
STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
REPORTS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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STEWARDS DIRECTORS' REPORT

The directors have the pleasure in submitting their annual report together with the audited consolidated financial statements of Stewards ("the Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2021.

Principal activity

The principal activities of the Company and of the Group during the year were the provision of services to the local community including education, medical and dental services, rehabilitation, and children and youth activities.

Results and state of affairs

The results of the Group for the year ended 31 March 2021 and the state of affairs of the Company and of the Group as at that date are set out in the consolidated financial statements on pages 9 to 38.

Business review

Fair review of business

The Company's mission is to provide quality non-profit making social welfare, education and health care services for the benefit of the Hong Kong community and to promote evangelical Christian faith.

Regarding education services, Stewards Pooi Kei College ("SPKC" hereafter), the Secondary School under Direct Subsidy Scheme maintained stable enrollment of new students. The performance and operation of SPKC remained more or less than the same as in previous years. The income for SPKC for the year ended 31 March 2021 decreased by 1.3% to HK\$98,572,541 (2020: HK\$99,917,389). SPKC showed a surplus of HK\$13,076,917 for the year ended 31 March 2021 (2020 : deficit of HK\$6,474,684). The cancellation of extracurricular activities due to the pandemic and the postponement of some repair works were the main reasons for the decrease in expenditure. The financial positions of the two kindergartens, namely, Stewards Pooi Chun Kindergarten ("PCK" hereafter) and Stewards Pooi Yan Kindergarten ("PYK" hereafter) remained steady. While the income of both kindergartens dropped to HK\$14,028,148 for the year ended 31 March 2021 (2020: HK\$16,280,920), principally due to the decrease in student enrollment, the kindergartens were also supported by one-off anti-pandemic subsidies from the Education Bureau ("EDB" hereafter).

Regarding social welfare services, the subvention under the Lump Sum Grant from Social Welfare Department ("SWD" hereafter) increased by 5.0% to HK\$99,305,382 (2020 : HK\$94,532,068), mainly due to the full-year allocation of additional subvention for rehabilitation services, the additional subvention to cover electricity cost and inflation adjustments.

Regarding health care services, medical and dental income remained more or less the same as 2020. The total medical and dental income for the year ended 31 March 2021 increased by 4.1% to HK\$7,044,906 (2020 : HK\$6,770,378).

Key financial performance indicators for major sectors

The directors considered the key measure of the performance for the education sector to be the school fee income per student (i.e. the subvention from EDB and the school fee from parents divided by the number of students). The school fee income per student for the year was HK\$89,220 which was higher than \$87,912 in the previous year.

STEWARDS DIRECTORS' REPORT

Business review (cont'd)

Key financial performance indicators for major sectors (cont'd)

The directors considered the key measure of financial performance indicator for the social welfare sector to be the growth in total funding for the social service activities. In 2020/21, the total funding income from government subvention and other fund raising activities increased by a healthy 4.7% to HK\$105,274,254 compared with HK\$100,540,608 in 2019/20.

Financial position

As at 31 March 2021, the Group had net assets of HK\$182,135,556 (2020: HK\$167,686,081), comprising non-current assets of HK\$20,371,632 (2020: HK\$23,165,943) and net current assets of HK\$161,763,924 (2020: HK\$144,520,138).

Liquidity

As at 31 March 2021, the Group had time deposits, bank balances and cash of HK\$175,660,192 (2020: HK\$155,123,637).

Lump sum grant reserve

The Group has different designated funds and reserves and the largest reserve is the Lump Sum Grant Reserve. As at 31 March 2021, the Lump Sum Grant Reserve (excluding provident funds) decreased by 1.0% to HK\$30,120,048 (2020: HK\$30,440,947), equivalent to 30.3% (2020: 31.7%) of annual operating expenditure of subvented services. For the year ended 31 March 2021, the Lump Sum Grant subvention was mainly used to cover staff costs and operating costs for the subvented services according to the budget approved by the Board of Directors. In the coming years, the Lump Sum Grant Reserve will continue to be used for the payment of staff costs and operating costs in relation to the subvented services.

Principal risks and uncertainties

In the coming years, the Lump Sum Grant Reserve will continue to be used for the payment of staff costs and operating costs in relation to the subvented services. According to our in-house 5-year forecast of the Lump Sum Grant Reserve (from 2020/21 to 2024/25), the assessment showed that, in the medium term, the Lump Sum Grant Reserve will decline steadily due to the faster increase in staff cost than SWD subventions, although the rate of decline has moderated as compared to the assessment in the previous years. In addition, the duration and severity of COVID-19 will bring uncertainty to income and expenditure. We shall continue to assess the operation environment, and undertake appropriate cost control measures to maintain the healthy financial position of the organization in the next few years.

Environmental policies and performance and compliance with the relevant laws and regulations

The Group has adopted environmental policy such as requiring all the electrical appliances and lighting to be shut down when all the staff leave the office. Also, all service units use recycled paper or print double sided as far as possible. Further green initiatives will be considered where appropriate.

The Group complies with all the relevant laws/ordinance and regulations issued by EDB, Social Welfare Department and Department of Health.

STEWARDS DIRECTORS' REPORT

Business review (cont'd)

Key relationships with employees, service users and government bodies

The Group regards its staff as the most important asset and resource of the Group. The Group offers internal vocational training activities and encourages its staff to attend external training courses to develop personal skills and other professional skills. During the year, the Group maintained cordial relationship with external stakeholders such as service users and government bodies. Service user liaison groups had been set up in individual service units as appropriate and regular liaison was maintained with the relevant service branches of SWD and EDB.

Likely future development

The Group constantly upkeeps the infrastructure and the facilities of the service centres to meet community needs. Phases of renovation work will continue to take place in different service centres.

The Group considers information technology as an important approach to increase work efficiency and performance, and is vital to future service development. Cloud based services are being explored to provide a more versatile, efficient and secure working environment.

Fixed assets

Movements in fixed assets during the year were set out in note 9 to the consolidated financial statements.

Directors

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

Ms. PANG Chau Sheung
Mr. TSE Chun Fai
Mr. CHOW Kai Cheung (resigned on 4 December 2020)
Mr. LIANG Jun
Mr. HUI Chi Keung Philip
Ms. CHAN Oi Yu
Mr. KWAN Chi Hong
Mr. CHIU Yu Lung
Mr. TANG Ping Kwong
Mr. CHAN Wing Kin
Mr. LAU Ying Pan
Mr. CHAN Kwok Keung

In accordance with the Articles of Association of the Company, half of the directors, who have been longest since their last election for the time being, shall retire in the forthcoming annual general meeting; but shall be eligible, offer themselves for re-election.

**STEWARDS
DIRECTORS' REPORT**

Permitted indemnity provision

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

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Directors' interests in contract

No contracts of significance, to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.


Directors' right to acquire shares or debentures

At no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Auditor

The consolidated financial statements have been audited by Fung, Yu & Co. CPA Limited, Certified Public Accountants (Practising), who now retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board



Mr. TSE Chun Fai
Director

Hong Kong: 16 SEP 2021



FUNG, YU & CO. CPA LIMITED
馮兆林余錫光會計師事務所有限公司

10th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
T: +852 2541 6632 E: info@fungyucpa.com
香港干諾道中148號粵海投資大廈10樓

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
STEWARDS
(incorporated in Hong Kong and limited by guarantee)**

Opinion

We have audited the consolidated financial statements of Stewards ("the Company") and its subsidiaries ("the Group") set out on pages 9 to 38, which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows 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 consolidated financial position of the Group as at 31 March 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

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



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
STEWARDS
(incorporated in Hong Kong and limited by guarantee)**

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises all 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.

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

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, 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.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
STEWARDS
(incorporated in Hong Kong and limited by guarantee)**

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

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

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

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

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



FUNG, YU & CO. CPA LIMITED
馮兆林余錫光會計師事務所有限公司

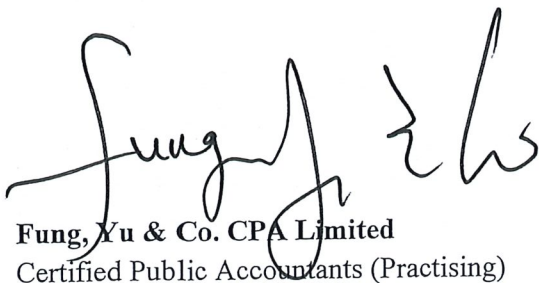
10th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
T: +852 2541 6632 E: info@fungyu CPA.com
香港干諾道中148號粵海投資大廈10樓

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
STEWARDS
(incorporated in Hong Kong and limited by guarantee)**

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



Fung, Yu & Co. CPA Limited
Certified Public Accountants (Practising)

LAU Vui Cheong
Practising Certificate Number: P03455



Date: **16 SEP 2021**



FUNG, YU & CO. CPA LIMITED
馮兆林余錫光會計師事務所有限公司

STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 HK\$	2020 HK\$
INCOME	4	245,859,127.60	263,829,859.78
LESS: EXPENDITURE			
- Staff costs		189,794,974.98	184,394,105.81
- Operating costs		34,006,952.08	63,231,522.44
- Property costs		7,674,746.70	8,338,345.56
		231,476,673.76	255,963,973.81
INCREASE / (DECREASE) IN FAIR VALUE OF INVESTMENT IN LISTED EQUITY SECURITIES		6,119.55	(89,526.75)
SURPLUS BEFORE TAXATION	5	14,388,573.39	7,776,359.22
TAXATION	7	-	-
SURPLUS FOR THE YEAR		14,388,573.39	7,776,359.22
OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR (page 11)		(160,608.62)	(399,854.45)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		14,227,964.77	7,376,504.77



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Notes	2021 HK\$	2020 HK\$
NON-CURRENT ASSETS			
Property, furniture and equipment	9 (a)	20,065,380.58	22,865,811.40
Investment in equity securities	10	306,251.50	300,131.95
		20,371,632.08	23,165,943.35
CURRENT ASSETS			
Inventories	11	207,441.35	165,585.97
Accounts receivable and sundry debtors		997,589.26	2,845,228.33
Deposits and prepayments		1,351,778.00	1,717,850.54
Time deposits		138,881,257.13	113,380,124.17
Bank balances and cash		36,778,934.53	41,743,512.83
		178,217,000.27	159,852,301.84
CURRENT LIABILITIES			
Accounts payable and accrued expenses		12,826,926.54	11,260,486.44
Social welfare / Education Bureau surplus		1,764,923.90	1,565,259.63
Receipt in advance		1,861,226.14	2,506,417.94
		16,453,076.58	15,332,164.01
NET CURRENT ASSETS		<u>161,763,923.69</u>	<u>144,520,137.83</u>
NET ASSETS		<u>182,135,555.77</u>	<u>167,686,081.18</u>
RESERVES			
Accumulated fund	15	107,875,565.14	93,538,894.42
Designated funds	16	20,877,913.52	20,773,757.58
Flag day fund	17	3,341,336.43	4,051,203.17
Lump sum grant reserve	18	40,402,623.30	39,616,450.43
Block grant reserve	19	9,638,117.38	9,705,775.58
		<u>182,135,555.77</u>	<u>167,686,081.18</u>

Approved and authorized for issue by the board of directors on
On behalf of the board:

16 SEP 2021


Mr. TSE Chun Fai
Director


Mr. CHAN Kwok Keung
Director



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Accumulated fund HK\$	Designated funds HK\$	Flag day fund HK\$	Lump sum grant reserve HK\$	Block grant reserve HK\$	Total HK\$
At 31 March 2019	91,603,638.18	20,893,871.35	3,728,816.97	36,382,305.63	8,162,596.35	160,771,228.48
Surplus for the year ended 31 March 2020	7,776,359.22	-	-	-	-	7,776,359.22
Other comprehensive income / (loss) for the year	-	267,984.67	-	-	-	267,984.67
Income directly dealt with in the fund	(18.71)	(658,789.41)	(9,031.00)	-	-	(667,839.12)
Expenditure directly dealt with in the fund	(18.71)	(390,804.74)	(9,031.00)	-	-	(399,854.45)
Total comprehensive income for the year	7,776,340.51	(390,804.74)	(9,031.00)	-	-	7,376,504.77
Transfer to Education Bureau and Social Welfare	188,563.30	-	-	-	-	188,563.30
Department surplus account	(552,967.37)	-	-	(97,248.00)	-	(650,215.37)
Other transfers	(5,476,680.20)	270,690.97	331,417.20	3,331,392.80	1,543,179.23	-
Transfer between funds						
At 31 March 2020	93,538,894.42	20,773,757.58	4,051,203.17	39,616,450.43	9,705,775.58	167,686,081.18
Surplus for the year ended 31 March 2021	14,388,573.39	-	-	-	-	14,388,573.39
Other comprehensive income / (loss) for the year	-	329,253.66	-	-	-	329,253.66
Income directly dealt with in the fund	(91.10)	(440,409.26)	(47,131.30)	(2,242.87)	12.25	(489,862.28)
Expenditure directly dealt with in the fund	(91.10)	(111,155.60)	(47,131.30)	(2,242.87)	12.25	(160,608.62)
Total comprehensive income for the year	14,388,482.29	(111,155.60)	(47,131.30)	(2,242.87)	12.25	14,227,964.77
Transfer from Education Bureau and Social Welfare	(324,146.98)	-	-	-	-	(324,146.98)
Department surplus account	564,662.80	-	-	(19,006.00)	-	545,656.80
Other transfers	(292,327.39)	215,311.54	(662,735.44)	807,421.74	(67,670.45)	-
Transfer between funds						
At 31 March 2021	107,875,565.14	20,877,913.52	3,341,336.43	40,402,623.30	9,638,117.38	182,135,555.77



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 HK\$	2020 HK\$
Cash flows from operating activities		
Surplus before taxation	14,388,573.39	7,776,359.22
Income directly dealt with in reserve	329,253.66	267,984.67
Expenditure directly dealt with in reserve	(489,862.28)	(667,839.12)
Adjustments:		
(Increase) / decrease in fair value of investment in listed equity	(6,119.55)	89,526.75
Transfer to Education Bureau and Social Welfare		
Department surplus account	(324,146.98)	188,563.30
Other transfer	545,656.80	(650,215.37)
Loss on disposal of property, furniture and equipment	54,501.19	151,961.82
Depreciation	7,328,593.89	7,462,757.45
Interest income	(1,935,916.14)	(2,743,638.73)
	<u>19,890,533.98</u>	<u>11,875,459.99</u>
Operating cash flows before working capital changes		
(Increase) / decrease in inventories	(41,855.38)	39,044.78
Decrease / (increase) in accounts receivable and sundry debtors	1,847,639.07	(196,157.57)
Decrease in deposits and prepayments	366,072.54	3,226,975.67
Increase in accounts payable and accrued expenses	1,566,440.10	1,700,334.17
Increase / (decrease) in Social Welfare Department/Education		
Bureau surplus account	199,664.27	(262,951.79)
Decrease in receipts in advance	(645,191.80)	(346,692.52)
	<u>23,183,302.78</u>	<u>16,036,012.73</u>
Net cash generated from operating activities		
	23,183,302.78	16,036,012.73
Cash flows from investing activities		
Interest received	1,935,916.14	2,743,638.73
Payment for acquisition of property, plant and equipment	(4,582,664.26)	(16,426,421.41)
	<u>(2,646,748.12)</u>	<u>(13,682,782.68)</u>
Net cash used in investing activities		
	(2,646,748.12)	(13,682,782.68)
Net increase in cash and cash equivalents		
	20,536,554.66	2,353,230.05
Cash and cash equivalents at beginning of year		
	<u>155,123,637.00</u>	<u>152,770,406.95</u>
Cash and cash equivalents at end of year		
	<u>175,660,191.66</u>	<u>155,123,637.00</u>
Analysis of the balances of cash and cash equivalents		
Time deposits	138,881,257.13	113,380,124.17
Bank balances and cash	36,778,934.53	41,743,512.83
	<u>175,660,191.66</u>	<u>155,123,637.00</u>



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. **General information**

- (a) Stewards is a charitable organisation incorporated under the Companies Ordinance with liabilities of members limited by guarantee. Pursuant to the Memorandum of the Association, the liability of each member is limited to HK\$100. The address of registered office and principal place of operation of the Company is situated at 145 Hong Ning Road, Kwun Tong, Kowloon, Hong Kong.
- (b) The principal activities of the Company are the provision of services to the local community including education, medical and dental services, rehabilitation, and children and youth activities. The Company operated the following units during and at the end of the financial year:

Central Administration

Central Administration Office
Accounting Support

Clinics

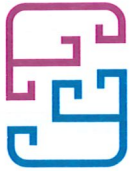
Peace Medical Centre

Kindergartens

Stewards Pooi Chun Kindergarten
Stewards Pooi Yan Kindergarten

Social services

After School Care Services
High Rock Christian Centre
Youth Online - Stewards Integrated Service Centre for Young People
School Social Work Services
Sha Kok Youth & Children's Centre
Sunnyway On Job Training for Young People
Supervisory Support for Rehabilitation Service Units
Supported Employment Programme
Work Extension Programme
Yiu On Commercially - Hired Vehicle
Yiu On Halfway House
Yiu On Integrated Rehabilitation Service Centre
Yiu Tsuen Sheltered Workshop
Visiting Medical Practitioner Scheme
Crossland Adventure Centre
Syner-bright Zone (Integrated Community Centre for Mental Wellness)
Take Your Way Clubhouse (Integrated Community Centre for Mental Wellness)



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. **General information** (cont'd)

- (c) Details of the Company's subsidiaries (entities controlled by the Company) at the date of the statement of financial position are as follows:-

<u>Name of subsidiary</u>	<u>Place of incorporation and operation</u>	<u>Principal activities</u>
Arm Services Company Limited	Hong Kong	Operate social enterprises engaging in providing car cleaning service, tuck shop business in schools and flower shop
Stewards Pooi Kei College Management Limited	Hong Kong	Provide secondary education to local students
Stewards Peace Dental Clinic Limited	Hong Kong	Provide dental services to the general public at comparative reduced rates

The above subsidiaries are companies limited by guarantee and not having a share capital. They were set up with no capital injection by the Company. They are accounted for as subsidiaries of the Company and 100% consolidated by the Company by virtue of control.

2. **Basis of preparation**

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the investments in listed equity securities are stated at fair values as set out in the accounting policies below.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Group.



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company.

Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. That presumption may be overcome in exceptional circumstances if it can be clearly demonstrated that such ownership does not constitute control. Control also exists when the parent owns half or less of the voting power of an entity but it has:

- (a) power over more than half of the voting rights by virtue of an agreement with other investors;
- (b) power to govern the financial and operating policies of the entity under a statute or an agreement;
- (c) power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or
- (d) power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

The consolidated financial statements included the financial statements of the Company and all its subsidiaries made up to 31 March each year. Significant intercompany transactions are eliminated on consolidation and all figures in the consolidated financial statements relate to external transactions only.

The results of subsidiaries acquired or disposed of during the year, if any, are included in the consolidated statement and comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.



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(Incorporated in Hong Kong and limited by guarantee)
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FOR THE YEAR ENDED 31 MARCH 2021

3. **Significant accounting policies (cont'd)**

(b) **Recognition of income**

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in surplus or deficit as follows:

- (i) Clinic fees income are recognised in the period when the services are rendered.
- (ii) School and programme fees are recognised upon completion of services.
- (iii) Revenue from sales of goods is recognised when the goods are delivered and the risks and rewards of ownership has passed to the customers.
- (iv) Service income and other service income are recognised when the services are rendered.
- (v) Government grants are recognised as income over the periods necessary to match them with the related costs.
- (vi) Donations and gifts are recognised on a receipt basis.
- (vii) Interest income is accrued on a time proportion basis on the principal outstanding and at the interest rate applicable.

(c) **Investments in equity securities**

Investment in listed equity securities are stated at fair value with changes in fair value recognised in surplus or deficit. The fair value is determined based on the quoted price for an identical asset in an active market.

Investment in unlisted equity securities, whose fair value cannot be measured reliably without undue cost or effort, are stated at cost less impairment loss.



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3. Significant accounting policies (cont'd)

(d) **Property, furniture and equipment**

Property, furniture and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, furniture and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost can be measured reliably. All other expenditure incurred after the assets have been put into operation, such as repairs and maintenance, is recognised as expenses during the year in which it is incurred.

The gain or loss on disposal of an item of property, furniture and equipment is the difference between the net sale proceeds and the net carrying value of the relevant asset, and is recognised in surplus or deficit.

Depreciation is provided to write off the cost of property, furniture and equipment over their estimated useful lives by using the straight line method at the following annual rates:

Furniture and fixtures	20% per annum
Leasehold improvements	20-50% per annum
Motor vehicles	20% per annum



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3. **Significant accounting policies (cont'd)**

(e) **Impairment of assets**

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

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

(f) **Inventories**

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is calculated using the first in, first out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(g) **Account and other receivables**

Receivables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method, less provision for impairment unless the effect of the discounting would be immaterial, in which case they are stated at cost, less impairment. An impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. The amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. An impairment loss is recognised immediately in surplus or deficit.



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3. **Significant accounting policies (cont'd)**

(h) **Account and other payables**

Payables are initially recognised at transaction price and are subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be immaterial, in such cases, they are stated at cost.

(i) **Operating leases**

Leases where substantially all the rewards and risks of ownership of assets remain with the landlord are accounted for as operating leases. Rentals payable under operating leases are recognised as an expense on the straight-line basis over the lease terms.

(j) **Employee benefits**

- (i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as an expense as incurred, except to the extent that they are included in the cost of intangible assets and inventories not yet recognised as an expense.
- (iii) Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawals.



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FOR THE YEAR ENDED 31 MARCH 2021

3. **Significant accounting policies (cont'd)**

(k) **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 amount of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(l) **Related parties**

A related party is a person or entity that is related to the Group.

- (i) A person or a close member of that person's family is related to the Group if that person:
- (a) has control or joint control over the Group;
 - (b) has significant influence over the Group; or
 - (c) is a member of the key management personnel of the Group or of a parent of the Group.
- (ii) An entity is related to the Group if any of the following conditions applies:
- (a) 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).
 - (b) 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).
 - (c) Both entities are joint ventures of the same third party.
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (f) The entity is controlled or jointly controlled by a person identified in (i).
 - (g) A person identified in (i)(a) 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).
 - (h) The entity, or any member of a group of which it is a part, provides key management services to the Group or to the Group'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.



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FOR THE YEAR ENDED 31 MARCH 2021

4. **Income**

Income received during the year are as follows:

	2021 HK\$	2020 HK\$
<u>Revenue from contracts with customers</u>		
Fee income from medical services	7,044,905.77	6,770,378.15
Fee income from kindergartens and schools	24,101,939.63	28,743,123.12
Fee income from social services and central administration	12,674,086.70	17,807,022.77
CIIF funding for project 您想關愛碩門村	494,400.00	995,300.00
Ho Tung Charitable Fund - enhancement project	-	16,300.00
The Lai Shiu On Tong Foundation - SEN Children and Family Support Project	750,000.00	750,000.00
HSBC Community Partnership Programme: VR World of Special Education Needs	-	76,595.68
Tuckshops	189,605.57	1,796,326.75
Flower shops	1,383,978.00	2,229,015.20
<u>Subvention from Social Welfare Department, Education Bureau and Community Chest</u>		
Subvention from Education Bureau	87,358,614.51	86,072,813.51
Subvention from Social Welfare Department ("SWD")	105,274,254.00	100,540,608.00
Subvention from Community Chest	1,765,170.00	1,557,900.00
Subvention from SWD for technical feasibility study for Stewards Peace Clinic Building	-	319,725.00
Subvention from SWD for furniture and equipment costs for new sub-base of Stewards Take Your Way Clubhouse	-	714,485.30
Subvention from SWD for fitting-out works for sub-base of Integrated Community Centre for Mental Wellness ("ICCMW"), Take Your Way Clubhouse in Yiu Ping House, Ma On Shan	-	5,046,900.00
Subvention from SWD for fitting-out works for sub-base of ICCMW in Tsui Lam Estate, Tseung Kwan O	550,940.97	1,840,970.31
Subvention from SWD for fitting-out works for sub-base of ICCMW in Tseung Kwan O	-	221,946.40
Subvention from SWD for furniture and equipment for ICCMW in Tsui Lam Estate, Tseung Kwan O	-	436,491.65



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. **Income**

Income received during the year are as follows: (cont'd)

	2021 HK\$	2020 HK\$
<u>Subvention from Social Welfare Department, Education Bureau and Community Chest (cont'd)</u>		
Subvention from SWD for fitting-out works for sub-base of Stewards Yiu On Integrated Vocational Rehabilitation Service Centre	-	2,540,500.00
Subvention from SWD for Purchase of furniture & equipment for new WEP	-	96,883.00
Block grant subvention	1,555,000.00	1,342,000.00
Subvention from Quality Education Fund	150,000.00	237,421.83
Community Care Fund for Pilot Scheme on Living Allowance for Low income Carers of Persons with Disabilities	21,960.00	42,480.00
<u>Donations and gifts</u>		
Donation received	608,356.31	891,034.38
<u>Interest income</u>		
Bank interest received	1,935,916.14	2,743,638.73
	<u>245,859,127.60</u>	<u>263,829,859.78</u>



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FOR THE YEAR ENDED 31 MARCH 2021

5. **Surplus before taxation**

Surplus before taxation is stated after charging, inter alia, the following:

	2021 HK\$	2020 HK\$
Auditor's remuneration	127,400.00	119,900.00
Depreciation	7,328,593.89	7,462,757.45
Loss on disposal of property, furniture and equipment	54,501.19	151,961.82
Operating lease charges - land and buildings	5,949,380.70	6,420,842.22
Staff costs	189,794,974.98	184,394,105.81

6. **Directors' remuneration**

Particulars of directors' remuneration for the year disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance are as follows:-

	2021 HK\$	2020 HK\$
Fees	-	-
Other emoluments	-	-
Retirement benefits	-	-
Compensation for loss of office	-	-
	<hr/>	<hr/>
Key management personnel's remuneration	<hr/> <hr/>	<hr/> <hr/>

7. **Taxation**

No provision for Hong Kong profits tax has been made in the financial statements as the Group is exempted from Hong Kong Profits Tax under Section 88 of the Hong Kong Inland Revenue Ordinance.



STEWARDS
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. Statement of financial position of the Company

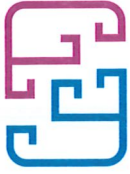
	Notes	2021 HK\$	2020 HK\$
NON-CURRENT ASSETS			
Property, furniture and equipment	9 (b)	13,413,448.17	14,037,367.73
Investment in equity securities	10	306,251.50	300,131.95
		13,719,699.67	14,337,499.68
CURRENT ASSETS			
Inventories	11	125,899.08	107,781.83
Accounts receivable and sundry debtors		493,466.31	1,186,370.48
Amount due from a subsidiary	12	765,692.16	845,645.91
Deposits and prepayments		1,001,591.34	1,409,943.54
Time deposits		59,573,762.60	57,329,890.84
Bank balances and cash		17,822,136.21	16,528,435.36
		79,782,547.70	77,408,067.96
CURRENT LIABILITIES			
Accounts payable and accrued expenses		2,252,364.29	2,067,444.43
Amount due to a subsidiary	13	1,765,317.71	691,997.26
Social welfare/Education Bureau surplus		1,764,923.90	1,565,259.63
Receipt in advance		1,811,721.14	2,396,307.94
		7,594,327.04	6,721,009.26
NET CURRENT ASSETS		<u>72,188,220.66</u>	<u>70,687,058.70</u>
NET ASSETS		<u>85,907,920.33</u>	<u>85,024,558.38</u>
RESERVES			
Accumulated fund	15	11,648,529.70	10,877,971.62
Designated funds	16	20,877,313.52	20,773,157.58
Flag day fund	17	3,341,336.43	4,051,203.17
Lump sum grant reserve	18	40,402,623.30	39,616,450.43
Block grant reserve	19	9,638,117.38	9,705,775.58
		<u>85,907,920.33</u>	<u>85,024,558.38</u>

Approved and authorized for issue by the board of directors on
On behalf of the board:

16 SEP 2021


Mr. TSE Chun Fai
Director


Mr. CHAN Kwok Keung
Director



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FOR THE YEAR ENDED 31 MARCH 2021

9. **Property, furniture and equipment**
(a) The Group

	Leasehold Land and <u>buildings</u> HK\$	Furniture and <u>fixtures</u> HK\$	Leasehold <u>improvements</u> HK\$	Motor <u>vehicle</u> HK\$	Total HK\$
Cost					
At 1 April 2019	1.00	30,597,857.13	33,263,263.42	701,074.50	64,562,196.05
Additions	-	3,270,396.41	13,156,025.00	-	16,426,421.41
Disposals	-	(2,416,604.88)	-	-	(2,416,604.88)
At 31 March 2020	1.00	31,451,648.66	46,419,288.42	701,074.50	78,572,012.58
Additions	-	3,139,439.06	1,443,225.20	-	4,582,664.26
Disposals	-	(569,481.90)	-	-	(569,481.90)
At 31 March 2021	1.00	34,021,605.82	47,862,513.62	701,074.50	82,585,194.94
Accumulated Depreciation					
At 1 April 2019	-	23,173,942.26	26,633,070.03	701,074.50	50,508,086.79
Charge for the year	-	2,819,283.44	4,643,474.01	-	7,462,757.45
Disposals written back	-	(2,264,643.06)	-	-	(2,264,643.06)
At 31 March 2020	-	23,728,582.64	31,276,544.04	701,074.50	55,706,201.18
Charge for the year	-	3,046,824.80	4,281,769.09	-	7,328,593.89
Disposals written back	-	(514,980.71)	-	-	(514,980.71)
At 31 March 2021	-	26,260,426.73	35,558,313.13	701,074.50	62,519,814.36
Net Book Value					
At 31 March 2021	1.00	7,761,179.09	12,304,200.49	-	20,065,380.58
At 31 March 2020	1.00	7,723,066.02	15,142,744.38	-	22,865,811.40

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

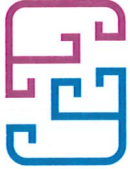


STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. **Property, furniture and equipment (cont'd)**
(b) The Company

	Leasehold Land and buildings HK\$	Furniture and fixtures HK\$	Leasehold improvements HK\$	Motor vehicle HK\$	Total HK\$
Cost					
At 1 April 2019	1.00	7,850,432.76	16,368,516.70	701,074.50	24,920,024.96
Additions	-	2,076,166.40	12,075,005.00	-	14,151,171.40
Disposals	-	(357,446.00)	-	-	(357,446.00)
At 31 March 2020	1.00	9,569,153.16	28,443,521.70	701,074.50	38,713,750.36
Additions	-	2,227,877.50	1,094,025.20	-	3,321,902.70
Disposals	-	(255,165.00)	-	-	(255,165.00)
At 31 March 2021	1.00	11,541,865.66	29,537,546.90	701,074.50	41,780,488.06
Accumulated Depreciation					
At 1 April 2019	-	6,047,056.74	14,902,011.50	701,074.50	21,650,142.74
Charge for the year	-	734,764.43	2,647,634.79	-	3,382,399.22
Disposals written back	-	(356,159.33)	-	-	(356,159.33)
At 31 March 2020	-	6,425,661.84	17,549,646.29	701,074.50	24,676,382.63
Charge for the year	-	981,340.56	2,963,158.37	-	3,944,498.93
Disposals written back	-	(253,841.67)	-	-	(253,841.67)
At 31 March 2021	-	7,153,160.73	20,512,804.66	701,074.50	28,367,039.89
Net Book Value					
At 31 March 2021	1.00	4,388,704.93	9,024,742.24	-	13,413,448.17
At 31 March 2020	1.00	3,143,491.32	10,893,875.41	-	14,037,367.73

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



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Investment in equity securities

The investments in equity securities are held for long term purposes. At 31 March 2021, investments in equity securities comprise:

	The Group and the Company	
	2021	2020
	HK\$	HK\$
Listed equity securities carried at fair value	206,251.50	200,131.95
Unlisted equity securities carried at cost less impairment	100,000.00	100,000.00
	306,251.50	300,131.95

The fair value of the listed equity securities is based on quoted market prices.

11. Inventories

Inventories represent goods held for resale.

12. Amount due from a subsidiary

The amount is unsecured and interest free with no fixed repayment terms.

13. Amount due to a subsidiary

The amount is unsecured and interest free with no fixed repayment terms.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Separate income and expenditure account for School-Based After-School Learning and Support Programmes

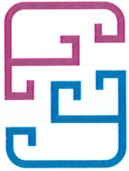
For the period from 1 April 2020 to 31 August 2020

	Programme ST1926 HK\$	Programme ST1927 HK\$	Others HK\$	Total HK\$
Balance as at 1 April 2020	85,345.50	54,169.70	-	139,515.20
Add: Income				
Education Bureau's grant	-	-	-	-
(School's subsidies) / fee income	400.00	-	-	400.00
NGO subsidy	20.00	-	-	20.00
	420.00	-	-	420.00
Less: Expenditure				
Tutor fee	17,422.50	20,385.00	-	37,807.50
Function materials and printing charges	3,639.00	5,943.70	-	9,582.70
Programme coordination expense	11,213.00	7,173.20	-	18,386.20
Administration expenses	11,969.00	9,496.00	-	21,465.00
	44,243.50	42,997.90	-	87,241.40
Balance as at 31 August 2020	41,522.00	11,171.80	-	52,693.80

For the period from 1 August 2020 to 31 March 2021

	Programme ST2033 HK\$	Programme ST2034 HK\$	Others HK\$	Total HK\$
Income				
Education Bureau's grant	85,248.00	77,345.00	-	162,593.00
School's subsidies/fee income	-	-	-	-
Interest	-	-	-	-
	85,248.00	77,345.00	-	162,593.00
Less: Expenditure				
Tutor fee	30,957.50	18,237.50	-	49,195.00
Function materials and printing charges	827.50	-	-	827.50
Programme coordination expense	-	819.00	-	819.00
	31,785.00	19,056.50	-	50,841.50
Balance as at 31 March 2021	53,463.00	58,288.50	-	111,751.50

The income and expenditure for the School-Based After-School Learning and Support Programmes for the year have been included in the consolidated statement of comprehensive income of the Group and the balance of HK\$164,445.30 as at 31 March 2021 has been included in the receipts in advance as stated in the consolidated statement of financial position.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. **Accumulated fund**

Accumulated fund attributable to services group are as follows:

	The Group	
	2021	2020
	HK\$	HK\$
Central Administration Office	(9,209,657.04)	(9,663,420.54)
Clinics	8,153,509.70	7,560,445.93
Kindergarten	4,111,528.55	2,724,275.74
Schools	91,091,296.86	78,014,379.57
Social Services	13,728,887.07	14,903,213.72
	<u>107,875,565.14</u>	<u>93,538,894.42</u>

	The Company	
	2021	2020
	HK\$	HK\$
Central Administration Office	(8,027,657.04)	(8,685,420.54)
Clinics	3,041,570.08	3,142,587.79
Kindergarten	4,111,528.55	2,724,275.74
Social Services	12,523,088.11	13,696,528.63
	<u>11,648,529.70</u>	<u>10,877,971.62</u>

Movements of the Company's accumulated fund during the year are set out as follows:

	2021	2020
	HK\$	HK\$
Balance as at 1 April	10,877,971.62	2,398,197.47
Surplus for the year	822,460.75	14,320,877.13
Transfer from Education Bureau and Social Welfare Department surplus account	(324,146.98)	188,563.30
Other transfers	564,662.80	(552,967.37)
Transfer between funds	(292,327.39)	(5,476,680.20)
Deficit from other funding	(91.10)	(18.71)
Balance as at 31 March	<u>11,648,529.70</u>	<u>10,877,971.62</u>



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. Designated funds

The designated funds are set up for the designated purpose and are used at the discretion of the Board of Directors of the Company. Their details are as follows:

	The Group	
	2021 HK\$	2020 HK\$
Education funds	3,437,793.20	3,548,691.49
Gang Yun Foundation	87,765.90	87,765.90
Maintenance / utilities fund	38,206.42	(78,099.58)
Membership fund	28,200.00	53,000.00
Ministry fund	305,759.39	272,123.00
Quarters fund	525,121.51	379,357.16
Hickson Fund	471,613.47	-
Anti-epidemic Fund	181,658.63	-
Reserve & development fund	11,194,353.32	11,342,395.74
Social service fund	1,080,975.58	1,080,975.58
Designated fund	1,367,440.42	1,253,798.14
Walk with hope development fund	828,880.02	942,350.02
Youth Mental Health subsidy scheme	873,408.25	951,969.25
Yiu Tsuen fund	55,344.70	55,344.70
Fund for Peace Medical Centre	88,172.96	570,866.43
Fund for Stewards Peace Dental Clinic Limited	600.00	600.00
Fund for High Rock Christian Centre	312,619.75	312,619.75
	<u>20,877,913.52</u>	<u>20,773,757.58</u>

	The Company	
	2021 HK\$	2020 HK\$
Education funds	3,437,793.20	3,548,691.49
Gang Yun Foundation	87,765.90	87,765.90
Maintenance / utilities fund	38,206.42	(78,099.58)
Membership fund	28,200.00	53,000.00
Ministry fund	305,759.39	272,123.00
Quarters fund	525,121.51	379,357.16
Hickson Fund	471,613.47	-
Anti-epidemic Fund	181,658.63	-
Reserve & development fund	11,194,353.32	11,342,395.74
Social service fund	1,080,975.58	1,080,975.58
Designated fund	1,367,440.42	1,253,798.14
Walk with hope development fund	828,880.02	942,350.02
Youth Mental Health subsidy scheme	873,408.25	951,969.25
Yiu Tsuen fund	55,344.70	55,344.70
Fund for Peace Medical Centre	88,172.96	570,866.43
Fund for High Rock Christian Centre	312,619.75	312,619.75
	<u>20,877,313.52</u>	<u>20,773,157.58</u>



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16. Designated funds (cont'd)

Movement of the Company's designated funds during the year are set out as follows:

	The Company	
	2021 HK\$	2020 HK\$
Balance as at April 1	20,773,157.58	20,893,271.35
Add: Income directly dealt with in the fund	329,253.66	267,984.67
Transfer from other funds	215,311.54	270,690.97
	<u>21,317,722.78</u>	<u>21,431,946.99</u>
Less: Expenditure directly dealt with in the fund	(440,409.26)	(658,789.41)
Balance as at March 31	<u>20,877,313.52</u>	<u>20,773,157.58</u>



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17. Flag day fund

	The Group and the Company	
	2021	2020
	HK\$	HK\$
<u>Designated Flag Day fund</u>		
Balance as at 1 April	3,902,534.81	3,571,117.61
Donations from flag day raising event held on 21 December 2019	-	582,951.72
	<u>3,902,534.81</u>	<u>4,154,069.33</u>
Flag Day expenses	-	(16,183.69)
	<u>3,902,534.81</u>	<u>4,137,885.64</u>
Usage of fund from flag day held in 2008 to 2019		
Youth programmes	(183,777.18)	(31,467.70)
Rehabilitation services	(39,769.81)	(203,883.13)
Youth menal health services	(269,158.04)	-
Recurrent expenses of central administration	(170,030.41)	-
	<u>(662,735.44)</u>	<u>(235,350.83)</u>
Balance as at 31 March	<u>3,239,799.37</u>	<u>3,902,534.81</u>
<u>General Flag Day Fund</u>		
Balance as at 1 April	148,668.36	157,699.36
Funds allocated to		
- Ma Ko Pan Memorial College	(16,060.30)	(9,031.00)
- Arm Services Company Limited	(31,071.00)	-
	<u>(47,131.30)</u>	<u>(9,031.00)</u>
Balance as at 31 March	<u>101,537.06</u>	<u>148,668.36</u>
Total balance of flag day as at 31 March	<u>3,341,336.43</u>	<u>4,051,203.17</u>

For the remaining net proceeds collected from the flag days held on 2 May 2009, 29 January 2011, 25 February 2012, 16 Feb 2013, 14 Mar 2015, 25 Feb 2017 and 21 Dec 2019 brought forward, the usage of HK\$662,735.44 were used as disclosed above. The unused balance of HK\$3,239,799.37 will be carried forward and will be used for the purposes of i) rehabilitation service for mental health service; ii) strengthening children, youth, family and counseling service, iii) improving family relationship of retired/pre-retire men through a variety of activities, interest class, etc.



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18. Lump sum grant reserve

	The Group and the Company	
	2021 HK\$	2020 HK\$
Income		
Lump sum grant and tide-over grant	99,305,382.00	94,532,068.00
Fee Income	2,725,935.50	2,221,953.00
Other Income	3,087,011.41	8,864,044.13
Interest Received	492,203.74	740,683.86
Total Income	<u>105,610,532.65</u>	<u>106,358,748.99</u>
Expenditure		
Personal Emoluments	90,966,080.21	82,246,445.40
Other Charges	13,837,030.70	20,780,910.79
Total Expenditure	<u>104,803,110.91</u>	<u>103,027,356.19</u>
Surplus for the year transferred from accumulated fund	807,421.74	3,331,392.80
Balance at beginning of year	39,616,450.43	36,382,305.63
Adjustment as per per SWD letter dated 25 November 2020	(2,242.87)	-
Refund to Government	<u>(19,006.00)</u>	<u>(97,248.00)</u>
Balance at end of year	<u>40,402,623.30</u>	<u>39,616,450.43</u>
The components of the reserve are as follows:		
Lump sum grant reserve (excluding provident fund)	30,120,048.34	30,440,947.00
Surplus of provident fund subvention	<u>10,282,574.96</u>	<u>9,175,503.43</u>
	<u>40,402,623.30</u>	<u>39,616,450.43</u>



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19. **Block grant reserve**

Movements of the block grant allocation from Social Welfare Department for property, furniture and equipment and minor works:

	The Group and the Company	
	2021	2020
	HK\$	HK\$
Balance at beginning of year	9,705,775.58	8,162,596.35
Bank interest income	110,578.66	208,279.23
	<u>9,816,354.24</u>	<u>8,370,875.58</u>
Block grant received	1,555,000.00	1,342,000.00
Expenditure for renovation, furniture and equipment	(1,733,236.86)	(7,100.00)
	<u>(178,236.86)</u>	<u>1,334,900.00</u>
Transfer from accumulated fund and other funds	(178,236.86)	1,334,900.00
	<u>9,638,117.38</u>	<u>9,705,775.58</u>

As at 31 March 2021, the outstanding commitments in respect of block grant allocation from SWD for furniture & equipment and minor works were as follows:

	2021	2020
	HK\$	HK\$
Contracted but not provided for in the financial statements	-	-
Authorised but not contracted for	-	-
	<u>-</u>	<u>-</u>



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20. Use of the Social Welfare Development Fund (SWDF)

	The Group and the Company	
	2021	2020
	HK\$	HK\$
<u>Phase 3</u>		
Balance brought forward	-	654,992.81
Income		
Allocation from SWDF	49,000.00	-
Interest received	-	65.50
Total income during the year	<u>49,000.00</u>	<u>65.50</u>
Expenditure under SWDF during the year:		
1. Expenditure for projects under scope A	<u>49,449.00</u>	<u>655,074.02</u>
Total expenditure during the year	<u>49,449.00</u>	<u>655,074.02</u>
Deficit transferred to accumulated fund	<u>-</u>	<u>(15.71)</u>
Balance carried forward to the next financial year	<u>(449.00)</u>	<u>-</u>

The above expenditures under the SWDF have been incurred in accordance with the requirements stipulated in SWDF Guidance Notes for Application, SWD's approval letter(s) and the procurement of projects and services are in line with the procedures specified in the Lotteries Fund Manual.

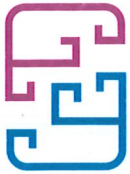
The above income and expenditure have been included in the consolidated statement of comprehensive income of the Group and the total deficit balance of \$449 as at 31 March 2021 has been included in Social Welfare Department/Education Bureau surplus as stated in the consolidated statement of financial position (2020: deficit of \$15.71 has been transferred to accumulated fund).



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21. **HSBC Community Partnership Programme**
Project name: VR World of Special Education Needs

	2021 HK\$	2020 HK\$
Balance at the beginning of the period	-	88,117.62
Income		
Donation from HSBC Community Partnership Fund	-	76,595.68
Programme income	-	-
Total income	<u>-</u>	<u>76,595.68</u>
Expense		
Purchase of equipments	-	5,574.00
Programme materials	-	136,339.30
Tutor fee	-	22,800.00
Total expenses	<u>-</u>	<u>164,713.30</u>
Deficit for the period	<u>-</u>	<u>(88,117.62)</u>
Balance at the end of the period	<u><u>-</u></u>	<u><u>-</u></u>



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22. Fund raising activity under Public Subscription Permit issued by
Social Welfare Department

	2021 HK\$	Public Subscription permit no. 2019/205/1 2020 HK\$
Income		
Donation income	-	17,335.00
Expense		
Audit fee	-	2,000.00
Net proceeds	-	15,335.00

There is no fund raising activity during the year 2021.



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23. **Financial instruments**

The carrying amounts of each of the categories of financial instruments as at the date of the statement of financial position are as follows:

	The Group	
	2021 HK\$	2020 HK\$
<u>Financial assets measured at fair value</u> <u>through other comprehensive income</u>		
Investment in listed equity securities	<u>206,251.50</u>	<u>200,131.95</u>
<u>Financial assets that are equity instruments</u> <u>measured at cost less impairment</u>		
Investment in unlisted equity securities	<u>100,000.00</u>	<u>100,000.00</u>
<u>Financial assets that are debt instruments</u> <u>measured at amortised cost</u>		
Accounts receivable and sundry debtors	997,589.26	2,845,228.33
Deposits	737,389.66	505,303.00
Time deposits	<u>138,881,257.13</u>	<u>113,380,124.17</u>
	<u>140,616,236.05</u>	<u>116,730,655.50</u>
Financial liabilities measured at amortised cost		
Accounts payable and accrued expenses	12,826,926.54	11,260,486.44
Social welfare / Education Bureau surplus	<u>1,764,923.90</u>	<u>1,565,259.63</u>
	<u>14,591,850.44</u>	<u>12,825,746.07</u>

24. **Operating lease commitments**

At 31 March 2021, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	The Group	
	2021 HK\$	2020 HK\$
Within one year	5,456,126.50	4,959,389.00
In the second to fifth years inclusive	2,352,737.50	5,874,614.00
After five years	-	-
	<u>7,808,864.00</u>	<u>10,834,003.00</u>