



ANNUAL ACCOUNTS (2011)
財務報告 (2011)

CFSC

The directors present herewith their report and the audited financial statements for the year ended 31 March, 2011.

Principal activities

The principal activities of the Centre are the 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.

Financial statements

The results of the Centre for the year ended 31 March, 2011 and the state of affairs of the Centre at that date are set out in the financial statements on pages 106 to 131.

Centre status

The Centre is a company incorporated in Hong Kong with liability limited by guarantee.

Reserves

Details of movements in the reserves of the Centre for the year ended 31 March, 2011 are set out in notes 10 to 23 to the financial statements.

Property, plant and equipment

Details of movements in property, plant and equipment of the Centre for the year ended 31 March, 2011 are set out in note 7 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)
Rev. Daniel Li Yat-shing (Vice-chairman)
Mr. Nicholas Chiu Sai-chuen, B.B.S., M.B.E., J.P. (Hon. Treasurer)
Dr. Miranda Chan Lai-foon
Professor Sophia Chan Siu-chee
Rev. Dr. Li Ping-kwong
The Hon. Madam Justice Maggie Poon Man-kay
Mr. Thomas Tsang Fuk-chuen
Major Simon Tso Kam-shing
Miss Nora Yau Ho-chun, M.H., J.P.
Dr. Alice Yuk Tak-fun, J.P.
Rev. Yung Chuen-hung
Mr. Chan Wing Kai (appointed on 1 January, 2011)
Rev. Lui Hing Tong (appointed on 1 January, 2011)
Rev. Lo Wai Ki (appointed on 1 January, 2011)
Rev. Kan Kei-piu (resigned on 31 December, 2010)
The Hon. Wong Sing-chi (resigned on 31 December, 2010)
Rev. Wong Mei Fung (resigned on 31 December, 2010)

The remaining directors in office will continue to hold office for the coming year.

Directors' interests in contracts

No contract of significance in relation to the Centre's business, to which the Centre was a party and in which a director of the Centre has a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.


Directors' benefits from rights to acquire share or debenture

At no time during the year was the Centre a party to any arrangements to enable the directors of the Centre to acquire benefits by means of the acquisition of shares in, or debentures of the Centre or any other body corporate.

Auditor

The financial statements have been audited by Messrs. Fan, Chan & Co., Certified Public Accountants, who now retire and offer themselves for re-appointment.

For and on behalf of the Board



Chairman

Dated, 20 July, 2011

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

(incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of Christian Family Service Centre (the "Centre") set out on pages 106 to 131, which comprise the statement of financial position as at 31 March, 2011, and the income and expenditure account, statement of changes in reserves and funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, the "Lump Sum Grant Manual", the "Guide to Social Welfare Subventions" 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit, and to report our opinion solely to you, as a body, in accordance with section 141 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. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Centre's preparation of financial statements that give a true and fair view 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 Centre's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

(incorporated in Hong Kong and limited by guarantee)

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Centre's affairs as at 31 March, 2011, and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance, the "Lump Sum Grant Manual", the "Guide to Social Welfare Subventions" and other instructions issued by the Director of Social Welfare.

Fan, Chan & Co.

Fan, Chan & Co.
Certified Public Accountants
Hong Kong, 20 July, 2011

CHRISTIAN FAMILY SERVICE CENTRE
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH, 2011


	2011 HK\$	2010 HK\$
Income		
Social Welfare Department subvention	168,570,441.00	165,022,166.00
Community Chest allocation	2,966,531.35	2,310,012.17
Hong Kong Jockey Club Charities Trust subvention	2,712,200.00	2,725,643.48
Education Bureau subvention	1,077,759.08	1,144,216.83
Hospital Authority Chinese Medicine	958,515.60	-
Lotteries Fund	3,240,419.00	-
Fee income	37,477,461.12	35,553,692.61
Program income	18,124,188.81	19,724,564.96
Donations and others	18,166,304.94	15,440,850.73
Bank interest income	187,222.86	315,327.42
Total income	253,481,043.76	242,236,474.20
Deduct :		
Expenditures		
Personal emoluments	183,766,368.88	174,157,768.83
Utility expenses	5,783,798.54	5,705,652.06
Food	8,858,689.68	8,287,397.06
Administrative expenses	2,751,748.66	1,571,288.61
Stores and equipment	5,529,277.14	9,485,183.53
Maintenance for special equipment	5,027,127.62	492,721.27
Renovation expenses	1,859,256.66	2,915,398.33
Transportation and travelling	1,502,897.05	1,422,013.46
Program expenses	13,460,537.44	15,555,792.58
Allowances for special purposes	652,379.80	440,651.50
Home and equipment improvement scheme	2,083,846.70	1,870,447.80
Hire of services	3,481,922.15	2,941,450.92
Incentive payment	944,590.34	902,461.50
Infirmity care supplement	749,820.98	937,463.40
Dementia supplement	337,239.33	262,579.97
Visiting medical services	-	80,330.00
Insurance premium	2,455,800.68	2,000,608.25
Client's medical care and supplies	2,298,446.51	1,678,158.90
Rent and rates	7,574,869.89	7,421,773.00
Miscellaneous	1,089,329.00	888,149.70
Total expenditures	250,207,947.05	239,017,290.67
Surplus for the year	3,273,096.71	3,219,183.53


CHRISTIAN FAMILY SERVICE CENTRE

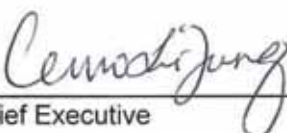
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH, 2011

	Note	2011 HK\$	2010 HK\$
Non-current assets			
Property, plant and equipment	(7)	17,219,996.43	16,194,070.29
Available-for-sale investments	(8)	51,370,355.86	48,218,185.24
		68,590,352.29	64,412,255.53
Current assets			
Other receivables, deposits and prepayments		6,142,197.56	3,356,413.23
Lotteries Fund receivables		1,422,187.66	2,135,219.22
Cash and cash equivalents	(9)	65,892,518.83	70,694,281.17
		73,456,904.05	76,185,913.62
Current liabilities			
Accruals and other payables		13,158,723.74	12,512,075.85
Deferred income		11,713,246.68	12,676,065.59
		24,871,970.42	25,188,141.44
Net current assets		48,584,933.63	50,997,772.18
Net assets		117,175,285.92	115,410,027.71
Representing: -			
General fund			
- Accumulated surplus	(10)	11,523,287.71	9,206,269.65
Social Welfare Department Funds			
- SWD subvention fund account	(11)	-	-
- SWD Lump Sum Grant reserve fund	(12)	27,559,234.17	33,446,747.65
- SWD provident fund reserve	(13)	14,283,908.93	12,444,585.24
- SWD one-off subsidy	(14)	-	991,812.30
- SWD one-off grant	(15)	87,112.60	91,080.60
- SWD surplus fund	(16)	2,585,413.27	-
Education Bureau reserve	(18)	(1,022,248.48)	(597,340.19)
Social Welfare Development Fund	(19)	1,796,259.00	-
F & E Replenishment and Minor Works Block			
Grant reserve	(20)	381,439.81	1,391,420.50
Chinese Medicine Centre for Training and Research			
reserve	(21)	(514,322.12)	-
Specific funds	(23)	59,142,466.21	57,070,305.41
Fair value reserve		1,352,734.82	1,365,146.55
Total reserves and funds		117,175,285.92	115,410,027.71

The financial statements were approved by the Board on 20 July, 2011 and are signed on its behalf by:


Chairman


Hon. Treasurer


Chief Executive

CHRISTIAN FAMILY SERVICE CENTRE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH, 2011

	2011	2010
	HK\$	HK\$
Operating activities		
Surplus for the year	3,273,096.71	3,219,183.53
Net payment on SWD Lump Sum Grant reserve fund	(500,989.17)	(1,043,461.26)
Net payment on SWD provident fund reserve	-	(63,168.00)
Net payment on SWD one-off subsidy	(991,812.30)	(215,179.14)
Net (payment)/receipt on SWD one-off grant	(3,968.00)	91,080.60
Net receipt on Social Welfare Development fund	1,796,259.00	-
Net (payment)/receipt on F & E Replenishment and Minor Works Block Grant	(1,010,030.26)	183,356.08
Net payment on Special one-off Block Grant	-	(73,590.00)
Net payment on specific funds	(1,116,702.03)	(549,467.96)
Net payment on translation reserve	-	(74,979.75)
Adjustments for:		
Depreciation	9,980,210.75	8,859,432.28
Interest income	(187,222.86)	(315,327.42)
Surplus recovery	331,766.42	18,410.85
Operating surplus before changes in working capital	11,570,608.26	10,036,289.81
Increase in other receivables, deposits and prepayments	(2,785,784.33)	(250,099.55)
Increase in pledged deposits	(2,653.50)	(4,374.20)
Decrease in Lotteries Fund receivables	713,031.56	469,040.79
Increase in accruals and other payables	646,647.89	2,002,225.43
(Decrease)/increase in deferred income	(962,818.91)	4,067,326.22
Cash flow from operating activities	9,179,030.97	16,320,408.50
Investing activities		
Interest received	187,272.43	315,493.95
Purchases of property, plant and equipment	(11,006,136.89)	(12,704,293.14)
Proceeds from sale of available-for-sale investments	24,094,338.42	20,633,513.10
Purchases of available-for-sale investments	(27,258,920.77)	(47,766,143.29)
Cash flow used in investing activities	(13,983,446.81)	(39,521,429.38)
Net decrease in cash and cash equivalents	(4,804,415.84)	(23,201,020.88)
Cash and cash equivalents at the beginning of the year	69,868,648.57	93,069,669.45
Cash and cash equivalents at the end of the year	65,064,232.73	69,868,648.57

CHRISTIAN FAMILY SERVICE CENTRE
STATEMENT OF CHANGES IN RESERVES AND FUNDS
FOR THE YEAR ENDED 31 MARCH, 2011

	General fund	SWD subvention fund account	SWD Lump Sum Grant reserve fund	SWD provident fund reserve	SWD One-off subsidy	SWD One-off grant	Education Bureau reserve	Replenishment and Minor Works Block Grant reserve	Special One-off Block grant	Specific funds	Fair value reserve	Translation reserve	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 1 April, 2009	7,508,761.61	19.84	38,085,916.14	10,686,981.65	1,206,991.44	-	(18,748.09)	1,281,488.86	-	53,746,138.48	227,973.72	74,979.75	112,780,503.40
Adjustment for deficit recovery	18,410.85	-	-	-	-	-	-	-	-	-	-	-	18,410.85
Surplus for the year	3,219,183.53	-	-	-	-	-	-	-	-	-	-	-	3,219,183.53
Other Comprehensive income													
Surplus attributable to SWD													
Lump Sum Grant reserve fund	1,754,935.64	-	(1,754,935.64)	-	-	-	-	-	-	-	-	-	-
Funds transfer	(3,295,021.98)	(20.81)	(1,820,771.59)	1,820,771.59	-	-	(578,592.10)	(73,590.00)	73,590.00	3,873,634.89	-	-	-
Interest income	-	0.97	-	-	-	-	-	165.56	-	-	-	-	166.53
Amount refunded to Government	-	-	(1,043,461.26)	(63,168.00)	-	-	-	-	-	-	-	-	(1,106,629.26)
Block grant received	-	-	-	-	-	-	-	2,187,100.00	-	-	-	-	2,187,100.00
Block grant expenditure	-	-	-	-	-	-	-	(2,003,743.92)	-	-	-	-	(2,003,743.92)
Receipts	-	-	-	-	-	216,000.00	-	-	1,458,100.00	4,917,410.00	-	-	6,591,510.00
Payment	-	-	-	(215,179.14)	(124,919.40)	-	-	-	(1,531,690.00)	(5,770,559.95)	-	-	(7,642,348.49)
Reversal of depreciation	-	-	-	-	-	-	-	-	-	303,681.99	-	-	303,681.99
Change in fair value of available-for-sales investments	-	-	-	-	-	-	-	-	-	-	1,137,172.83	-	1,137,172.83
Written off translation value	-	-	-	-	-	-	-	-	-	-	-	(74,979.75)	(74,979.75)
Net surplus / (deficit)	1,697,508.04	(19.84)	(4,619,168.49)	1,757,603.59	(215,179.14)	91,080.60	(578,592.10)	109,931.64	-	3,324,166.93	1,137,172.83	(74,979.75)	2,629,524.31
At 31 March, 2010	9,206,269.65	-	33,446,747.65	12,444,585.24	991,812.30	91,080.60	(597,340.19)	1,391,420.50	-	57,070,305.41	1,385,146.55	-	115,410,027.71

1. General information

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

During the year, the principle activities of the Centre are the 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.

2. Application of new and revised Hong Kong Financial Reporting Standards

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collectively includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued certain new and revised HKFRSs and Interpretations that are first effective or available for early adoption for the current accounting period of the Centre. There have been no significant changes to the accounting policies applied in these financial statements as a result of these developments.

The Centre has not applied the new HKFRSs and Interpretations that have been issued but are not yet effective for the current accounting period. The Centre has already commenced an assessment of the impact of these new HKFRSs and Interpretations but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. Significant accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are stated at their fair value, as explained in the respective accounting policy as set out below.

The preparation of the financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

3. Significant accounting policies (continued)

Basis of preparation (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Revenue

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

- (i) Subvention income is recognised when the income becomes receivable with reasonable assurance in the accounting period in which would compensate the relevant 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 concerned are rendered; and
- (iv) Interest income is recognised as it accrues using the effective interest method.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the supply of goods and services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight line method over their estimated useful lives as follows:

Furniture, fixture and equipment	3 years
Renovation	5 years
Motor vehicles	5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in income and expenditure account in the year in which the item is derecognised.

3. Significant accounting policies (continued)

Impairment of assets

At the end of each reporting period, the Centre reviews internal and external sources of information to determine whether its property, plant and equipment have suffered an impairment loss or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less cost to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Centre estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash generating unit). If the recoverable amount of an asset or a cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately. A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income immediately.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Centre commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets. Available-for-sale financial assets are subsequently carried at fair value.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in fair value reserve are included in income and expenditure account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognised in income and expenditure. Dividends on available-for-sale equity instruments are recognised in income and expenditure when the Centre's right to receive payment is established.

The Centre assesses at end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income and expenditure account - is removed from other comprehensive income and recognised in income and expenditure account. Impairment losses on equity instruments classified as available-for-sale are not reversed through income and expenditure account. Impairment losses on debt instruments classified as available-for-sale are reversed through income and expenditure account, if the increase in the fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in income and expenditure account.

3. Significant accounting policies (continued)

Receivables, deposits and prepayments

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of other receivables, deposits and prepayment is established when there is objective evidence that the Centre will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in income and expenditure account.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

Accruals and other payables

Accruals and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Centre is the lessee, rentals payable under operating leases are charged to income and expenditure on the straight line basis over the lease terms.

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 income and expenditure account over the expected useful life of the relevant asset by equal annual instalments.

Employee benefits

Salaries, annual 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 values.

3. Significant accounting policies (continued)

Related parties

A party is related to the Centre if:

- (i) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Centre; or has an interest in the Centre that gives it significant influence over the Centre; or has joint control over the Centre;
- (ii) the party is an associate of the Centre;
- (iii) the party is a joint venture in which the Centre is a venturer;
- (iv) the party is a member of the key management personnel of the Centre or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Centre, or of any entity that is a related party of the Centre.

4. Surplus for the year

	2011 HK\$	2010 HK\$
Surplus for the year is arrived at after charging the following items:		
Contributions to the defined contribution retirement plans	12,116,826.57	11,664,192.77
Salaries, allowances and other benefits in kind	171,649,542.31	162,493,576.06
Total staff costs	183,766,368.88	174,157,768.83
Auditor's remuneration	141,297.00	105,700.00
Depreciation	9,980,210.75	8,859,432.28
Operating leases charges - buildings	5,131,974.00	5,250,618.00

5. Taxation

No provision for Hong Kong profits tax has been made in the financial statements as the Centre is exempt from Hong Kong taxation under section 88 of the Inland Revenue Ordinance.

CHRISTIAN FAMILY SERVICE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2011

6. Directors' remuneration

During the years ended 31 March, 2011 and 2010, no amounts have been paid in respect of directors' emoluments, directors' or past directors' pensions or for any compensation to directors or past directors in respect of loss of office.

7. Property, plant and equipment

The Centre's headquarters is situated at 3 Tsui Ping Road, Kwun Tong, Kowloon, Hong Kong. The building costs of the headquarters have been financed by specific funds, Lotteries Fund and funds raised from flag day. The building costs of the headquarters are charged immediately against the respective accounts of specific funds, Lotteries Fund and flag day funds. The land of the headquarters was donated to the Centre in previous year and is situated in Hong Kong held on medium 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, 2009, 31 March, 2010 and 2011	93,000,000.00
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Charged against specific funds and Lotteries Fund	
At 1 April, 2009, 31 March, 2010 and 2011	93,000,000.00
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Net book value	
At 31 March, 2010 and 2011	-

	Land HK\$	Furniture, fixtures and equipment HK\$	Motor vehicles HK\$	Renovation HK\$	Total HK\$
Cost					
At 1 April, 2010	1.00	17,303,403.19	6,063,304.00	16,864,500.35	40,231,208.54
Additions	-	3,760,122.80	656,113.00	6,589,901.09	11,006,136.89
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At 31 March, 2011	1.00	21,063,525.99	6,719,417.00	23,454,401.44	51,237,345.43
<hr/>					
Accumulated depreciation					
At 1 April, 2010	-	12,446,099.14	1,567,611.84	10,023,427.27	24,037,138.25
Charge for the year	-	4,391,521.27	1,343,881.64	4,244,807.84	9,980,210.75
<hr/>					
At 31 March, 2011	-	16,837,620.41	2,911,493.48	14,268,235.11	34,017,349.00
<hr/>					
Net book value					
At 31 March, 2011	1.00	4,225,905.58	3,807,923.52	9,186,166.33	17,219,996.43

CHRISTIAN FAMILY SERVICE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2011

7. Property, plant and equipment (continued)

	Land HK\$	Furniture, fixtures and equipment HK\$	Motor vehicles HK\$	Renovation HK\$	Total HK\$
Cost					
At 1 April, 2009	1.00	12,145,941.25	1,774,733.80	13,606,239.35	27,526,915.40
Additions	-	5,157,461.94	4,288,570.20	3,258,261.00	12,704,293.14
At 31 March, 2010	1.00	17,303,403.19	6,063,304.00	16,864,500.35	40,231,208.54
Accumulated depreciation					
At 1 April, 2009	-	8,172,225.58	354,952.80	6,650,527.59	15,177,705.97
Charge for the year	-	4,273,873.56	1,212,659.04	3,372,899.68	8,859,432.28
At 31 March, 2010	-	12,446,099.14	1,567,611.84	10,023,427.27	24,037,138.25
Net book value					
At 31 March, 2010	1.00	4,857,304.05	4,495,692.16	6,841,073.08	16,194,070.29

The leasehold land and building is situated in Hong Kong held under medium lease term.

8. Available-for-sale investments

	2011 HK\$	2010 HK\$
At fair value		
Debt securities, listed overseas	31,654,318.63	38,373,808.08
Equity securities, listed overseas	19,716,037.23	9,844,377.16
	51,370,355.86	48,218,185.24

9. Pledged deposits and cash and cash equivalents

Cash and cash equivalents comprise cash held by the Centre and short-term bank deposits with an original maturity of three months or less.

At 31 March, 2011, bank balances amounting to HK\$828,286.10 (2010: HK\$825,632.60) were pledged to banks for securing credit facilities granted to the Centre.

CHRISTIAN FAMILY SERVICE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2011

10. General fund

	2011	2010
	HK\$	HK\$
Surplus brought forward	9,206,269.65	7,508,761.61
Adjustment of deficit recovery	331,766.42	18,410.85
	<u>9,538,036.07</u>	<u>7,527,172.46</u>
Surplus for the year	3,273,096.71	3,219,183.53
Transfer from SWD subvention fund account (note 11)	-	20.81
Transfer from Lump Sum Grant reserve fund (note 12)	3,547,200.62	2,205,178.31
Transfer to SWD surplus fund (note 16)	(2,585,413.27)	-
Transfer from Education Bureau reserve (note 18)	424,908.29	578,592.10
Transfer from Chinese Medicine Centre for Training and Research reserve (note 21)	514,322.12	-
Transfer to CFSC designated fund (note 23a)	(2,415,662.14)	(3,783,021.74)
Transfer from CFSC Development fund (note 23d)	108,931.30	-
Transfer to Flag day fund (note 23e)	(696,129.89)	-
Transfer to Anti-poverty project for youngster fund (note 23f)	(186,002.10)	(90,613.15)
Transfer to Lump Sum Grant reserve fund (note 12)	-	(450,242.67)
	<u>1,985,251.64</u>	<u>1,679,097.19</u>
Surplus carried forward	<u>11,523,287.71</u>	<u>9,206,269.65</u>

11. SWD subvention fund account

	2011	2010
	HK\$	HK\$
Balance brought forward	-	19.84
Add : Interest income	-	0.97
Less : Transfer to general fund (note 10)	-	(20.81)
Surplus carried forward	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2011

12. SWD Lump Sum Grant reserve fund

	2011 HK\$	2010 HK\$
(a) Lump Sum Grant		
Balance brought forward	25,818,658.64	30,127,946.71
Deficit for the year (note 10)	(4,243,768.78)	(2,938,339.08)
Transfer to SWD Provident fund reserve	(1,839,323.69)	(1,820,771.59)
Transfer to Central items	(277.31)	(420.07)
Transfer of surplus from SWD subvention project (note 10)	-	450,242.67
Balance carried forward	19,735,288.86	25,818,658.64
(b) Interest income		
Balance brought forward	6,551,839.51	6,236,563.01
Interest income for the year (note 10)	187,211.87	315,276.50
Balance carried forward	6,739,051.38	6,551,839.51
(c) Rent and rates		
Balance brought forward	(730,122.14)	(317,920.14)
Deficit for the year (note 10)	(4,010.50)	(282,008.20)
Refund to Government	(133,934.00)	(130,193.80)
Balance carried forward	(868,066.64)	(730,122.14)
(d) Central items		
Balance brought forward	1,806,371.64	2,019,326.56
Surplus for the year (note 10)	513,366.79	699,892.47
Transfer from Lump Sum Grant	277.31	420.07
Refund to Government	(367,055.17)	(913,267.46)
Balance carried forward	1,952,960.57	1,806,371.64
Total	27,559,234.17	33,446,747.65

13. SWD provident fund reserve

	2011 HK\$	2010 HK\$
Balance brought forward	12,444,585.24	10,686,981.65
Transfer from SWD Lump Grant reserve fund		
Existing staff	625,333.75	569,996.12
6.8% and other posts	1,213,989.94	1,250,775.47
Refund to Government	-	(63,168.00)
	1,839,323.69	1,757,603.59
Balance carried forward	14,283,908.93	12,444,585.24

CHRISTIAN FAMILY SERVICE CENTRE
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14. SWD one-off subsidy

	2011 HK\$	2010 HK\$
Balance brought forward	991,812.30	1,206,991.44
Add : One-off subsidy received	-	-
Interest income received	-	-
	<u>991,812.20</u>	<u>1,206,991.44</u>
Less : Expenditure during the year		
Staff training	604,540.30	108,199.14
Improvements to existing service delivery and service quality	350,039.00	106,980.00
Development of service programmes	37,233.00	-
	<u>991,812.30</u>	<u>215,179.14</u>
Balance carried forward	-	991,812.30

15. SWD one-off grant

	2011 HK\$	2010 HK\$
Balance brought forward	91,080.60	-
Add: Receipt	-	216,000.00
Less: Payment	(3,968.00)	(124,919.40)
Balance carried forward	<u>87,112.60</u>	<u>91,080.60</u>

16. SWD surplus fund

	2011 HK\$	2010 HK\$
Balance brought forward	-	-
Transfer from general fund (note 10)	2,585,413.27	-
Balance carried forward	<u>2,585,413.27</u>	<u>-</u>

17. Additional Resources for Para-medical staff

	2011 HK\$	2010 HK\$
Balance brought forward	-	-
Add : Additional Resources for Para-medical Staff received	1,350,500.00	1,350,000.00
	<u>1,350,500.00</u>	<u>1,350,000.00</u>
Less: Expenditures		
Personal Emolument (Additional portion paid from Lotteries Fund)		
Salary	(1,350,500.00)	(1,350,000.00)
Provident Fund	-	-
Allowances	-	-
Others	-	-
Hire of services (Additional portion paid from Lotteries Fund)		
Fee	-	-
Others	-	-
	<u>(1,350,500.00)</u>	<u>(1,350,000.00)</u>
Balance carried forward	-	-

18. Education Bureau reserve

	2011 HK\$	2010 HK\$
Balance brought forward	(597,340.19)	(18,748.09)
Transfer to general fund (note 10)	(424,908.29)	(578,592.10)
Balance carried forward	<u>(1,022,248.48)</u>	<u>(597,340.19)</u>

19. Social Welfare Development Fund

	2011 HK\$	2010 HK\$
Balance brought forward	-	-
Add: Receipt	1,796,259.00	-
Balance carried forward	<u>1,796,259.00</u>	<u>-</u>

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

	2011 HK\$	2010 HK\$
Balance brought forward	1,391,420.50	1,281,488.86
Add: Block Grant received	2,191,400.00	2,187,100.00
Interest income received	49.57	165.56
	3,582,870.07	3,468,754.42
Less: Expenditure during the year		
Minor Works Projects	(1,397,756.00)	(851,011.62)
Furniture and Equipment	(1,637,259.76)	(1,019,520.10)
Vehicle Overhauling	(166,414.50)	(133,212.20)
	(3,201,430.26)	(2,003,743.92)
Transfer to Special One-off Block Grant reserve	-	(73,590.00)
Balance carried forward	381,439.81	1,391,420.50

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 :-

	2011 HK\$	2010 HK\$
Contracted for but not provided in the financial statements	-	41,500.00
Authorised but not contracted for	170,362.00	-
	170,362.00	41,500.00

21. Chinese Medicine Centre for Training and Research reserve

	2011 HK\$	2010 HK\$
Balance brought forward	-	-
Transfer to general fund (note 10)	(514,322.12)	-
Balance carried forward	(514,322.12)	-

CHRISTIAN FAMILY SERVICE CENTRE
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22. Special One-off Block Grant reserve

	2011 HK\$	2010 HK\$
Balance brought forward	-	-
Add: Special One-off Block Grant received	-	1,458,100.00
Interest income received	-	-
Other income	-	-
	-	1,458,100.00
Less: Expenditure during the year		
Minor Works Projects	-	(1,531,690.00)
	-	73,590.00
Transfer from F & E Replenishment and Minor Works Block Grant reserve	-	73,590.00
	-	-
Balance carried forward	-	-

23. Specific funds

	2011 HK\$	2010 HK\$
(a) CFSC Designated Fund -		
Balance brought forward	33,860,505.74	29,856,244.15
Add: Receipts	482,231.88	683,449.80
Transfer from general fund (note 10)	2,415,662.14	3,783,021.74
	36,758,399.76	34,322,715.69
Less: Payments	(1,216,121.20)	(691,434.77)
	35,542,278.56	33,631,280.92
Reversal of depreciation	224,083.11	229,224.82
	35,766,361.67	33,860,505.74
Balance carried forward	35,766,361.67	33,860,505.74

CHRISTIAN FAMILY SERVICE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
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23. Specific funds (continued)

	2011 HK\$	2010 HK\$
(b) Lai Chi Centre Designated Fund -		
Balance brought forward	130,547.09	138,281.37
Add: Receipts	48,353.48	2,323.62
	178,900.57	140,604.99
Less: Payments	(21,759.30)	(10,057.90)
Balance carried forward	157,141.27	130,547.09
(c) Cottage Repair Fund -		
Balance brought forward and carried forward	12,781,151.85	12,781,151.85
(d) CFSC Development Fund -		
Balance brought forward	2,521,190.62	3,869,320.74
Add : Receipts	3,847,911.54	2,564,286.42
Transfer to general fund (note 10)	(108,931.30)	-
	6,260,170.86	6,433,607.16
Less : Payments	(3,148,987.34)	(3,976,131.57)
	3,111,183.52	2,457,475.59
Reversal of depreciation	32,291.91	63,715.03
Balance carried forward	3,143,475.43	2,521,190.62
(e) Flag Day Fund -		
Balance brought forward	6,799,591.10	6,923,026.60
Add : Receipts	4,775.06	14,751.56
Transfer from general fund (note 10)	696,129.89	-
	7,500,496.05	6,937,778.16
Less : Payments	(565,058.26)	(148,929.20)
	6,935,437.79	6,788,848.96
Reversal of depreciation	73,389.63	10,742.14
Balance carried forward	7,008,827.42	6,799,591.10
(f) Anti-poverty project for youngster fund -		
Balance brought forward	193,754.42	243,974.57
Transfer from general fund (Note 10)	186,002.10	90,613.15
	379,756.52	334,587.72
Less : Payments	(184,148.00)	(140,833.30)
Balance carried forward	195,608.52	193,754.42

CHRISTIAN FAMILY SERVICE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2011

23. Specific funds (continued)

	2011 HK\$	2010 HK\$
(g) CFSC Building Redevelopment Fund - Balance brought forward and carried forward	130,085.86	130,085.86
(h) Yam Pak Charitable Foundation - Balance brought forward	614,440.24	614,378.64
Add : Receipts	61.60	61.60
Balance carried forward	614,501.84	614,440.24
(i) HKJC Charities Trust (Others) - Balance brought forward	-	(911,944.00)
Add : Receipts	1,238,451.44	1,267,272.00
	1,238,451.44	355,328.00
Less : Payments	(2,037,770.68)	(355,328.00)
Balance carried forward	(799,319.24)	-
(j) S.K. Yee Medical Foundation Balance brought forward	1,740.00	75,386.00
Add : Receipts	96,760.00	288,580.00
	98,500.00	363,966.00
Less : Payments	-	(362,226.00)
Balance carried forward	98,500.00	1,740.00
(k) After School Learning – EB (07/08) Balance brought forward	-	5,259.60
Less : Payments	-	(5,259.60)
Balance carried forward	-	-
(l) After School Learning – EB (08/09) Balance brought forward	11,638.79	20,973.10
Income:		
EB - 3 rd Receipts	-	16,041.00
Other Income	-	-
Total Income	-	16,041.00
Expenditure:		
Total Payment	2,232.00	(25,375.31)
Balance carried forward	13,870.79	11,638.79

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23. Specific funds (continued)

	2011 HK\$	2010 HK\$
(m) After School Learning – EB (09/10)		
Balance brought forward	25,659.70	-
Income:		
EB - 1 st and 2 nd Receipts	-	80,644.00
EB - 3 rd Receipts	18,209.00	-
Other Income	-	-
Total Income	18,209.00	80,644.00
Expenditure:		
Total Payment	(37,594.60)	(54,984.30)
Balance carried forward	6,274.10	25,659.70
(n) After School Learning – EB (10/11)		
Balance brought forward	-	-
Income:		
EB - 1 st and 2 nd Receipts	68,410.00	-
Other Income	600.00	-
Total Income	69,010.00	-
Expenditure:		
Total Payment	(43,123.30)	-
Balance carried forward	25,886.70	-
(o) Miscellaneous Fund -		
Balance brought forward	-	-
Add: Receipts	100.00	-
Less : Payments	-	-
Balance carried forward	100.00	-
Total	59,142,466.21	57,070,305.41

24. Operating lease commitments

The Centre 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 31 March, 2011 the Centre had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2011 HK\$	2010 HK\$
Within one year	5,754,504.00	5,002,209.00
In the second to fifth years, inclusive	6,073,294.00	10,373,412.00
	<u>11,827,798.00</u>	<u>15,375,621.00</u>

25. Key management personnel compensation

The key management personnel of the Centre are the directors and the details of the directors' remuneration are included in note 6 to the financial statements.

26. Financial risk management objectives and policies

Exposure to currency, equity price and liquidity risks arise in the normal course of the Centre's business. These risks are limited by the Centre's financial management policies and practices described below.

Equity price risk

The Centre's available-for-sale investments are measured at fair value at the end of each reporting period. Therefore, the Centre is exposed to equity and debt securities price risk. This exposure is managed by maintaining a portfolio of investments with different profiles both in Hong Kong and overseas. The sensitivity analysis has been determined based on the exposure to equity price risk. At the reporting date, if the fair value of available-for-sale investments had been 5% higher/lower while all other variables were held constant, the Centre's reserves and funds would increase/decrease by approximately HK\$2,568,517.79 (2010: HK\$2,410,909.26).

Currency risk

The Centre is exposed to foreign currency risk arising from transactions and translation of available-for-sale investments and cash and cash equivalents which are denominated in Singapore dollars ("SGD") and United States dollars ("USD"). As the United States Dollars is pegged to the Hong Kong dollar, the Company considers the risk of movements in exchange rates between the USD and the HKD to be insignificant. The Centre currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

26. Financial risk management objectives and policies (continued)**Currency risk (continued)**

The carrying amounts of the Centre's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	SGD		USD	
	2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$
Assets				
Available-for-sale investments	676,484.38	-	39,096,423.71	38,984,975.24
Cash and cash equivalents	-	-	8,004,108.24	15,511,497.69

Sensitivity analysis on foreign exchange risk management:

The following table details the Centre's sensitivity to a 5% increase and decrease in Hong Kong dollars against the relevant foreign currency. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items, and adjusts their translation at the year end for a 5% change in foreign currency rates:

	SGD	
	2011 HK\$	2010 HK\$
Other equity	33,824.22	-

Liquidity risk

In the management of the liquidity risk, the Centre monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Centre's operations and mitigate the effects of fluctuations in cash flows. The following table details the Centre's remaining contractual maturity for its financial liabilities. For non-derivatives financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Centre can be required to pay. The table includes both interest and principal cash flows.

	Carrying amount HK\$	Total contractual undiscounted cash flow HK\$	Less than 1 year HK\$
At 31 March, 2011			
Accruals and other payables	13,158,723.74	13,158,723.74	13,158,723.74
At 31 March, 2010			
Accruals and other payables	12,512,075.85	12,512,075.85	12,512,075.85

26. Financial risk management objectives and policies (continued)**Fair value**

The fair values of the Company's financial instruments are not materially different from their carrying amounts. Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The three levels of the fair value hierarchy in HKFRS 7 Financial Instruments: Disclosures are defined as follows:

Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.

Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data.

Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

As at 31 March, 2011 and 2010, the financial instruments of the Company measured at fair value, including the available-for-sale investments and financial assets at fair value through profit or loss, represented level 1 of the fair value of hierarchy in accordance with HKFRS 7.

27. Management on various funds

The Centre's funds accounts consist of General fund, SWD subvention fund account, SWD Lump Sum Grant reserve, SWD provident fund reserve, SWD one-off subsidy, SWD One-off grant, SWD surplus fund, Education Bureau reserve, F & E Replenishment and Minor Works Block Grant reserve, Chinese Medicine Centre for Training and Research reserve, Social Welfare Development fund and specific funds, which are set up for various designated purposes as described in notes 10 to 23. It is the Centre's objective to maintain sufficient reserves and funds to safeguard the Centre's ability to continue as a going concern and to support its current and future operating expenditure requirements.

28. Contingent liabilities

At the end of reporting period, the Centre had contingent liabilities as follows :-

	2011	2010
	HK\$	HK\$
Staff long service payments not covered by MPF and ORSO Scheme	2,796,418.90	3,335,154.92

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29. Proceeds from a Flag Day and the usage of the donation collected

Proceeds from the Flag Day appeal had been transferred to Flag Day fund and the donation collected would be used as follows :-

	HK\$
Development self-financing home care services for the elderly	86,165.00
Developing the self-financing Jackey Chan Whole Person Development Centre	107,725.00
Improving facilities and equipment for Kindergarten	43,121.00
Developing employment service	43,121.00
Implementing "Family Culture Cum National Education" to the general public in East Kowloon	215,374.49
Purchasing hi-lo beds and improving air-conditioning for two residential homes for the elderly	193,890.00
Developing Primary Health Care Services	86,165.00
	<hr/>
	775,561.49
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