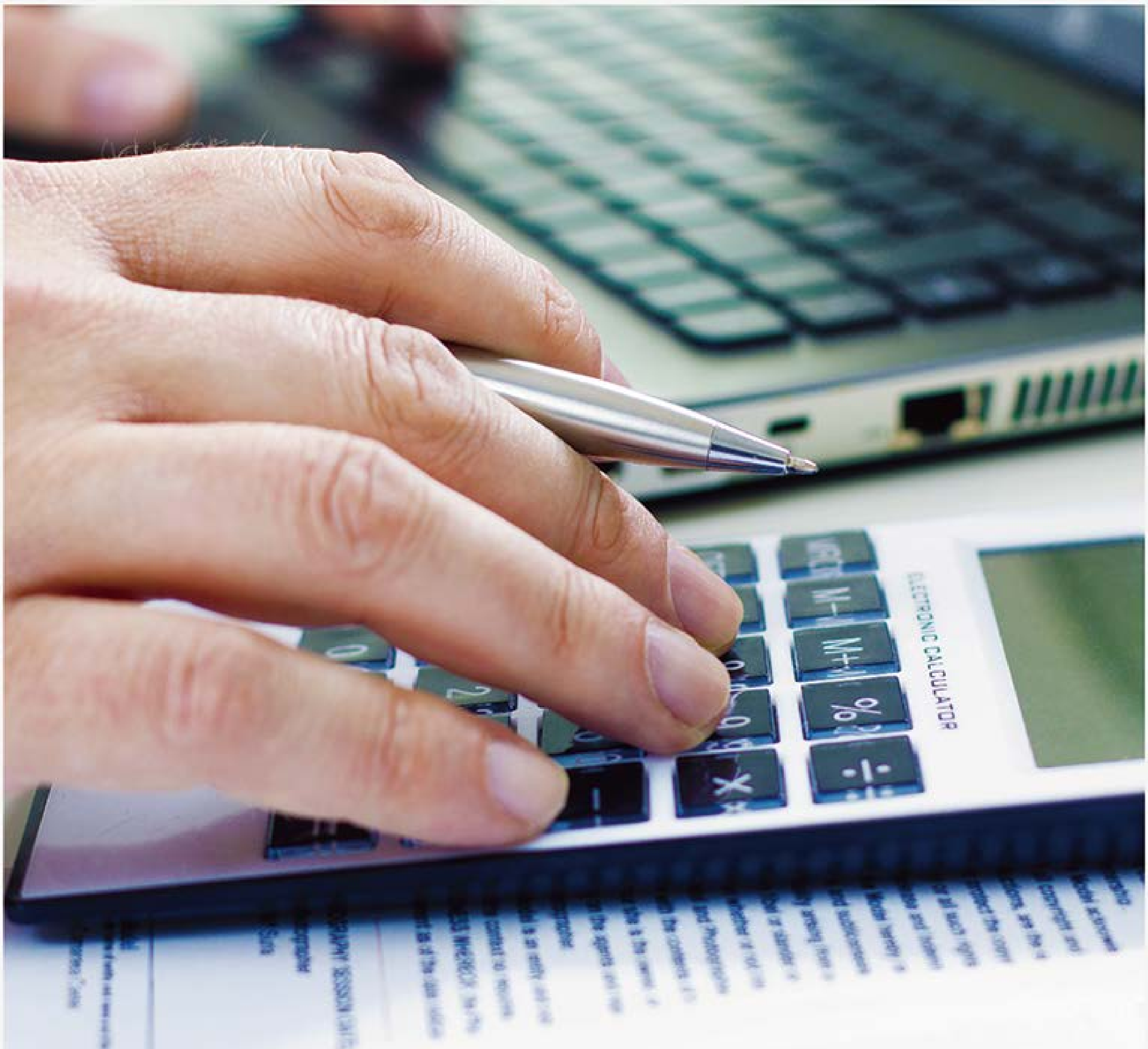

週年財務報告

The Annual Financial Report 2017-2018

CHRISTIAN FAMILY SERVICE CENTRE
(INCORPORATED UNDER THE HONG KONG
COMPANIES ORDINANCE)
DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2018

CONTENTS

范 陳 會 計 師 行
FAN, CHAN & CO.
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

The directors present herewith their report and the audited consolidated financial statements for the year ended 31 March, 2018.

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.

The principal activities of its subsidiary are set out in note 9 to the financial statements.

Financial statements

The financial performance of the Group for the year ended 31 March, 2018 and the state of affairs of the Group and the Centre at that date are set out in the consolidated financial statements on pages 8 to 49.

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, 2018 are set out in consolidated statement of changes in reserves and funds and note 37 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. Nicholas Chiu Sai-chuen, B.B.S., M.B.E., J.P. (Hon. Treasurer)	趙世存	(resigned on 8 June, 2018)
Mr. Antonio Kwong Cho-shing, M.H. (Hon. Treasurer)	鄺祖盛	(effective on 11 July, 2018)
Rev. Chan Wing-on	陳永安	
Mr. Cheng Wing-for	鄭榮科	
Mr. Chow Siu-ngor	鄒小岳	
Mr. Kwok Wai-keung	郭偉強	
Mr. Karl Lau Chun-chuen	劉俊泉	(resigned on 1 January, 2018)
Rev. Po Kam-cheong	蒲錦昌	
The Hon. Madam Justice Maggie Poon Man-kay	潘敏琦	
Mr. Thomas Tsang Fuk-chuen	曾福全	(resigned on 1 January, 2018)
Miss Nora Yau Ho-chun, M.H., J.P.	邱可珍	
Rev. Yung Chuen-hung	翁傳鏗	
Rev. Wong Chak-tong	王澤堂	
Mr. Chan Kwok-keung	陳國強	(appointed on 1 January, 2018)
Mr. Chau Kwok-cheong	周國昌	(appointed on 1 January, 2018)

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

Directors of the Centre's subsidiary

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

Directors' interests in underlying debentures of the Centre or any specified undertaking of the Centre

At no time during the year was the Centre, its subsidiary, a party to any arrangement to enable the directors of the Centre to hold any interests in the debentures of, the Centre or its specified undertakings.

Permitted indemnity provisions

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

Business Review 2018

A fair review of business

In the year 2017-18, Christian Family Service Centre continued to operate smoothly with a steady growth in business. The total turnover of the year was $517M, representing a 5.3% growth compared to $491M in 2016-17. The revenue came from three categories of service operations including the SWD Lump Sum Grant Service (LSG), the Applied-Funding Service (Applied-Fund) and the Self-Supporting Service (Self-Supporting). The revenue increases for LSG and Applied-Fund categories is 2.8% and 12.5% respectively whereas there was a slight drop of 3.3% for the Self-Supporting revenue due to a decrease in service fee income and donations. The LSG reserve changed from $31.3M to $24.0M while the total reserves dropped from $162M to $157M. The decrease in LSG reserve and thus the drop of total reserve were due to a pre-approved additional expense of $4.28M from the LSG reserve endorsed by the Board and a one-time injection of $10,000 or $5,000 to the employee's MPF accounts in June 2017. Operation-wise, the LSG service experienced a $0.6M deficit which is considered as manageable.

For the Applied-Fund and Self-Supporting services, the operations were smooth and had contributed $4M to the unrestricted reserve.

Principal risks and uncertainties

The risk of LSG revenue drop is low. In 2017-18, about 66.8% of the service income was stable subvention from Social Welfare Department and there are no foreseeable risks under the LSG sub-vented services.

For Applied-Fund services, most of the existing projects will continue until projects end. More projects will be taken up and there is certain concern in the internal capacity to support the rapid growth of business. A big uncertainty regarding Applied Funding service is related to the taking up of the Ma Yau Tong Central Revitalization Project. The Environment Bureau appointed CFSC to conduct a feasibility study in June 2017 before the project can be formally granted to CFSC. However, after the feasibility study, the project set up budget doubles the original estimate and the associated uncertainties are seen to be beyond CFSC's capability. Most assessments will be done in 2018-19.

For the Self-Supporting services, most of the projects are operated in stable business environments and the budget forecast is positive.

Regarding the investment risk, Christian Family Service Centre continues to adopt a conservative strategy for reserve investment and the investment is closely monitored by the Board. The amount CFSC invested in the equity market is less than 11.27% of the total reserve and so the investment risk is considered to be low though the investment market is predicted to be more volatile and an economic downturn is probable in the coming years. Regarding the interest-rate risk, Christian Family Service Centre has utilized a $20M credit facility at a low interest rate for purchasing an office in 2016-17. A change in interest rate will have negligible effect on the cash flow and operation.

Important events in the financial year 2017-18

The Education Bureau allocated an estate kindergarten premises at On Tat Estate to CFSC for setting up a new kindergarten. CFSC updated the Articles of Association to confirm with the requirements for the allocation. The new Articles was approved in the EGM on 31 July and subsequently endorsed by relevant Government Departments. The Kindergarten obtained naming donation from the Yeoh Choy Wai Haan Foundation and started renovation in April 2018.

The dental service had fast development in the year 2017-18. In August, the Department of Health approved CFSC to operate the Outreach Dental Care Programme for the Elderly. In November, CFSC opened a new dental clinic in To Kwa Wan District with the support from the S. K. Yee Medical Foundation.

The operating contract for Shatin Community Green Station was renewed for a further three years starting from 25 November 2017.

CFSC was approved by SWD in October 2017 to operate two Small Group Homes for Mildly Mentally Handicapped Children at Choi Fai Estate of Wong Tai Sin District. The renovation was supported by the Lotteries Fund Grant.

Some important service projects were able to secure funding in 2017-18. These projects include a collaborative project to strengthen support for students with mental health problems in Tseung Kwan O funded by the Community Inclusion and Investment Fund (CIIF); an outreach service for networking people living in sub-divided flats funded by the Community Chest; a specific home care support service for people with dementia funded by the Community Chest; a contract on the provision of community service team on clearance of Mei Tung Estate granted by the Housing Authority; a 50+ startup project supported by the Hong Kong Jockey Club Charity Trust; and a pilot project on home care and support for elderly with mild impairment supported by the Community Care Fund.

Following the adoption of the new theme "Services for a Better City", a series of brand building activities were carried out in 2017-18 to share with the public about the vision of CFSC on creating a better city as well as to illustrate the social impact of services. These activities include a community forum in April, a service partners luncheon in May, an official launch of "Services for a Better City" website and video in June, a seminar on elderly community care in September, and the publication of a casebook「城市 • 城事」in January 2018. The effort was successful in giving CFSC a new look and a fresh image.

The strategic plan 2014-18 has come to its final year and a discussion for the new strategic plan for the years 2018-2022 was kick-started with a senior management retreat in November 2017, followed by a managerial and professional staff retreat in January 2018.

Future development of the organization's operation

In the coming year 2018-19, focus and energy will be spent in completing the new strategic plan, crafting the detail action plan as well as to implement the service projects developed in 2017-18.

The headquarters building BEAM Plus accreditation and enhancement project will be carried out in 2018-19. Apart from replacing the chiller and energy system, green policies will be developed and practiced in order to obtain the BEAM Plus accreditation Gold rating.

Service-wise, CFSC will expand the elderly home care services to the Hong Kong Island and Tseng Kwan O District. There will be substantial development in primary health care services as well, including the expansion of the collaboration project "Walking Hand-in-Hand" to support the families with cancer patients, to participate in the pilot project on dental services for persons with intellectual disabilities, and to launch the Visiting Medical Practitioners Service for Private Residential Homes (VMPS) steered by SWD. The VMPS project will serve extensively covering the boundaries of Kowloon East Cluster as well as the Sham Shui Po District.

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, Kwan Yui Huen, Alex
Dated, 11 SEP 2018

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 8 to 49, which comprise the consolidated statements of financial position as at 31 March, 2018, 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, 2018, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards 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 ("HKSAs") 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.

A member of Nexia International

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated financial statements

The directors of the Centre are responsible for the preparation of consolidated 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", the requirements as stipulated by Social Welfare Department and Community Care Fund on implementing the Community Care Fund Programme, the Lotteries Fund Manual and other instructions issued by the Director of Social Welfare, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated financial statements

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

Fan, Chan & Co.
Certified Public Accountants
Hong Kong, 11 September, 2018

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CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH, 2018

	2018 HK$	2017 HK$
Income		
Social Welfare Department subvention	345,754,399.83	326,545,356.67
Government Subvention (non-social welfare department)	23,852,426.31	21,559,057.93
Community Chest Allocation	6,762,632.56	3,607,013.44
Hong Kong Jockey Club Charities Trust subvention	7,155,117.17	4,706,088.39
Other project grants	19,115,357.27	14,165,671.19
Fee income	73,172,926.96	77,601,177.78
Programme income	31,329,571.60	31,354,146.18
Donations	4,763,269.17	8,039,826.93
Bank interest income	182,825.64	132,060.41
Investment income	4,157,187.63	2,543,839.81
Other income	1,035,822.34	892,279.59
Total income	517,281,536.48	491,146,518.32
Deduct :		
Expenditures		
Personal emoluments	373,034,972.19	341,919,193.59
Staff incentive and allowance	3,247,286.44	3,143,423.86
Staff benefits and training	5,119,818.34	4,081,759.59
Administrative expenses	4,698,657.14	4,565,402.50
Finance charges	344,893.14	128,868.50
Utilities expenses	7,805,469.71	7,780,829.05
Stores and equipment	28,722,023.36	29,407,755.85
Insurance premium for office	4,179,111.79	3,781,660.77
Publicity and promotion expenses	1,211,599.35	912,400.37
Programme expenses	21,432,436.72	21,856,776.83
Hire of services	19,103,086.20	18,247,295.12
Transportation and travelling	5,120,348.16	4,102,674.67
Food for clients	10,680,913.52	11,191,307.03
Incentive payment for clients	1,754,429.70	1,751,456.31
Clients' medical care and supplies	7,603,807.06	6,957,238.72
Insurance premium for clients	118,799.70	100,757.30
Rent and rates	15,681,374.50	14,644,212.76
Miscellaneous	2,587,896.17	2,006,250.59
Total expenditures	512,446,923.19	476,579,263.41
Surplus for the year before transfer to restricted and designated reserves	4,834,613.29	14,567,254.91

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH, 2018

	2018 HK$	2017 HK$
Transferring from / (to):		
- Restricted reserves	604,597.62	(3,306,854.46)
- Designated reserves	(1,229,692.07)	(1,473,886.54)
- Unrestricted reserves	(4,498,691.85)	(3,820,810.52)
General fund	(289,173.01)	5,965,703.39

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH, 2018

	Note	2018 HK$	2017 HK$
Non-current assets			
Property, plant and equipment	(8)	64,022,622.00	68,825,043.25
Available-for-sale investments	(10)	80,539,172.10	80,895,106.16
		144,561,794.10	149,720,149.41
Current assets			
Other receivables, deposits and prepayments	(11)	15,043,845.16	18,199,029.55
Pledged deposits	(12)	14,080,199.22	10,563,984.34
Cash and bank balances	(12)	52,334,867.79	53,589,050.38
		81,458,912.17	82,352,064.27
Current liabilities			
Accruals and other payables	(13)	16,952,845.71	19,063,347.22
Deferred income		32,033,484.06	35,785,557.40
Bank borrowings	(13)	20,000,000.00	15,000,000.00
		68,986,329.77	69,848,904.62
Net current assets		12,472,582.40	12,503,159.65
Net assets		157,034,376.50	162,223,309.06

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH, 2018

	Note	2018 HK$	2017 HK$
Representing: -			
General fund			
- Accumulated surplus	(14)	51,152,092.32	51,441,265.33
Restricted reserves			
- SWD Lump Sum Grant reserve	(15)	24,029,871.24	31,275,737.33
- SWD provident fund reserve	(16)	27,957,668.15	32,116,593.68
- Other restricted reserves	(17)	(16,602,121.26)	(14,726,449.41)
Capital project and restricted funds	(26)	1,421,807.36	(372,135.04)
Designated reserves	(30)	12,146,469.00	9,682,055.93
Unrestricted reserves	(31)	54,082,098.31	50,860,264.28
Fair value reserve		2,846,491.38	1,945,976.96
Total reserves and funds		157,034,376.50	162,223,309.06

The consolidated financial statements were approved and authorised for issue by the Board on 11 September 2018 and are signed on its behalf by:

Chairman, Kwan Yui Huen, Alex

Hon. Treasurer, Kwong Cho Shing, Antonio

Chief Executive, Kwok Lit Tung

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH, 2018

	2018 HK$	2017 HK$
Operating activities		
Surplus before transfer to restricted and designated reserves	4,834,613.29	14,567,254.91
Net payment on SWD LSG Reserve Expenditure (pre-approved)	(4,283,024.88)	(1,399,964.45)
Net payment on SWD Lump Sum Grant reserve fund	(749,202.95)	(733,449.70)
Net payment on SWD provident fund reserve (pre-approved)	(5,276,667.01)	(43,869.17)
Net payment on SWD provident fund reserve	(492,632.00)	(378,458.00)
Net payment on other restricted reserves	(108,464.18)	(30,116,167.10)
Net payment on Capital project and restricted funds	(14,815.25)	-
Adjustments for:		
Depreciation	21,346,920.91	20,427,210.81
Interest income	(182,825.64)	(132,060.41)
Interest received from fund reserve (Note 25(a))	746.00	635.50
Finance charges	344,893.14	128,868.50
Gain on disposal of available-for-sale investments	(1,907,415.63)	(123,671.17)
Operating surplus before changes in working capital	13,512,125.80	2,196,329.72
Decrease/(increase) in other receivables, deposits and Prepayments	3,155,184.39	(8,681,182.98)
Increase in pledged deposits	(3,516,214.88)	(2,163,062.84)
(Decrease)/increase in accruals and other payables	(2,110,501.51)	4,883,125.33
Decrease in deferred income	(3,752,073.34)	(2,615,118.04)
Cash flow generated from/(used in) operating activities	7,288,520.46	(6,379,908.81)
Investing activities		
Interest received	182,825.64	132,060.41
Purchases of property, plant and equipment	(16,544,499.66)	(46,763,831.09)
Proceeds from sale of available-for-sale investments	31,353,476.91	35,629,900.80
Purchases of available-for-sale investments	(28,189,612.80)	(37,011,253.30)
Increase in time deposits	(8,456,810.83)	(618,484.11)
Cash flow used in investing activities	(21,654,620.74)	(48,631,607.29)
Financing activities		
Interest paid	(344,893.14)	(128,868.50)
Proceeds from bank loan	5,000,000.00	15,000,000.00
Cash flow generated from financing activities	4,655,106.86	14,871,131.50

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH, 2018

	2018 HK$	2017 HK$
Net decrease in cash and cash equivalents	(9,710,993.42)	(40,140,384.60)
Cash and cash equivalents at the beginning of the year	50,312,845.96	90,453,230.56
Cash and cash equivalents at the end of the year	40,601,852.54	50,312,845.96
Analysis of balances of cash and cash equivalents		
Cash and bank balances – maturity within three months	40,601,852.54	50,312,845.96

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES AND FUNDS FOR THE YEAR ENDED 31 MARCH, 2018

	General Fund (Note 14)	SWD Lump Sum Grant reserve fund (Note 15)	SWD provident fund reserve (Note 16)	Other restricted reserves (Note 17)	Capital project and restricted funds (Note 26)	Designated reserves (Note 30)	Unrestricted reserves (Note 31)	Fair value reserve	Total
	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$
At 1 April, 2017	51,441,265.33	31,275,737.33	32,116,593.68	(14,726,449.41)	(372,135.04)	9,682,055.93	50,860,264.28	1,945,976.96	162,223,309.06
Surplus/(deficit) for the year	(289,173.01)	(603,264.78)	-	(1,936,048.74)	1,808,757.65	848,520.70	5,005,821.47	-	4,834,613.29
Funds transfer	-	(1,610,373.48)	1,610,373.48	168,095.07	-	1,615,892.37	(1,783,987.44)	-	-
Amount refunded to Government	-	(749,202.95)	(492,632.00)	(108,464.18)	(14,815.25)	-	-	-	(1,365,114.38)
Funding receipt/(claw back)	-	-	-	746.00	-	-	-	-	746.00
SWD LSG Reserve Expenditure (pre-approved)	-	(4,283,024.88)	(5,276,667.01)	-	-	-	-	-	(9,559,691.89)
Change in fair value of available-for-sales investments	-	-	-	-	-	-	-	900,514.42	900,514.42
Net surplus / (deficit)	(289,173.01)	(7,245,866.09)	(4,158,925.53)	(1,875,671.85)	1,793,942.40	2,464,413.07	3,221,834.03	900,514.42	(5,188,932.56)
At 31 March, 2018	51,152,092.32	24,029,871.24	27,957,668.15	(16,602,121.26)	1,421,807.36	12,146,469.00	54,082,098.31	2,846,491.38	157,034,376.50

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES AND FUNDS FOR THE YEAR ENDED 31 MARCH, 2018

	General Fund (Note 14)	SWD Lump Sum Grant reserve fund (Note 15)	SWD provident fund reserve (Note 16)	Other restricted reserves (Note 17)	Capital project and restricted funds (Note 26)	Designated reserves (Note 30)	Unrestricted reserves (Note 31)	Fair value reserve	Total
	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$
At 1 April, 2016	45,475,561.94	29,054,276.37	28,040,113.10	20,575,803.15	(765,962.36)	8,208,169.39	47,793,388.52	20,710.11	178,402,060.22
Surplus/(deficit) for the year	5,965,703.39	8,099,748.10	-	(4,903,967.33)	(113,527.26)	1,473,886.54	4,045,411.47	-	14,567,254.91
Funds transfer	-	(3,744,872.99)	4,498,807.75	(282,753.63)	507,354.58	-	(978,535.71)	-	-
Amount refunded to Government	-	(733,449.70)	(378,458.00)	-	-	-	-	-	(1,111,907.70)
Funding receipt/(claw back)	-	-	-	(30,115,531.60)	-	-	-	-	(30,115,531.60)
SWD LSG Reserve Expenditure (pre-approved)	-	(1,399,964.45)	(43,869.17)	-	-	-	-	-	(1,443,833.62)
Change in fair value of available-for-sales investments	-	-	-	-	-	-	-	1,925,266.85	1,925,266.85
Net surplus / (deficit)	5,965,703.39	2,221,460.96	4,076,480.58	(35,302,252.56)	393,827.32	1,473,886.54	3,066,875.76	1,925,266.85	(16,178,751.16)
At 31 March, 2017	51,441,265.33	31,275,737.33	32,116,593.68	(14,726,449.41)	(372,135.04)	9,682,055.93	50,860,264.28	1,945,976.96	162,223,309.06

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 9.

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

These consolidated 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, revised and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements.

- Amendments to HKAS 7, *Statement of cash flows: Disclosure initiative*
- Amendments to HKAS 12, *Income taxes: Recognition of deferred tax assets for unrealised losses*
- Annual Improvements to HKFRSs 2014-2016 Cycle

The application of the new, revised and amendments to HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior year and on the disclosures set out in these consolidated financial statements. However, additional disclosure has been included in note 12 to satisfy the new disclosure requirements introduced by the amendments to HKAS 7, Statement of cash flows: Disclosure initiative, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The following new standards and amendments to existing standards, which may be relevant to the Group's operations, have been issued but are not effective for the year and have not been early adopted:

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

	Effective for accounting periods beginning on or after
HKFRS 9, Financial instruments	1 January, 2018
HKFRS 15, Revenue from contracts with customers	1 January, 2018
Amendments to HKFRS 2, Share-based payment: Classification and measurement of share-based payment transactions	1 January, 2018
Amendments to HKAS 40, Investment property: Transfers of investment property	1 January, 2018
HK(IFRIC) 22, Foreign currency transactions and advance consideration	1 January, 2018
HKFRS 16, Leases	1 January, 2019
HK(IFRIC) 23, Uncertainty over income tax treatments	1 January, 2019

Among the above, the three new standards are of higher relevancy to the Group's operations. The following describes the key changes that may impact the consolidated financial statements of the Group.

HKFRS 9, Financial instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are related to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39 " Financial instruments: Recognition and measurement". The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors of the Company have reviewed the Group's financial assets as at 31 December, 2017 and anticipate that the application of HKFRS 9 in the future may result in early recognition of credit losses based on expected loss model in relation to the Group's financial assets measured at amortised cost and is not likely to have other material impact on the results and financial position of the Group based on an analysis of the Group's existing business model.

HKFRS 15, Revenue from contracts with customers

This standard will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. Management has performed a preliminary assessment and expects that the implementation of the HKFRS 15 would not result in any significant impact on the Group's financial position and results of operations. Meanwhile, there will be additional disclosure requirement under HKFRS 15 upon its adoption. HKFRS 15 is effective for annual periods beginning on or after 1 January, 2018 and earlier application is permitted.

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

HKFRS 16, Leases

HKFRS 16 will result in almost all leases being recognised on the balances sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change. The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows. Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as lesses under HKFRS 16.

The new standard is mandatory for financial years commencing on or after 1 January, 2019. At this stage, the Group intends to adopt the standard after its effective date.

3. Significant accounting policies

Basis of preparation

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

The preparation of the consolidated 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.

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.

Judgements made by management in the application of HKFRSs that have significant effect on the consolidated financial statements and estimates with significant risk of material adjustments in the next year are discussed in note 4.

3. Significant accounting policies (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Centre and its subsidiary. Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

The results of subsidiary acquired or disposed of during the year are included in surplus or deficit from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis. A financial asset is derecognised when the Group's contractual rights to future cash flows from the financial asset expire or when the Group transfers the contractual rights to future cash flows to a third party. A financial liability is derecognised only when the liability is extinguished.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default of delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

3. **Significant accounting policies (continued)**

Impairment of financial assets (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

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 surplus or deficit - is removed from other comprehensive income and recognised in surplus or deficit. Impairment losses on equity instruments classified as available-for-sale are not reversed through surplus or deficit. Impairment losses on debt instruments classified as available-for-sale are reversed through surplus or deficit, 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 surplus or deficit.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

Investments

Investments are recognised and derecognised on the trade date when the company commits itself to purchase or sell an asset and are initially measured at fair value plus, in the case of investments other than trading securities, transaction costs. At the end of each reporting period, the company assesses whether there is any objective evidence that an investment or group of investments is impaired. Investments are further categorised into the following classifications for the measurement after initial recognition.

(i) Available-for-sale financial assets

Investments other than those held for trading and held to maturity are classified as available-for-sale financial assets and are stated at fair value. Gain or loss on the fair value changes of available-for-sale financial assets is recognised directly in equity in the fair value reserves, except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses which are recognised directly in surplus or deficit.

When the available-for-sale financial assets are derecognised, the cumulative gain or loss previously recognised directly in equity is recongnised in surplus or deficit. Where the available-for-sale financial assets are interest-bearing, interest calculated using the effective interest method is recognised in surplus or deficit.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in surplus or deficit even though the financial asset has not been derecognised.

3. Significant accounting policies (continued)

Investments (continued)

(i) Available-for-sale financial assets (continued)

The amount of the cumulative loss that is removed from equity and recognised in surplus or deficit is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit.

Impairment losses recognised in surplus or deficit for an investment in an equity instrument classified as available-for-sale are not reversed through surplus or deficit. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in surplus or deficit, the impairment loss is reversed, with the amount of the reversal recognised in surplus or deficit.

(ii) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of an investment on initial recognition is normally the transaction price, unless it is estimated by using a valuation technique when part of the consideration given or received is for something other than the investments.

After initial recognition, the fair value of an investment quoted in an active market is based on the unadjusted quoted price and, for investments not quoted in an active market, the company establishes the fair value of such investment by using a valuation technique.

Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in surplus or deficit over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

3. Significant accounting policies (continued)

Trade and other payables

Trade and other payables are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

Revenue

Revenue is recognised 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; and

(iv) Interest income is recognised as it accrues using the effective interest method.

(v) Investment income (including bond interest and dividend income) is recognised when the Group's right to receive payment is established

Property, plant and equipment

Property, plant and equipment including leasehold land (classified as finance leases) and buildings held for use in the production or supply of goods and services, or for administrative purposes, are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The property, plant and equipment are depreciated using the straight-line method over their estimated useful lives as follows:

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

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other property, plant and equipment (other than construction in progress) is provided to write off the cost of items over their estimated useful lives and after taking into account of their estimated residual value, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Depreciation on property, plant and equipment is provided to write off the cost of items over their estimated useful lives and after taking into account of their estimated residual value, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

3. Significant accounting policies (continued)

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, if any, and the carrying amount of the item) is included in surplus or deficit in the year in which the item is derecognised.

Operating lease

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to surplus or deficit on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases are charged to surplus or deficit 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 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.

Foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in surplus or deficit.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of group companies which have a functional currency other than Hong Kong Dollars ("HKD") are translated into HKD at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions are used. Assets and liabilities are translated into HKD at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised directly in other comprehensive income.

On disposals of group companies, the exchange differences that were recorded in equity are recognised in the consolidated statement of comprehensive income as part of the surplus or deficit on disposals.

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.

3. **Significant accounting policies (continued)**

Related parties (continued)

(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.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Employee benefits

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 Group at the end of the reporting period.

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.

4. Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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.

Allowance for impairment of trade and other receivables

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

5. Surplus for the year

	2018 HK$	2017 HK$
Surplus for the year is arrived at after charging the following items:		
Salaries, allowances and other benefits in kind	348,728,258.58	328,090,241.26
Contributions to the defined contribution retirement plans	27,554,000.05	21,054,135.78
Total staff costs	376,282,258.63	349,144,377.04
Auditor's remuneration	201,900.00	219,000.00
Depreciation	21,346,920.91	20,427,210.81
Operating leases charges - buildings	10,138,364.98	10,765,382.66

6. 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.

7. Benefits and interests of directors

The directors received no remuneration for their services to the Group during the year (2017: Nil).

8. 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, 2016, 31 March, 2017 and 2018	93,000,000.00
Charged against Designated reserves and Lotteries Fund	
At 1 April, 2016, 31 March, 2017 and 2018	93,000,000.00
Net book value	
At 31 March, 2017 and 2018	-

8. Property, plant and equipment (continued)

	Leasehold land and buildings	Furniture, fixtures and equipment	Motor vehicles	Renovation	Total
	HK$	HK$	HK$	HK$	HK$
Cost					
At 1 April, 2017	25,391,001.00	56,248,639.31	16,810,204.50	116,819,673.56	215,269,518.37
Additions	-	7,332,382.76	1,023,862.00	8,188,254.90	16,544,499.66
At 31 March, 2018	25,391,001.00	63,581,022.07	17,834,066.50	125,007,928.46	231,814,018.03
Accumulated depreciation					
At 1 April, 2017	547,514.88	46,490,264.08	14,485,589.14	84,921,107.02	146,444,475.12
Charge for the year	821,272.32	6,371,016.41	1,316,711.93	12,837,920.25	21,346,920.91
At 31 March, 2018	1,368,787.20	52,861,280.49	15,802,301.07	97,759,027.27	167,791,396.03
Net Book Value					
At 31 March, 2018	24,022,213.80	10,719,741.58	2,031,765.43	27,248,901.19	64,022,622.00

8. Property, plant and equipment (continued)

	Leasehold land and buildings	Furniture, fixtures and equipment	Motor vehicles	Renovation	Total
	HK$	HK$	HK$	HK$	HK$
Cost					
At 1 April, 2016	1.00	48,899,039.78	16,464,474.50	103,732,084.00	169,095,599.28
Additions	25,391,000.00	7,349,599.53	935,642.00	13,087,589.56	46,763,831.09
Disposals	-	-	(589,912.00)	-	(589,912.00)
At 31 March, 2017	25,391,001.00	56,248,639.31	16,810,204.50	116,819,673.56	215,269,518.37
Accumulated depreciation					
At 1 April, 2016	-	41,225,283.52	13,725,761.85	71,656,130.94	126,607,176.31
Charge for the year	547,514.88	5,264,980.56	1,349,739.29	13,264,976.08	20,427,210.81
Disposals	-	-	(589,912.00)	-	(589,912.00)
At 31 March, 2017	547,514.88	46,490,264.08	14,485,589.14	84,921,107.02	146,444,475.12
Net Book Value					
At 31 March, 2017	24,843,486.12	9,758,375.23	2,324,615.36	31,898,566.54	68,825,043.25

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

9. Interest in a subsidiary

At 31 March, 2018, particulars of the subsidiary are as follows:

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.

10. Available-for-sale investments

	2018 HK$	2017 HK$
At fair value		
Debt securities and mutual funds, listed in Hong Kong and overseas	62,846,357.42	44,583,329.83
Equity securities, listed overseas	17,692,814.68	36,311,776.33
	80,539,172.10	80,895,106.16

11. Other receivables, deposits and prepayments

	2018 HK$	2017 HK$
Utility and other deposits	3,416,787.29	2,112,177.59
Sundry debtors and prepayments	11,627,057.87	16,086,851.96
	15,043,845.16	18,199,029.55

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

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

At 31 March, 2018, bank balances amounting to HK$14,080,199.22 (2017: HK$10,563,984.34) were pledged to banks for securing credit facilities granted to the Group.

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

	2018 HK$	2017 HK$
Cash and bank balances		
Maturity within three months	40,601,852.54	50,312,845.96
Maturity over three months	11,733,015.25	3,276,204.42
Bank overdrafts	-	-
	52,334,867.79	53,589,050.38

Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank borrowings HK$
At 1 April, 2017	15,000,000.00
Changes from financing cash flows:	
Proceeds from new bank borrowings	5,000,000.00
Total changes from financing cash flows and at 31 March, 2018	20,000,000.00

13. Accruals, other payables and bank borrowings

(a) Accruals and other payables

	2018 HK$	2017 HK$
Accounts payables and receipt in advance	15,823,186.36	17,618,985.99
Accruals, provisions and other payables	544,154.35	882,860.13
Deposits received	585,505.00	561,501.10
	16,952,845.71	19,063,347.22

13. Accruals, other payables and bank borrowings (continued)

(b) Bank borrowings

	2018 HK$	2017 HK$
Bank loans, secured	20,000,000.00	15,000,000.00
Classification under contractual terms:		
Current portion	20,000,000.00	15,000,000.00
Non-current portion	-	-
	20,000,000.00	15,000,000.00
The bank borrowings are repayable as follows:		
Within 1 year	20,000,000.00	15,000,000.00

The average effective interest rate per annum of the Group's borrowings in 2018 was 2.17% (2017: 1.70%).

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

a. Available-for-sale investments with net carrying value of HK$ 59,997,474.96 at 31 March, 2018 (2017: HK$ 60,673,443.60) (note 10); and

b. Pledged bank deposits of the Group amounted to HK$ 12,435,406.52 (2017: HK$ 7,332,344.24).

14. General fund

	2018 HK$	2017 HK$
Surplus brought forward	51,441,265.33	45,475,561.94
Surplus for the year	(289,173.01)	5,965,703.39
Surplus carried forward	51,152,092.32	51,441,265.33

15. SWD Lump Sum Grant reserve

	2018 HK$	2017 HK$
(a) Lump Sum Grant		
Balance brought forward	21,908,977.14	22,339,376.12
(Deficit)/surplus for the year	(868,275.85)	4,714,438.46
SWD LSG Reserve Expenditure (pre-approved)	(4,283,024.88)	(1,399,964.45)
Transfer to Central items	(766.96)	-
Transfer from Service Units reserves	-	406,350.00
Transfer to SWD Provident Fund reserve (Note 16)	(1,610,373.48)	(4,151,222.99)
Balance carried forward	15,146,535.97	21,908,977.14

15 SWD Lump Sum Grant reserve (continued)

		2018 HK$	2017 HK$
(b)	Interest income		
	Balance brought forward	8,224,905.81	8,027,916.80
	Interest income for the year	206,638.32	196,989.01
	Balance carried forward	8,431,544.13	8,224,905.81
(c)	Rent and rates		
	Balance brought forward	(1,435,374.41)	(3,085,869.74)
	Surplus for the year	228,591.85	1,693,566.33
	Refund to Government	(12,195.00)	(43,071.00)
	Balance carried forward	(1,218,977.56)	(1,435,374.41)
(d)	Central items		
	Balance brought forward	2,577,228.79	1,772,853.19
	Surplus for the year	(170,219.10)	1,494,754.30
	Transfer from Lump Sum Grant	766.96	-
	Refund to Government	(737,007.95)	(690,378.70)
	Balance carried forward	1,670,768.70	2,577,228.79
	Total	24,029,871.24	31,275,737.33

16. SWD Provident Fund reserve

	2018 HK$	2017 HK$
Balance brought forward	32,116,593.68	28,040,113.10
Transfer from SWD Lump Grant reserve (Note 15(a))		
Existing staff	436,396.10	825,909.26
6.8% and other posts	1,173,977.38	3,325,313.73
	1,610,373.48	4,151,222.99
Refund to Government	(492,632.00)	(378,458.00)
Transfer from Service Units reserves	-	347,584.76
SWD LSG Reserve Expenditure (pre-approved)	(5,276,667.01)	(43,869.17)
Balance carried forward	27,957,668.15	32,116,593.68

17. Other restricted reserves

	2018 HK$	2017 HK$
SWD one-off grant (Note 18)	87,112.60	87,112.60
Community chest fund (Note 19)	(3,304,468.01)	(3,148,291.93)
HKJC charities trust reserve (Note 20)	(7,874,349.28)	(5,814,231.18)
Other project grant reserves (Note 21)	3,263,524.83	2,219,912.82
Education Bureau reserve (Note 23)	4,560,472.37	2,779,767.99
Chinese Medicine Centre for Training and Research reserve (Note 24)	4,651,755.06	3,809,562.95
SWD surplus fund (Note 25)	(7,229,458.58)	(4,941,670.02)
Sub-total (Note 37(a))	(5,845,411.01)	(5,007,836.77)
Government subvention (non-social welfare department) reserves (Note 22)	(10,756,710.25)	(9,718,612.64)
	(16,602,121.26)	(14,726,449.41)

18. SWD one-off grant

	2018 HK$	2017 HK$
Balance brought forward and carried forward	87,112.60	87,112.60

19. Community chest fund

	2018 HK$	2017 HK$
Balance brought forward	(3,148,291.93)	(2,066,504.66)
Deficit for the year	(156,176.08)	(1,081,787.27)
Balance carried forward	(3,304,468.01)	(3,148,291.93)

20. HKJC charities trust reserve

	2018 HK$	2017 HK$
Balance brought forward	(5,814,231.18)	(3,419,426.06)
Deficit for the year	(2,060,118.10)	(2,394,805.12)
Balance carried forward	(7,874,349.28)	(5,814,231.18)

21. Other project grant reserves

	2018 HK$	2017 HK$
Balance brought forward	2,219,912.82	1,113,088.71
Refund of surplus of the Partnership Fund for the Disadvantaged	(106,953.98)	-
Refund of surplus of Yan Mei (Miss Asia) Charity Organization	-	(198,045.60)
Surplus for the year	1,150,565.99	1,304,869.71
Balance carried forward	3,263,524.83	2,219,912.82

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

	2018 HK$	2017 HK$
Balance brought forward	(9,718,612.64)	(7,556,847.12)
Transfer from Service Units reserve (Note 31(h))	125,958.25	(282,753.63)
Deficit for the year	(1,164,055.86)	(1,879,011.89)
Balance carried forward	(10,756,710.25)	(9,718,612.64)

23. Education Bureau reserve

	2018 HK$	2017 HK$
Balance brought forward	2,779,767.99	1,318,085.99
Surplus for the year (Note 37(d)(v))	1,739,832.76	1,463,224.00
Transfer from Service Units reserve (Note 31(h))	42,136.82	-
Refund to Government	(1,265.20)	(1,542.00)
Balance carried forward (Note 37(d)(vi))	4,560,472.37	2,779,767.99

24. Chinese Medicine Centre for Training and Research reserve

	2018 HK$	2017 HK$
Balance brought forward	3,809,562.95	2,974,280.45
Surplus for the year	842,192.11	835,282.50
Balance carried forward	4,651,755.06	3,809,562.95

25. SWD surplus fund

		2018 HK$	2017 HK$
(a)	SWD Lotteries fund reserve		
	Balance brought forward	189,223.37	30,103,965.92
	Interest received	746.00	635.50
	Refund to Government	-	(29,915,378.05)
	Balance carried forward	189,969.37	189,223.37
(b)	SWD projects reserves		
	Balance brought forward	(5,130,893.39)	(1,977,952.68)
	Deficit for the year	(2,288,289.56)	(3,151,739.26)
	Refund to Government	(245.00)	(1,201.45)
	Balance carried forward	(7,419,427.95)	(5,130,893.39)
	Total	(7,229,458.58)	(4,941,670.02)

26. Capital project and restricted funds

	2018 HK$	2017 HK$
F & E Replenishment and Minor Works Block Grant reserve (Note 27)	2,926,633.91	2,142,224.48
Social Welfare Development Fund (Note 28)	2,296,262.81	488,687.77
Lotteries fund (Note 29)	(3,801,089.36)	(3,003,047.29)
	1,421,807.36	(372,135.04)

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

	2018 HK$	2017 HK$
Balance brought forward	2,142,224.48	1,857,033.95
Add: Block Grant received	4,035,000.00	3,834,000.00
Interest income received	82.64	86.43
	6,177,307.12	5,691,120.38
Less: Expenditure during the year		
Minor Works Projects	(1,267,005.80)	(1,278,079.00)
Furniture and Equipment	(1,677,864.41)	(1,928,401.30)
Vehicle Overhauling	(305,803.00)	(342,415.60)
	(3,250,673.21)	(3,548,895.90)
Balance carried forward	2,926,633.91	2,142,224.48

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 :-

	2018 HK$	2017 HK$
Contracted for but not provided in the financial statements	155,712.00	65,760.00

28. Social Welfare Development Fund

	2018 HK$	2017 HK$
Balance brought forward	488,687.77	933,622.93
Add: Receipt	2,902,233.00	798,810.00
Interest income	47.33	45.68
	3,390,968.10	1,732,478.61
Less: Expenditure under Social Welfare Development Fund during the year		
Expenditure for projects under Scope A	(470,691.76)	-
Expenditure for projects under Scope B	(581,532.57)	(1,751,145.42)
	(1,052,224.33)	(1,751,145.42)
Refund to Government	(42,480.96)	-
Transfer from Corporate System Support Reserve	-	507,354.58
Balance carried forward	2,296,262.81	488,687.77

Note:

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

	Phase 1 HK$	Phase 2 HK$	Phase 3 HK$	Total HK$
Balance brought forward	42,480.96	2,307.31	443,899.50	488,687.77
Add: Receipt	-	-	2,902,233.00	2,902,233.00
Interest income	-	-	47.33	47.33
	42,480.96	2,307.31	3,346,179.83	3,390,968.10
Less: Expenditure under Social Fund during the year				
Expenditure for projects under Scope A	-	-	(470,691.76)	(470,691.76)
Expenditure for projects under Scope B	-	-	(581,532.57)	(581,532.57)
	-	-	(1,052,224.33)	(1,052,224.33)
Refund to Government	(42,480.96)	-	-	(42,480.96)
Balance carried forward	-	2,307.31	2,293,955.50	2,296,262.81

29. Lotteries fund

	2018 HK$	2017 HK$
Balance brought forward	(3,003,047.29)	(3,556,619.24)
Receipts	27,665.71	-
(Deficit)/surplus for the year	(825,707.78)	553,571.95
Balance carried forward	(3,801,089.36)	(3,003,047.29)

30. Designated reserves

		2018 HK$	2017 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	3,579,347.64	2,052,989.88
	Fund Transfer from Service Department Fund (Note 31(g))	1,234,721.00	-
	Net proceeds raised in the Flag day	-	1,537,636.65
	Deficit for the year	(11,278.89)	(11,278.89)
	Balance carried forward	4,802,789.75	3,579,347.64
(c)	Anti-poverty project for youngster fund -		
	Balance brought forward and carried forward	(74.52)	(74.52)
(d)	Raffle tickets fund		
	Balance brought forward	1,421,708.14	1,301,128.24
	(Deficit)/surplus for the year	(160,980.84)	120,579.90
	Balance carried forward	1,260,727.30	1,421,708.14
(e)	Yam Pak Charitable Foundation -		
	Balance brought forward and carried forward	614,655.64	614,655.64
	Sub-total (Note 37(b))	6,820,077.91	5,757,616.64
(f)	CFSC Designated Fund -		
	Balance brought forward	3,924,439.29	4,097,490.41
	Transfer from Service Units reserve (Note 31(h))	381,171.37	-
	Surplus/(deficit) for the year	1,020,780.43	(173,051.12)
	Balance carried forward	5,326,391.09	3,924,439.29
	Total	12,146,469.00	9,682,055.93

31. Unrestricted reserves

	2018 HK$	2017 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	4,552,263.57	4,178,533.62
Surplus for the year	2,394,727.48	373,729.95
Balance carried forward	6,946,991.05	4,552,263.57
(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	1,985,577.50	1,605,148.94
Surplus for the year	(156,934.19)	380,428.56
Balance carried forward	1,828,643.31	1,985,577.50
(f) Corporate systems support reserves -		
Balance brought forward	482,372.80	622,956.67
(Deficit)/surplus for the year	(158,789.46)	366,770.71
Fund transfer to Social Welfare Development Fund	-	(507,354.58)
Balance carried forward	323,583.34	482,372.80

31. Unrestricted reserves (continued)

		2018 HK$	2017 HK$
(g)	Service Development reserves -		
	Balance brought forward	17,349,972.34	14,992,266.95
	Transfer to Flag Day Fund (Note 30(b))	(1,234,721.00)	-
	Surplus for the year	2,286,363.75	2,357,705.39
	Balance carried forward	18,401,615.09	17,349,972.34
	Sub-total (Note 37(c))	40,412,170.50	37,281,523.92
(h)	Service Units reserves -		
	Balance brought forward	13,578,740.36	13,483,144.63
	Fund transfer to lump sum grant reserve	-	(406,350.00)
	Fund transfer to SWD Provident Fund reserve	-	(347,584.76)
	Fund transfer (to)/from Government subvention (non-social welfare department) reserves (Note 22)	(125,958.25)	282,753.63
	Fund transfer to Designated Fund reserve (Note 30(f))	(381,171.37)	-
	Fund transfer to Education Bureau reserve (Note 23)	(42,136.82)	-
	Surplus for the year	640,453.89	566,776.86
	Balance carried forward	13,669,927.81	13,578,740.36
	Total	54,082,098.31	50,860,264.28

32. 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 31 March, 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2018 HK$	2017 HK$
Within one year	11,225,542.00	9,270,310.00
In the second to fifth years, inclusive	3,486,457.00	8,253,730.00
	14,711,999.00	17,524,040.00

33. Contingent liabilities

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

34. Key management personnel compensation

The remuneration of directors and other members of key management personnel of the Group during the year were as follows:

	2018 HK$	2017 HK$
Fees	-	-
Salaries, allowances and benefits in kind	13,470,683.00	14,098,522.00
MPF and ORSO scheme contributions	1,593,529.00	1,353,494.00
	15,064,212.00	15,452,016.00

35. Financial risk management objectives and policies

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

Equity price risk

The Group's available-for-sale investments are measured at fair value at the end of each reporting period. Therefore, the Group 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 Group's reserves and funds would increase/decrease by approximately HK$4,026,959 (2017: HK$ 4,044,755).

Currency risk

The Group 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"), British Pound ("GBP"), and United States dollars ("USD"). As the United States Dollars is pegged to the Hong Kong dollar, the Group considers the risk of movements in exchange rates between the USD and the HKD to be insignificant. The Group 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.

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

	SGD		GBP		USD	
	2018 HK$'000	2017 HK$'000	2018 HK$'000	2017 HK$'000	2018 HK$'000	2017 HK$'000
Assets						
Available-for-sale investments	-	-	-	-	73,985	71,885
Cash and cash equivalents	21	21	20	20	6,316	4,165

Sensitivity analysis on foreign exchange risk management:

The following table details the Group'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		GBP	
	2018 HK$'000	2017 HK$'000	2018 HK$'000	2017 HK$'000
Other equity	1	1	1	1

35. Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The following table details the Group'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 Group 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, 2018			
Accruals and other payables	16,952,845.71	16,952,845.71	16,952,845.71
Bank borrowings	20,000,000.00	20,000,000.00	20,000,000.00
	36,952,845.71	36,952,845.71	36,952,845.71
At 31 March, 2017			
Accruals and other payables	19,063,347.22	19,063,347.22	19,063,347.22
Bank borrowings	15,000,000.00	15,021,250.00	15,000,000.00
	34,063,347.22	34,084,597.22	34,063,347.22

Fair value measurement

Financial and non-financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows :

- Level 1 valuations : Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

35. Financial risk management objectives and policies (continued)

Fair value measurement (continued)

	Fair value at 31 March, 2018 HK$'000	Fair value measurements as at 31 March, 2018 categorised into		
		Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000
Recurring fair value measurements				
Assets				
Available-for-sale investments:	80,539	80,539	-	-

During the year ended 31 March, 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Interest rate risk

The Group's interest rate risk arises primarily from its bank loans. Bank loans issued at variable rates expose the Group to cash flow interest rate risk. The interest rate and terms of repayment of the Group's bank loans are disclosed in note 13 to the consolidated financial statements.

Sensitivity analysis

At 31 March, 2018, it is estimated that a general increase/decrease of 50 basis points in interest rates bank loans of the Group, with all other variables held constant, would have decreased/increased the Group's surplus and reserves and funds by approximately HK$100,000 (2017:HK$ 75,000).

36. 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 14 to 31. 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.

37. Statement of financial position and reserve movement of the Centre

	The Centre	
	2018	2017
	HK$	HK$
Non-current assets		
Property, plant and equipment	61,964,593.76	68,799,257.81
Interest in a subsidiary	-	-
Available-for-sale investments	80,539,172.10	80,895,106.16
	142,503,765.86	149,694,363.97
Current assets		
Other receivables, deposits and prepayments	14,245,542.88	17,858,088.64
Amount due from a subsidiary	760,371.05	-
Pledged deposits	14,080,199.22	10,563,984.34
Cash and cash equivalents	48,252,130.67	50,290,783.31
	77,338,243.82	78,712,856.29
Current liabilities		
Accruals and other payables	16,604,729.18	18,171,428.00
Amount due to a subsidiary	-	19,564.29
Deferred income	29,982,475.86	35,785,557.40
Bank borrowings	20,000,000.00	15,000,000.00
	66,587,205.04	68,976,549.69
Net current assets	10,751,038.78	9,736,306.60
Net assets	153,254,804.64	159,430,670.57

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

		The Centre	
		2018	2017
		HK$	HK$
Representing: -	**Note**		
General fund			
- Accumulated surplus	(14)	51,152,092.32	51,441,265.33
Restricted reserves			
- SWD Lump Sum Grant reserve	(15)	24,029,871.24	31,275,737.33
- SWD provident fund reserve	(16)	27,957,668.15	32,116,593.68
- Other restricted reserves	(37(a))	(16,340,317.76)	(14,338,687.66)
Capital project and restricted funds	(26)	1,421,807.36	(372,135.04)
Designated reserves	(37(b))	11,765,297.63	9,682,055.93
Unrestricted reserves	(37(c))	50,421,894.32	47,679,864.04
Fair value reserve		2,846,491.38	1,945,976.96
Total reserves and funds		153,254,804.64	159,430,670.57

Approved by the Board on 11 September, 2018

Chairman, Kwan Yui Huen, Alex

Hon. Treasurer, Kwong Chỏ Shing, Antonio

Chief Executive, Kwok Lit Tung

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

(a) Other restricted reserves

	The Centre	
	2018	**2017**
	HK$	**HK$**
Other restricted reserves excluded Government subvention (non-social welfare department) reserves (Note 17)	(5,845,411.01)	(5,007,836.77)
Government subvention (non-social welfare department) reserves		
Balance brought forward	(9,330,850.89)	(7,451,839.00)
Deficit for the year	(1,164,055.86)	(1,879,011.89)
Balance carried forward	(10,494,906.75)	(9,330,850.89)
Total	(16,340,317.76)	(14,338,687.66)

(b) Designated reserves

	The Centre	
	2018	**2017**
	HK$	**HK$**
Designated reserves excluded CFSC Designated Fund (Note 30)	6,820,077.91	5,757,616.64
CFSC Designated Fund		
Balance brought forward	3,924,439.29	4,097,490.41
Surplus/(deficit) for the year	1,020,780.43	(173,051.12)
Balance carried forward	4,945,219.72	3,924,439.29
Total	11,765,297.63	9,682,055.93

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

(c) Unrestricted reserves

	The Centre 2018 HK$	The Centre 2017 HK$
Unrestricted reserves excluded service units reserves (Note 31)	40,412,170.50	37,281,523.92
Service Units reserves		
Balance brought forward	10,398,340.12	11,997,569.75
Fund transfer to Lump Sum Grant	-	(406,350.00)
Fund transfer to SWD Provident Fund Reserve	-	(347,584.76)
Fund transfer to Education Bureau Reserve	(42,136.82)	
Deficit for the year	(346,479.48)	(845,294.87)
Balance carried forward	10,009,723.82	10,398,340.12
Total	50,421,894.32	47,679,864.04

(d) Detail breakdown of Education Bureau reserve

		2018 HK$	2017 HK$
(i)	Kindergartens/Adult Education		
	Balance brought forward	2,704,865.90	826,391.08
	Surplus for the year	1,910,786.97	1,880,016.82
	Refund to Government – Audit Education	(1,015.20)	(1,542.00)
	Balance carried forward	4,614,637.67	2,704,865.90
(ii)	Community-based Projects 2014/15		
	Balance brought forward	(41,886.82)	(41,886.82)
	Refund to Government	(250.00)	-
	Transfer from Unit Surplus Reserves	42,136.82	-
	Balance carried forward	-	(41,886.82)

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

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

		2018 HK$	2017 HK$
(iii)	Community-based Projects 2015/16		
	Balance brought forward	(41,106.22)	533,581.73
	Income	-	687,091.00
	Expenditure	-	(1,261,778.95)
	Deficit for the year	-	(574,687.95)
	Balance carried forward	(41,106.22)	(41,106.22)
(iv)	Community-based Projects 2016/17		
	Balance brought forward	157,895.13	-
	Income	457,669.00	2,113,500.00
	Expenditure	(712,436.03)	(1,955,604.87)
	(Deficit)/surplus for the year	(254,767.03)	157,895.13
	Balance carried forward	(96,871.90)	157,895.13
(v)	Community-based Projects 2017/18		
	Balance brought forward	-	-
	Income	561,741.00	-
	Expenditure	(477,928.18)	-
	Surplus for the year	83,812.82	-
	Balance carried forward	83,812.82	-
	Total surplus for the year (Note 23)	1,739,832.76	1,463,224.00
(vi)	Balance carried forward		
	Kindergardens/Adult Education	4,614,637.67	2,704,865.90
	Community-based Projects	(54,165.30)	74,902.09
	Total (Note 23)	4,560,472.37	2,779,767.99