,785.60
In the second to fifth years, inclusive	25,925,289.00	6,749,940.60
	50,364,009.60	17,730,726.20

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2023**

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	
	2023 HK\$	2022 HK\$
Non-current assets		
Property, plant and equipment	144,935,078.72	145,551,274.81
Financial assets at fair value	75,976,315.34	75,534,056.55
	220,911,394.06	221,085,331.36
Current assets		
Other receivables, deposits and prepayments	62,798,676.12	37,947,407.83
Amount due from a subsidiary	-	271,915.28
Pledged deposits	28,052,823.58	26,876,216.03
Cash and bank balances	235,303,381.44	266,546,795.33
	326,154,881.14	331,642,334.47
Current liabilities		
Accruals and other payables	42,084,481.55	29,861,414.41
Amount due to a subsidiary	289,574.58	-
Deferred income	67,661,576.79	47,841,369.20
Bank borrowings	15,000,000.00	15,000,000.00
	125,035,632.92	92,702,783.61
Net current assets	201,119,248.22	238,939,550.86
Total assets less current liabilities	422,030,642.28	460,024,882.22
Non-current liabilities		
Deferred income	54,120,588.57	74,846,362.17
Net assets	367,910,053.71	385,178,520.05


**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2023**

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

	Note	The Centre	
		2023 HK\$	2022 HK\$
Representing: -			
General fund			
- Accumulated surplus	13	41,075,170.66	37,411,772.15
Restricted reserves			
- SWD Lump Sum Grant reserve	14	157,167,683.22	176,082,749.89
- SWD Provident Fund reserve	15	41,199,937.37	35,832,854.59
- Other restricted reserves	34(a)	40,231,964.96	51,462,474.08
Capital project and restricted funds	25	2,876,586.95	1,644,517.43
Designated reserves	34(b)	21,584,432.09	22,160,497.55
Unrestricted reserves	34(c)	63,774,278.46	60,583,654.36
Total reserves and funds		367,910,053.71	385,178,520.05

Approved by the Board on 15 September, 2023


Chairman, Kwan Yui Huen, Alex


Hon. Treasurer, Chow Siu Ngor


Chief Executive, Leung Siu Ling

CHRISTIAN FAMILY SERVICE CENTRE

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	
	2023 HK\$	2022 HK\$
Other restricted reserves excluded Government subvention (non-social welfare department) reserves (note 16)	14,573,603.45	32,391,510.50
Government subvention (non-social welfare department) reserves		
Balance brought forward	21,434,871.97	10,548,254.66
Surplus for the year	11,359,779.79	10,487,129.83
Transfer from General fund (note 13)	9,137.18	-
Transfer from Service Development reserves (note 30(g))	805.77	261,302.88
Transfer (to)/from Service Units reserves (note 30(h))	(5,330,769.01)	138,184.60
Refund to Government	(407,573.41)	-
Balance carried forward	27,066,252.29	21,434,871.97
Community chest fund		
Balance brought forward	(2,363,908.39)	(967,620.93)
Surplus/(Deficit) for the year	934,480.15	(1,395,692.81)
Transfer to General fund (note 13)	(140.74)	-
Transfer from/(to) Service Units reserves (note 30(h))	21,678.20	(594.65)
Balance carried forward	(1,407,890.78)	(2,363,908.39)
Total	40,231,964.96	51,462,474.08

(b) Designated reserves

	The Centre	
	2023 HK\$	2022 HK\$
Designated reserves excluded CFSC Designated Fund (note 29)	11,197,077.30	9,112,936.91
CFSC Designated Fund		
Balance brought forward	13,047,560.64	9,578,835.35
(Deficit)/Surplus for the year	(2,660,205.85)	3,468,725.29
Balance carried forward	10,387,354.79	13,047,560.64
Total	21,584,432.09	22,160,497.55

**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	
	2023 HK\$	2022 HK\$
Unrestricted reserves excluded service units reserves (note 30(g))	51,335,467.25	50,747,114.80
Service Units reserves		
Balance brought forward	9,836,539.56	14,709,320.25
Deficit for the year	(3,554,108.14)	(3,944,475.53)
Transfer to SWD rent and rates (note 14(c))	-	(903,401.00)
Transfer (to)/from HKJC charities trust reserve (note 18)	(7,331.53)	112,760.54
Transfer from other project grant reserves (note 19)	19,635.88	-
Transfer to Education Bureau reserve (note 20)	-	(74.75)
Transfer from SWD projects reserves (note 22(b))	1,414,278.07	-
Transfer (to)/from Community chest fund (note 23)	(21,678.20)	594.65
Transfer from/(to) Government subvention (non-social welfare department) reserves (note 24)	5,330,769.01	(138,184.60)
Transfer to Corporate system support reserves (note 30(f))	(579,293.44)	-
Balance carried forward	12,438,811.21	9,836,539.56
Total	63,774,278.46	60,583,654.36

(d) Detail breakdown of Education Bureau reserve

	The Centre	
	2023 HK\$	2022 HK\$
(i) Kindergartens/Adult Education		
Balance brought forward	8,026,288.32	5,826,522.52
Surplus for the year	(1,753,765.86)	2,199,765.80
Transfer from Service Units reserves (note 30(h))	-	74.75
Refund to Government – Audit Education	(1,246.01)	(74.75)
Balance carried forward (note 34(d)(vii))	6,271,276.45	8,026,288.32
(ii) 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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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	
	2023 HK\$	2022 HK\$
(iii) Community-based Projects 2019/20		
Balance brought forward	29,186.37	29,186.37
Income	-	-
Expenditure	-	-
Surplus for the year	-	-
Balance carried forward	29,186.37	29,186.37
(iv) Community-based Projects 2020/21		
Balance brought forward	68,652.40	76,045.00
Income	-	-
Expenditure	-	(7,392.60)
Surplus for the year	-	(7,392.60)
Balance carried forward	68,652.40	68,652.40
(v) Community-based Projects 2021/22		
Balance brought forward	80,087.52	-
Income	-	85,727.00
Expenditure	(60,744.04)	(5,639.48)
Surplus for the year	(60,744.04)	80,087.52
Balance carried forward	19,343.48	80,087.52

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2023**

34. Statement of financial position and reserve movement of the Centre (continued)**(d) Detail breakdown of Education Bureau reserve (continued)**

	The Centre	
	2023 HK\$	2022 HK\$
(vi) Community-based Projects 2022/23		
Income	81,253.00	-
Expenditure	(69,328.07)	-
Surplus for the year	11,924.93	-
Balance carried forward	11,924.93	-
Total (deficit)/surplus for the year (note 20)	(1,802,584.97)	2,272,460.72
(vii) Balance carried forward represents: -		
Kindergartens/Adult Education (note 34(d)(i))	6,271,276.45	8,026,288.32
Community-based Projects	157,187.71	206,006.82
Total (note 20)	6,428,464.16	8,232,295.14

35. Grant from the Government for the provision of transitional housing project

	2023 HK\$	2022 HK\$
Balance of funds carried forward:		
Project name		
(a) Cheung Shun Street, Cheung Sha Wan	69.86	-
(b) Po Lam Road North, Tseung Kwan O	69.97	-
(c) Po Yap Road, Tseung Kwan O	70.02	-
(d) Tong Yin Street, Tseung Kwan O	66.44	-
Total	276.29	-
Deficit of projects during the year:		
Project name		
(a) Cheung Shun Street, Cheung Sha Wan	(283,126.39)	-
(b) Po Lam Road North, Tseung Kwan O	(351,192.00)	-
(c) Po Yap Road, Tseung Kwan O	(255,593.86)	-
(d) Tong Yin Street, Tseung Kwan O	(108,570.33)	-
Total	(998,482.58)	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2023**

35. Grant from the Government for the provision of transitional housing project (continued)**(a) Cheung Shun Street, Cheung Sha Wan**

On 21 July, 2021, the Centre has entered into an agreement with the Government of HKSAR for the Project of provision of transitional housing for low-income families with poor living conditions. The site of the Project is located at 915 Cheung Shun Street at Cheung Sha Wan, providing no less than 132 residential units in gross floor area of 3,028.059 m². Pursuant to the agreement, the Centre acts as the operator of the Project, responsible for submitting proposal, implementing and operating the Project, the Government has granted the support of land and fundings for the realization of construction works of the Project. The residential units will be leased out to low-income families at concessional rates. The construction works of the Project have been completed in June 2023. The leasing of the residential units to needy families will be started in June 2023.

	2023	2022
	HK\$	HK\$
Funds received from the Housing Bureau for the construction works of the Project	47,819,046.78	-
Interest Income	69.86	-
Total Income	47,819,116.64	-
Funds utilized by the Centre for the construction works of the Project	47,819,046.78	-
Total Expenditure	47,819,046.78	-
Capital Surplus for the year	69.86	-
Funds carried forward at 1 April	-	-
Funds brought forward at 31 March	69.86	-
Grant received from the Housing Bureau	-	-
Operating expenses of the Project		
Administrative expenses	2,800.00	-
Insurance premium for office	13,912.39	-
Publicity and promotion expenses	96,000.00	-
Programme expenses	170,414.00	-
Total Expenditure	283,126.39	-
Deficit of the project for the year	(283,126.39)	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2023**

35. Grant from the Government for the provision of transitional housing project (continued)**(b) Po Lam Road North, Tseung Kwan O**

On 15 July, 2021, the Centre has entered into an agreement with the Government of HKSAR for the Project of provision of transitional housing for low-income families with poor living conditions. The site of the Project is located at 11 Po Lam Road North at Tseung Kwan O, providing no less than 384 residential units in gross floor area of 7,696.891 m². Pursuant to the agreement, the Centre acts as the operator of the Project, responsible for submitting proposal, implementing and operating the Project, the Government has granted the support of land and fundings for the realization of construction works of the Project. The residential units will be leased out to low-income families at concessional rates. The construction works of the Project have not been completed at the end of reporting period.

	2023 HK\$	2022 HK\$
Funds received from the Housing Bureau for the construction works of the Project	27,632,300.00	-
Interest Income	69.97	-
Total Income	27,632,369.97	-
Funds utilized by the Centre for the construction works of the Project	27,632,300.00	-
Total Expenditure	27,632,300.00	-
Capital Surplus for the year	69.97	-
Funds carried forward at 1 April	-	-
Funds brought forward at 31 March	69.97	-
Grant received from the Housing Bureau	-	-
Operating expenses of the Project		
Administrative expenses	3,030.10	-
Insurance premium for office	7,483.40	-
Publicity and promotion expenses	224,000.00	-
Programme expenses	116,678.50	-
Total Expenditure	351,192.00	-
Deficit of the project for the year	(351,192.00)	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2023**

35. Grant from the Government for the provision of transitional housing project (continued)**(c) Po Yap Road, Tseung Kwan O**

On 15 July, 2021, the Centre has entered into an agreement with the Government of HKSAR for the Project of provision of transitional housing for low-income families with poor living conditions. The site of the Project is located at 27 Po Yap Road at Tseung Kwan O, providing no less than 413 residential units in gross floor area of 10,369.887 m². Pursuant to the agreement, the Centre acts as the operator of the Project, responsible for submitting proposal, implementing and operating the Project, the Government has granted the support of land and fundings for the realization of construction works of the Project. The residential units will be leased out to low-income families at concessional rates. The construction works of the Project have not been completed at the end of reporting period.

	2023	2022
	HK\$	HK\$
Funds received from the Housing Bureau for the construction works of the Project	25,991,020.00	-
Interest Income	70.02	-
Total Income	25,991,090.02	-
Funds utilized by the Centre for the construction works of the Project	25,991,020.00	-
Total Expenditure	25,991,020.00	-
Capital Surplus for the year	70.02	-
Funds carried forward at 1 April	-	-
Funds brought forward at 31 March	70.02	-
Grant received from the Housing Bureau	-	-
Operating expenses of the Project		
Personal emoluments	16,810.29	-
Staff incentive and allowance	5,000.00	-
Administrative expenses	2,800.32	-
Insurance premium for office	6,983.25	-
Publicity and promotion expenses	224,000.00	-
Total Expenditure	255,593.86	-
Deficit of the project for the year	(255,593.86)	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2023**

35. Grant from the Government for the provision of transitional housing project (continued)**(d) Tong Yin Street, Tseung Kwan O**

On 15 July, 2021, the Centre has entered into an agreement with the Government of HKSAR for the Project of provision of transitional housing for low-income families with poor living conditions. The site of the Project is located at 18 Tong Yin Street at Tseung Kwan O, providing no less than 282 residential units in gross floor area of 6,385.685 m². Pursuant to the agreement, the Centre acts as the operator of the Project, responsible for submitting proposal, implementing and operating the Project, the Government has granted the support of land and fundings for the realization of construction works of the Project. The residential units will be leased out to low-income families at concessional rates. The construction works of the Project have not been completed at the end of reporting period.

	2023	2022
	HK\$	HK\$
Funds received from the Housing Bureau for the construction works of the Project	31,720,902.60	-
Interest Income	66.44	-
Total Income	31,720,969.04	-
Funds utilized by the Centre for the construction works of the Project	31,720,902.60	-
Total Expenditure	31,720,902.60	-
Capital Surplus for the year	66.44	-
Funds carried forward at 1 April	-	-
Funds brought forward at 31 March	66.44	-
Grant received from the Housing Bureau	-	-
Operating expenses of the Project		
Administrative expenses	4,400.00	-
Insurance premium for office	8,170.33	-
Publicity and promotion expenses	96,000.00	-
Total Expenditure	108,570.33	-
Deficit of the project for the year	(108,570.33)	-