

Mr Chan Lai Sang
Chairman

HONG KONG CHILDREN AND YOUTH SERVICES

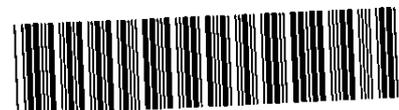
香港青少年服務處

(Limited by Guarantee)

Reports and Financial Statements
For the year ended 31 March 2021

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HONG KONG CHILDREN AND YOUTH SERVICES

香港青少年服務處

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Mr Chan Lai Sang
Chairman

Report of the Executive Committee Members

The Executive Committee Members have pleasure in submitting their annual report and the audited financial statements for the year ended 31 March 2021.

Business review

During the year, the Agency continued its principal activities as a non-profit-making welfare agency providing welfare services for the needy and deprived children, youths and their families. The core services included Integrated Family Services, Clinical Psychological Services, Integrated Home Care Services, Small Group Homes, Foster Care Service, Integrated Children & Youth Services Centre, After-School Care Service, Children and Youth Centre, School Social Work Service, District Youth Outreaching Social Work Service, Overnight Outreaching Service, Counselling Centre for Psychotropic Substance Abusers, Pilot Scheme on Social Work Service for Pre-primary Institutions, On-site Pre-school Rehabilitation Services and special projects.

The reporting year was also marked by a series of service expansion. The Agency was awarded to operate the Pilot Scheme on Social Work Service for Pre-primary Institutions (Phase 3) for a time-defined period of one and a half years starting from August 2020 by Social Welfare Department (SWD). With effect from 1 October 2020, additional resources to strengthen service of Frail Cases of Integrated Home Care Services was increased. Manpower enhancement has also been aligned to Job Creation Scheme for Elderly and Rehabilitation Services, Clinical Psychological Support Services under Foster Care, Peer Support Service in Counselling Center for Psychotropic Substance Abusers, and Community Care Fund.

Thanks to the support of the Jockey Club Charity Fund, five projects were launched last year: "Support Cross Border Students and Residential Youth", "Promoting Family Resilience", "Fostering Youth Engagement and Data-informed Social Services", "At-risk Female Youth Well-being". We were also invited to be one of the partner NGOs to implement "Project IDEAL". With our past good track record, additional grant was allocated by the government departments, the "Career Aspiration Youth Enlightenment Scheme" was approved by the Home Affairs Bureau to support leavers of Secondary School.

All our subvented services have been operated in accordance with the Lump Sum Grant Policy (LSG) and 16 Service Quality Standards of the Social Welfare Department, as well as other legal requirements such as employment ordinances and discrimination ordinances etc. As at 31 March 2021, the Agency has a team of 528 fulltime employees and a stable workforce from our parttime employees.

In compliance with SWD's requirements for NGOs receiving LSG subvention, the Agency has reviewed annually the remuneration packages of staff at the top 3-tiers. Altogether there were 17 staff at senior management positions, with total annual staff cost constituting around 6% of the Agency's annual subvention received from SWD.

With the support of the Social Welfare Development Fund (SWDF), we continue to reinforce the professional knowledge and skills of our staff. In the year, we successfully provided 75 in-house training courses and 287 training courses organized by outside organizations to our staff with 1,135 attendance. Meanwhile, the information technology project namely Mobile Staff Development and Services Portal sponsored by SWDF was completed in October 2020.

We continue to build up connections with various partners. We successfully gained support from 160 service partners last year. The number of volunteers was 11,458 with a total 19,218 volunteer service hours. We would continue to strengthen the interface with partners of different sectors fostering a community atmosphere that values the youth as resources.

During the financial year 2020/21, the total income of the Agency was HK\$313,627,140.99. The subvention from the Social Welfare Department totaled HK\$242,614,357.00 was 77.36% of the total income. The Agency also received allocations from the Community Chest of Hong Kong and donations from different funding bodies, such as the Hong Kong Jockey Club Charities Trust, the HSBC Community Fund, the Beat Drugs Fund, the Home Affairs Department, etc. for special projects. The total expenditure for the financial year of 2020/21 was HK\$287,900,764.44, of which 82% of the expenditure was spent on personal emoluments, 17.97% on other charges and 0.03% on rent and rates.

HONG KONG CHILDREN AND YOUTH SERVICES

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Mr Chan Lai Sang
Chairman

Report of the Executive Committee Members (cont'd)

Business review (cont'd)

With regard to the investment portfolio as at 31 March 2021 mainly consisting of bank deposits in Hong Kong dollars, the financial risk was considered minimal. Our system of internal financial control ensures proper management of our financial resources in accordance with established policies and procedures. Each year, an external audit firm was appointed to conduct the audit of the financial statements of the Agency, which have been prepared in accordance with all applicable HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. Besides, regular, special and surprise internal inspections are conducted in various service units in areas such as service quality standards, leave records, information technology security and inventory.

In compliance with the Best Practice Manual (BPM) of SWD, the management has conducted a review in compliance with the Level One requirements and Level Two guidelines of BPM in 2020/21. The Executive Committee has critically reviewed the LSG Reserve and Provident Fund (PF) Reserve during the year. The total LSG reserve and PF reserve of the Agency has been accumulated to HK\$95,363,938.07 and HK\$16,719,227.38 respectively and the financial status of the Agency was considered to be healthy. According to our policy, the Agency would maximize the use of PF reserve for non-snapshot staff in order to provide for retirement, retain staff and boost their morale. In March, the Executive Committee approved an enhanced provident fund scheme. A one-off injection in the sum of HK\$ 1,587,377.00 was deposited into the MPF account of non-snapshot staff who have served the Agency for over 10 years or above.

Looking ahead, in accordance with the Agency's theme set for the next two years, i.e. "Embracing young people, Bonding with family" we would continue to strive for engaging, enabling and embracing young people as well as strengthening the bonding among family members in all aspects of service planning and implementation.

Financial statements

The financial performance of the Agency for the year ended 31 March 2021 and its financial position at that date are set out in the financial statements on pages 6 to 33.

Reserves

The Agency holds Lump Sum Grant reserves which are capped at 25% of annual total operating expenditure (excluding PF expenditure) for that year. Any amount above this cap needs to be refunded to the Government in the following fiscal year unless the cap is raised by the Director of Social Welfare Department upon application with justification from the Agency. The level of general reserves does not have the above mentioned restriction. The surplus is mainly generated from self-finance production activities. Details of movements in the reserves of the Agency during the year are set out in the statement of changes in reserves on page 9.

The Executive Committee Members of the Agency have adopted a reserve policy based on responsibility for organizational security, stability of service delivery and public education programme. For reserves related to activities supported by Social Welfare Development Fund, requirements as stipulated in Lump Sum Grant Manual and Best Practice Manual apply.

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Report of the Executive Committee Members (cont'd)

Mr Chan Lai Sang
Chairman

Executive Committee Members

The Executive Committee members of the Agency during the financial year and up to the date of this report were:

Mr. Chan Lai Sang	- Chairman
Mr. Cheung Wai Ho	- Vice Chairman
Ms. Law Mei Fong	- Honorary Treasurer
Mr. Leung Cho Bun	- Honorary Secretary
Mr. Cheung Wai Keung	
Mr. Cheng Yiu Ping	
Ms. Tam Cheung Kit Ying	
Mr. Yuen Chi Choi	
Mr. Au Chi Keung	

Pursuant to the Articles of Association of the Agency, all Executive Committee Members for the time being shall retire and, being eligible, offer themselves for re-election.

Executive Committee Members' interest in contract

At no time during the year was the Agency a party to any arrangement to enable the Executive Committee Members to acquire benefits by means of acquisition of debentures, if any, of the Agency or any other body corporate.

No transaction, arrangement or contract of significance to which the Agency was a party and in which an Executive Committee member of the Agency had a material interest, subsisted at the end of the year or at any time during the year.

Permitted indemnity provision

Directors' and officers' liability insurance, being a permitted indemnity provision for the benefit of the Agency's Executive Committee Members, is currently in force and was in force throughout the financial year ended 31 March 2021. The Executive Committee Members were entitled to be indemnified against all loss and claim in respect of any wrongful act, employment practice breach or trustee breach during the financial year.

Auditor

The financial statements have been audited by Messrs. LKY China who retire and, being eligible, offer themselves for re-appointment.

By order of the Executive Committee

Jaal Chan

Mr. Chan Lai Sang
Chairman

Hong Kong, 06 OCT 2021



華強會計師事務所

LKY CHINA

Certified Public Accountants (Practising), Hong Kong

Independent Auditor's Report

**To the Members of HONG KONG CHILDREN AND YOUTH SERVICES 香港青少年服務處
(Incorporated in Hong Kong with liability limited by guarantee)**

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Joel Chan

Mr Chan Lai Sang
Chairman

Partners:

甄達華會計師

JOSEPH T. W. YAN

F CPA (Practising), FCA, FCCA,
CTA, FTIHK, FSCA

蔡少芬會計師

NATALIE S. F. CHOY

CPA (Practising), FCCA,
MA (Accg)

Principal:

張文傑主管

KEN M.K. CHEUNG

Opinion

We have audited the financial statements of HONG KONG CHILDREN AND YOUTH SERVICES ("the Agency") set out on pages 6 to 33 which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Agency as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance. The Agency has complied with the requirements as stipulated in Lump Sum Grant Manual, Lotteries Fund Manual, Community Care Fund and School-based After-school Learning and Support Programmes Grantee Agreement ("SBG Agreement") on implementing the programs including WiFi Project and School-based After-school Learning and Support Programmes (The expenditure incurred by the Agency is made in accordance with the SBG Agreement.).

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 Financial Statements section of our report. We are independent of the Agency 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.

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

The Executive Committee Members are responsible for the other information. The other information comprises the information included in the Report of the Executive Committee Members, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Executive Committee Members and Those Charged with Governance for the Financial Statements

The Executive Committee Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Executive Committee Members determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee Members are responsible for assessing the Agency'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 Executive Committee Members either intend to liquidate the Agency or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Agency's financial reporting process.

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華強會計師事務所

LKY CHINA

Certified Public Accountants (Practising), Hong Kong

Partners:

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JOSEPH T. W. YAN

FCPA (Practising), FCA, FCCA,
CTA, FTIHK, FSCA

蔡少芬會計師

NATALIE S. F. CHOY

CPA (Practising), FCCA,
MA (Acctg)

Principal:

張文傑主管

KEN M. K. CHEUNG

Independent Auditor's Report (cont'd)

To the Members of **HONG KONG CHILDREN AND YOUTH SERVICES** 香港青少年服務處
 (Incorporated in Hong Kong with liability limited by guarantee)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 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 Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee Members.
- Conclude on the appropriateness of the Executive Committee Members' 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 Agency'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 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 Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



LKY China

Certified Public Accountants (Practising)

Hong Kong,

06 OCT 2021

香港中環德輔道中99-105號大新人壽大廈五字樓

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HONG KONG CHILDREN AND YOUTH SERVICES
香港青少年服務處

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Joel Chan

Mr Chan Lai Sang
Chairman

Statement of Comprehensive Income
For the year ended 31 March 2021

	Note	<u>2021</u> HK\$	<u>2020</u> HK\$
Income	5	313,627,140.99	279,066,531.68
Other revenue		1,068,066.97	1,973,699.70
Administrative expenses		(287,900,764.44)	(276,592,432.58)
Surplus from operation		<u>26,794,443.52</u>	<u>4,447,798.80</u>
Bank interest income		1,237,990.93	1,530,745.92
Surplus for the year	6	<u>28,032,434.45</u>	<u>5,978,544.72</u>
Amount recoverable from/ (refundable to) Social Welfare Department ("SWD")			
- Provident fund account	12	(1,089,024.61)	225,904.33
- Rent and rates account	12	1,059,309.26	593,413.75
- Social welfare subvention account	12	(34,527.16)	(754,639.22)
- Lump Sum Grant Reserve	14	(4,613,561.41)	-
Net surplus from Designated Projects and Funds for the year included in accounts receivable and payable		(8,412,942.03)	(4,191,937.24)
		<u>(13,090,745.95)</u>	<u>(4,127,258.38)</u>
Net Surplus for the year		14,941,688.50	1,851,286.34
Other comprehensive income/(expenses)			
Adjustment to rent and rates under Lump Sum Grant Reserve	12	-	12,100.13
Refund of project's surplus		-	(6,071.00)
Total comprehensive income for the year		<u>14,941,688.50</u>	<u>1,857,315.47</u>

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HONG KONG CHILDREN AND YOUTH SERVICES

香港青少年服務處

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Joel Chan

Mr Chan Lai Sang
Chairman

**Statement of Financial Position
as at 31 March 2021**

	Note	2021 HK\$	2020 HK\$
Non-current assets			
Properties and equipment	8	3,988,847.36	7,522,350.58
Current assets			
Accounts receivable	9	6,444,217.91	3,700,237.94
Cash and bank balances	10	158,190,967.74	131,578,116.33
		<u>164,635,185.65</u>	<u>135,278,354.27</u>
Current liabilities			
Accounts payable	11	27,794,329.00	17,918,007.81
Amounts due to SWD	12	16,252,060.80	16,140,058.69
Lease liabilities	13	3,687,733.51	3,508,245.04
Lump Sum Grant refundable to SWD	14	4,613,561.41	-
Deferred income	3(g)	-	212,000.00
		<u>52,347,684.72</u>	<u>37,778,311.54</u>
Net current assets		<u>112,287,500.93</u>	<u>97,500,042.73</u>
Total assets less current liabilities		<u>116,276,348.29</u>	<u>105,022,393.31</u>
Non-current liabilities			
Lease liabilities – non-current portion	13	482,209.28	4,169,942.80
Net assets		<u>115,794,139.01</u>	<u>100,852,450.51</u>
Agency reserves			
Lump Sum Grant Reserve	14	82,198,191.56	80,210,937.69
General Fund Reserve	15	22,892,872.11	20,947,186.27
Non-Subvented Projects Reserve	16	1,335,153.59	(10,214,076.66)
Other Funds	17	9,367,921.75	9,908,403.21
Total fund		<u>115,794,139.01</u>	<u>100,852,450.51</u>

The financial statements together with accompany notes set out on pages 6 to 33 were approved and authorized for issue by the Executive Committee Members on **06 OCT 2021** and are signed on its behalf by:

Joel Chan

Mr. Chan Lai Sang
Chairman

Ms. Law Mei Fong

Ms. Law Mei Fong
Honorary Treasurer

HONG KONG CHILDREN AND YOUTH SERVICES

香港青少年服務處

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Mr Chan Lai Sang
Chairman**Statement of Changes in Reserves
as at 31 March 2021**

	Lump Sum Grant Reserve HK\$ (note 14)	General Fund Reserve HK\$ (note 15)	Non-Subvented Projects Reserve HK\$ (note 16)	Other Funds HK\$ (note 17)	Total HK\$
Balance as at 1 April 2019	76,649,806.68	19,491,752.47	(7,134,999.82)	9,988,575.71	98,995,135.04
Net surplus/(deficit) for the year	3,549,030.88	1,455,433.80	(3,073,005.84)	(80,172.50)	1,851,286.34
Other comprehensive income/(expense)					
- refund of Project's surplus	-	-	(6,071.00)	-	(6,071.00)
- adjustment to rent and rates	12,100.13	-	-	-	12,100.13
Balance as at 1 April 2020	<u>80,210,937.69</u>	<u>20,947,186.27</u>	<u>(10,214,076.66)</u>	<u>9,908,403.21</u>	<u>100,852,450.51</u>
Net surplus/(deficit) for the year	1,987,253.87	1,945,685.84	11,549,230.25	(540,481.46)	14,941,688.50
Balance as at 31 March 2021	<u>82,198,191.56</u>	<u>22,892,872.11</u>	<u>1,335,153.59</u>	<u>9,367,921.75</u>	<u>115,794,139.01</u>

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HONG KONG CHILDREN AND YOUTH SERVICES

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*Joel Chan*Mr Chan Lai Sang
Chairman**Statement of Cash Flows**
For the year ended 31 March 2021

	Note	2021 HK\$	2020 HK\$
Cash flows from operating activities			
Net surplus for the year		14,941,688.50	1,851,286.34
Adjustments for			
Depreciation on right-of-use assets		3,533,503.22	3,078,159.12
Bank interest income		(1,237,990.93)	(1,530,745.92)
Provision of employee benefits		-	3,207,003.24
Interest on lease liabilities		288,416.95	385,084.14
Operating cash flows before working capital changes		17,525,617.74	6,990,786.92
(Increase)/decrease in accounts receivable		(2,743,979.97)	146,475.98
Increase in accounts payables		9,876,321.19	2,407,358.74
(Decrease)/increase in deferred income		(212,000.00)	212,000.00
Cash generated from operations		24,445,958.96	9,756,621.64
Unspent subsidy refundable to/(recoverable from) SWD	12	64,242.51	(64,678.86)
Prior year surplus repaid to SWD	12	(659,418.40)	(1,769,085.56)
Prior year deficit recovered from SWD	12	707,178.00	518,183.00
Increase in Lump Sum Grant Reserve refundable to SWD	14	4,613,561.41	-
Adjustment to Lump Sum Grant Reserve	12	-	(181,416.00)
Refund of project's surplus		-	(6,071.00)
Cash generated from operating activities		29,171,522.48	8,253,553.22
Cash flows from investing activities			
Bank interest received		1,237,990.93	1,530,745.92
Acquisition of furniture and equipment		(5,624,793.24)	(6,568,099.62)
Grants received on acquisition of furniture and equipment		5,624,793.24	6,568,099.62
Received from/(investment in) long term deposit		41,291,436.94	(4,800,953.84)
Cash generated from/(used in) investing activities		42,529,427.87	(3,270,207.92)
Cash flows from financing activities			
Net payment of right-of-use assets	13	(3,796,662.00)	(3,307,406.00)
Cash used in financing activities		(3,796,662.00)	(3,307,406.00)
Net increase in cash and cash equivalents		67,904,288.35	1,675,939.30
Cash and cash equivalents at			
As at 1 April	10	58,528,948.82	56,853,009.52
As at 31 March	10	126,433,237.17	58,528,948.82

Notes to the Financial Statements
For the year ended 31 March 2021

1. General Information

The Agency is an association domiciled and incorporated in Hong Kong with liabilities of members limited by guarantee. The addresses of the registered office and principal place of operation of the Agency are 6th Floor, 23 Chatham Road South, Kowloon, Hong Kong and 16/F., 21 Pak Fuk Road, North Point, Hong Kong respectively. The functional currency of the Agency is Hong Kong dollars. The principal activity of the Agency is providing welfare services for needy and deprived children, youth and their families.

2. Statement of compliance with Hong Kong Financial Reporting Standards

The Agency's financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which 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. A summary of significant accounting policies is set out in note 3.

In 2021, the Agency has initially applied the new and revised HKFRSs issued by the HKICPA that are first effective for accounting periods beginning on or after 1 January 2020, including:

Amendments to HKFRS 3	Definition of a Business
Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKAS 1 and HKAS 8	Definition of material

The application of the above new and revised HKFRSs has no material effects on the Agency's financial performance and positions.

3. Summary of significant accounting policies

The financial statements have been prepared on the historical cost basis and in accordance with HKFRS issued by the HKICPA, including applicable disclosures required by the Hong Kong Companies Ordinance.

The preparation of the financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the respective notes, if appropriate.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

a. Properties and equipment

Properties and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of items of property and equipment, less their estimated residual value, if any, on a straight-line basis over their estimated useful lives. The residual value and the useful life of an asset are reviewed at least at each financial year-end.

**Notes to the Financial Statements
For the year ended 31 March 2021**

3. Summary of significant accounting policies (cont'd)

a. Properties and equipment (cont'd)

The Agency assesses at each reporting date whether there is any indication that any items of properties and equipment may be impaired and that an impairment loss recognised in prior periods for an item may have decreased. If any such indication exists, the Agency estimates the recoverable amount of the item. An impairment loss, being the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, or a reversal of impairment loss is recognised immediately in statement of comprehensive income.

b. Leases

When the Agency acts as a lessee, the Agency assesses at inception of a contract whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, the Agency recognises a right-of-use asset and a lease liability for the rights and obligations created by all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases for which the underlying asset is of low value. The Agency recognise the lease payments associated with those short-term leases and leases for which the underlying asset is of low value as an expense on a straight-line basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

c. Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Agency becomes a party to the contractual provisions of the instrument.

(i) Accounts receivable

Accounts receivables are recognised when the Agency's right to consideration is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Agency has an unconditional right to consideration, the amount is presented as a contract asset. Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

A contract asset is recognised when the Agency recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses in accordance with the policy set out in (d) below and are reclassified to receivables when the right to the consideration has become unconditional. A contract liability is recognised when the customer pays consideration, or has an unconditional right to consideration (in such case, a corresponding receivable is recognised), before the Agency recognises the related revenue.

**Notes to the Financial Statements
For the year ended 31 March 2021**

3. Summary of significant accounting policies (cont'd)

c. Financial instruments (cont'd)

(ii) Cash and cash equivalent

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(iii) Accounts payable

Accounts payable are initially measured at fair value and, after initial recognition, at amortised cost, except for short-term payables with no stated interest rate and the effect of discounting being immaterial that are measured at their original invoice amount.

d. Impairment of investments and other financial assets

The Agency recognises loss allowances for expected credit loss on the financial instruments that are not measured at fair value through profit or loss. The Agency considers the probability of default upon initial recognition of financial assets and assesses whether there has been a significant increase in credit risk on an ongoing basis.

The Agency considers the credit risk on a financial instrument is low if the financial instrument has a low risk of default, the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

The carrying amount of the receivables is reduced through the use of the receivable impairment charges account. Changes in the carrying amount of the receivable impairment charges account are recognised in profit or loss. The receivable is written off against the receivable impairment charges account when the Agency has no reasonable expectations of recovering the receivable. If, in a subsequent period, the amount of expected credit losses decreases, the reversal would be adjusted to the receivable impairment charges account at the reporting date. The amount of any reversal is recognised in profit or loss.

e. Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when Agency has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

f. Revenue and other income recognition

The Agency recognises revenue from contracts with customers when the Agency satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of that asset. When a performance obligation is satisfied, the Agency recognises as revenue the amount of the transaction price that is allocated to that performance obligation.

Subvention for the purchase of property and equipment deducts in calculating the carrying amount of the properties and equipment.

Notes to the Financial Statements
For the year ended 31 March 2021

3. Summary of significant accounting policies (cont'd)

g. Deferred income

Funds under deferred income are established from subventies from third parties and are subject to a restriction imposed by the donor as to the objects upon which, or areas in which, the Agency may be spent. The unspent amounts for those completed projects are recognized in the statement of comprehensive income and expenditure as donation income to the Agency for general and specific purpose upon the approval from identifiable donors or the Command Governance Council for those unidentifiable donors. The revenue recognition policy is set out above.

h. Government grants and subventions

Government grants and subventions are not recognised until there is a reasonable assurance that the Agency will comply with the conditions attaching to them and that the grant will be received.

Government grants and subventions, other than Lump Sum Grant from Social Welfare Department and including government projects and administered funds, which are earmarked for specific purposes, are initially recognized as deferred income or in the fund accounts classified as liabilities and then they are recognized in the statement of comprehensive income and expenditure over the period necessary to match with the relate costs which they are intended to compensate.

i. Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

4. Critical accounting estimates and judgement

The Agency's management makes assumptions, estimates and judgements in the process of applying the Agency's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

a. Key assumption and other key sources of estimation uncertainty

Certain key assumptions and risk factors in respect of the financial risk management are set out in note 22. In the opinion of Executive Committee Members, there is no other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year.

b. Critical judgements in applying the Agency's accounting policies

In the opinion of Executive Committee Members, there is no critical judgements in applying the Agency's accounting policies.

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香港青少年服務處

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Joel Chan

Mr Chan Lai Sang
Chairman

Notes to the Financial Statements
For the year ended 31 March 2021

5. Income

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
LSG subvention received	227,863,646.00	208,010,229.00
Subvention received	14,583,961.00	13,567,159.00
Subvention received – subsidy under Training Subsidy Programme	166,750.00	88,450.00
Subvention from Hong Kong Jockey Club Charities Trust	26,368,867.60	12,020,155.80
Grant from Simon KY Lee Foundation Limited	-	169,500.00
Other subsidy received	27,804,521.22	23,949,045.10
Grant from Lotteries Fund	5,762,120.70	4,738,388.50
Fee income	977,157.00	1,555,346.30
Interest group income	1,370,444.55	8,848,235.75
Donation income	6,170,166.96	5,008,404.65
Programme income	5,044,839.61	6,039,674.55
Summer Programme income	452,665.83	615,812.21
	<u>316,565,140.47</u>	<u>284,610,400.86</u>
Grant receivable from Lotteries Fund	2,670,793.76	1,236,230.44
Grant receivable received from Lottery Funds	(196,000.00)	-
Reallocation from/(to) deferred income	212,000.00	(212,000.00)
Grant on acquisition of furniture and equipment (note 8)	(5,624,793.24)	(6,568,099.62)
	<u>313,627,140.99</u>	<u>279,066,531.68</u>

6. Surplus for the year

Surplus for the year is stated after charging,

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Executive Committee Members' remuneration		
- as Executive Committee Members	-	-
- for management	-	-
	<u>-</u>	<u>-</u>
Staff cost		
- Salaries and allowances	213,578,105.98	193,871,140.96
- Contributions to defined contribution plan	10,522,352.52	10,304,534.23
- Staff provident fund	9,183,434.87	9,719,107.07
- Provision of employee benefit	968,195.46	3,207,003.24
- Staff training and development scheme	1,815,751.19	1,427,170.41
	<u>236,067,840.02</u>	<u>218,528,955.91</u>
Auditor's remuneration	101,400.00	112,700.00
Depreciation on right-of-use assets	3,533,503.22	3,078,159.12
Program expense	16,847,167.50	22,867,644.62
Program expense under Training Subsidy Programme	187,573.00	174,943.98
Hire of premises under short-term operating leases	86,743.30	663,178.92
Interest on lease liabilities	288,416.95	385,084.14

7. Taxation

No provision for Hong Kong profits tax has been made as the Agency being a charitable institution is exempted from tax under Section 88 of Inland Revenue Ordinance.

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Notes to the Financial Statements
For the year ended 31 March 2021

8. Properties and equipment

	Properties		Furniture and equipment HK\$	Total HK\$
	Owned HK\$	Right-of-use HK\$		
Cost				
As at 1.4.2019	400,000.00	-	-	400,000.00
Upon adoption of HKFRS 16	-	10,600,509.70	-	10,600,509.70
Additions during the year	-	-	6,568,099.62	6,568,099.62
Grants received on additions	-	-	(6,568,099.62)	(6,568,099.62)
As at 1.4.2020	400,000.00	10,600,509.70	-	11,000,509.70
Additions during the year	-	-	5,624,793.24	5,624,793.24
Grants received on additions	-	-	(5,624,793.24)	(5,624,793.24)
As at 31.3.2021	400,000.00	10,600,509.70	-	11,000,509.70
Aggregate depreciation				
As at 1.4.2019	400,000.00	-	-	400,000.00
Charge for the year	-	3,078,159.12	-	3,078,159.12
As at 1.4.2020	400,000.00	3,078,159.12	-	3,478,159.12
Charge for the year	-	3,533,503.22	-	3,533,503.22
As at 31.3.2021	400,000.00	6,611,662.34	-	7,011,662.34
Carrying amount				
As at 31.3.2021	-	3,988,847.36	-	3,988,847.36
As at 31.3.2020	-	7,522,350.58	-	7,522,350.58

The right-of-use assets represent the prepaid operating lease payment of properties located in Hong Kong, of which rental contracts are typically made for fixed periods of 3 years. Most of the leases impose a restriction that, unless the approval is obtained from the lessor, the right-of-use assets can only be used by the Agency and the Agency is prohibited from selling or pledging the underlying assets. For leases of properties, the Agency is required to keep those properties in a good state of repair and return the properties in their original condition at the end of the leases.

The owned property is held under medium-term lease in Hong Kong, and which was received as a free gift donation. In the opinion of Executive Committee, no valuation is performed on regularly basis. Depreciation is calculated on straight-line basis at the annual rate of 4%.

The other assets acquired under government grants was stated at cost by deducting the grants received in arriving the carrying the amount of the assets. The grant is recognized in profit and loss over the life of a depreciated asset for five years as a reduced depreciation expense, if any.

9. Accounts receivable

	Note	2021 HK\$	2020 HK\$
Designated Projects and Funds:			
- Community Chest Rainbow Fund	18a	150,244.00	217,479.00
- Community programme against Youth Drug Abuse and Anti-drug programme	18b	846,492.00	318,570.50
- Lotteries Fund Projects	18c	-	6,618.00
- Environment Improvement Programme Kwai Hing Small Group Homes	18p	2,525.00	-
		999,261.00	542,667.50
Utility and rental deposits paid		657,908.00	824,322.00
Recoverable expenses and other deposits paid		1,076,024.71	1,097,018.00
Grant receivable from Lotteries Fund		3,711,024.20	1,236,230.44
		6,444,217.91	3,700,237.94

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Joel Chan

Mr Chan Lai Sang
Chairman

**Notes to the Financial Statements
For the year ended 31 March 2021**

10. Cash and bank balances

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Bank deposits – matured over 3 months	31,757,730.57	73,049,167.51
Bank deposits – matured within 3 months	110,324,307.14	51,116,631.11
Cash and other bank balances	16,108,930.03	7,412,317.71
- Total cash and cash equivalents	<u>126,433,237.17</u>	<u>58,528,948.82</u>
	<u>158,190,967.74</u>	<u>131,578,116.33</u>

11. Accounts payable

	Note	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Designated Projects and Funds:			
- Fee waiving Subsidy Scheme of After School Care Program	18d	61,800.00	25,650.00
- Home Care & Support for Mild Impairment Elderly	18e	805,137.45	265,409.02
- Social Work Service for Pre-primary Institutions	18l	4,619,118.39	2,577,189.38
- Social Work Service for Pre-primary Institutions (Phase 3)	18m	1,164,866.91	-
- Child Development Fund	18f	3,098,816.06	1,474,919.98
- Social Welfare Development Fund	18g	117,098.70	259,081.42
- Lotteries Fund Block Grant	18h	9,021,072.20	5,538,864.67
- Lotteries Fund projects	18c	316,490.30	-
- Direct Cash Assistance	18j	8,000.00	4,000.00
- Time-limited Posts for Elderly and Rehabilitation Services	18n	42,249.99	-
- Special Grant to Step up preventive Measures against the Spread of Severe Respiratory Disease	18o	-	240,000.00
		<u>19,254,650.00</u>	<u>10,385,114.47</u>
Other payable		164,480.30	125,890.10
Provision for employee benefits	14	<u>8,375,198.70</u>	<u>7,407,003.24</u>
		<u>27,794,329.00</u>	<u>17,918,007.81</u>

12. Amounts due to Social Welfare Department (“SWD”)

	Provident fund <u>account</u> <u>HK\$</u>	Rent and rates <u>account</u> <u>HK\$</u>	Social welfare subvention <u>account</u> <u>HK\$</u>	<u>Total</u> <u>HK\$</u>
As at 1 April 2019	16,537,094.10	(257,623.95)	1,369,686.09	17,649,156.24
Surplus/(deficit) for the year refundable to/(recoverable from) SWD	(225,904.33)	(593,413.75)	754,639.22	(64,678.86)
Prior year deficit recovered from SWD	201,043.00	317,140.00	-	518,183.00
Prior year surplus repaid to SWD	(727,627.00)	(77,465.00)	(963,993.56)	(1,769,085.56)
Adjustment to rent and rates	-	(12,100.13)	-	(12,100.13)
Adjustment of reserve	(181,416.00)	-	-	(181,416.00)
As at 1 April 2020	<u>15,603,189.77</u>	<u>(623,462.83)</u>	<u>1,160,331.75</u>	<u>16,140,058.69</u>
Surplus/(deficit) for the year refundable to/(recoverable from) SWD	1,089,024.61	(1,059,309.26)	34,527.16	64,242.51
Prior year deficit recovered from SWD	27,013.00	680,165.00	-	707,178.00
Prior year surplus repaid to SWD	-	(51,270.20)	(608,148.20)	(659,418.40)
As at 31 March 2021	<u>16,719,227.38</u>	<u>(1,053,877.29)</u>	<u>586,710.71</u>	<u>16,252,060.80</u>

Amounts due to Social Welfare Department are expected to be settled within one year, and as the discounting effect will be immaterial, their carrying amounts are reasonable approximations of their fair values. 0130

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*Paul Chan*Mr Chan Lai Sang
Chairman**Notes to the Financial Statements
For the year ended 31 March 2021****13. Lease liabilities**

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
As at 1 April	7,678,187.84	-
Upon adoption of HKFRS 16	-	10,600,509.70
Repayment of lease liabilities	<u>(3,508,245.05)</u>	<u>(2,922,321.86)</u>
Total leases liabilities as at 31 March	4,169,942.79	7,678,187.84
Current portion	<u>3,687,733.51</u>	<u>3,508,245.04</u>
Non-current portion	<u>482,209.28</u>	<u>4,169,942.80</u>
Total cash outflow for leases		
Interest on leases liabilities charged to profit and loss	288,416.95	385,084.14
Repayment of lease liabilities (as above)	<u>3,508,245.05</u>	<u>2,922,321.86</u>
	<u>3,796,662.00</u>	<u>3,307,406.00</u>

14. Lump Sum Grant Reserve

The reserve represents the accumulated surplus of subvented service units under the rules and regulations of the Lump Sum Grant Mode as stipulated in the Lump Sum Grant Manual of the Social Welfare Department. The surplus balance of the reserve amounting to HK\$38,333,567.92 representing the accumulated surplus for the years prior to 31 March 2007 is designated to cover the future deficit arising after the cessation of receipt of the Tide Over Grant for five years from the Social Welfare Department and would not be subject to the clawback provision as stipulated in the Lump Sum Grant Manual.

As at 31 March 2021, the actual unspent Lump Sum Grant balance was amounting to HK\$95,363,938.07 (2020: HK\$87,769,736.92) which apart from the accumulated surplus for the years prior to 31 March 2007 as stated in the paragraph above, will be capped at 25% of the Agency's operating expenditure of subvented service units (excluding Provident Fund expenditure) for that year. Any amount above this cap needs to be refunded to the Government in the following financial year, unless the cap is raised by the Director of Social Welfare upon application with justification from the Agency. As a result, an amount of HK\$4,613,561.41 representing surplus over the 25% cap should then be refundable to SWD during the year.

For the purpose of accrual-based accounting, a provision for employee benefits of the unused employees' entitlement to annual leave amounting to HK\$8,375,198.70 (2020: HK\$7,407,003.24) was set aside from the unspent Lump Sum Grant balance in note 11 above. In case employees have unutilised annual leave within the provision for the employee concerned.

Also, the Agency has adopted HKFRS 16 Leases from 1 April 2020, under Lump Sum Grant subsidy, a depreciation of right-of-use assets HK\$3,451,796.37 (2020: HK\$2,996,452.27), interest on lease liabilities HK\$282,264.04 (2020: HK\$374,957.72) and lease payment HK3,693,239.98 (2020: HK\$3,219,614.00) were also set aside on the unspent Lump Sum Grant balance. The balance of HK\$82,198,191.56 (2020: HK\$80,210,937.69) will be carried forward in the Lump Sum Grant reserve to next financial year.

15. General Fund Reserve

The General Fund Reserve represents the accumulated surplus arising from the income and expenditure not subject to the rules and regulations of the Social Welfare Department. This surplus is designated for, but not limited to, cover any future deficits.

Notes to the Financial Statements
For the year ended 31 March 2021

16. Non-Subvented Projects Reserve

	2021 HK\$	2020 HK\$
Beat Drug Fund (Note 19 (b)):		
- Healthy School Programme (Tai Po) - Anti-drug Programmes	(321,502.90)	(306,329.80)
- Healthy School Programme (New Territories East) - Anti-drug Programmes	(662,698.20)	(546,188.43)
- Healthy School Programme (New Territories East) - School Drug Testing	(94,636.47)	(74,347.72)
- Sun Seed Project - School Drug Testing	(108,975.12)	(28,303.01)
- Anti-drug Programmes	(142,322.35)	(104,682.00)
- Sunshine 360 - School Drug Testing	(52,800.80)	(18,303.10)
- Healthy Sun Teens - School Drug Testing	(49,229.10)	(39,144.45)
- Life Marathon - School Drug Testing	(59,968.90)	(42,004.20)
- Momentum of FHL Project - Anti-drug Programmes	44,926.40	65,666.40
- School Drug Testing	(65,291.65)	(40,260.95)
- Positive Life, Live True	(46,864.89)	(41,875.59)
- Sports Challenge - Anti-drug Programmes	-	23.54
- Healthy School in Yan Chai- Anti-drug Programmes	34,079.20	(40,841.40)
- Fit For Life - Anti-drug Programmes	-	(4,161.90)
- School Drug Testing	(55,538.40)	(33,659.40)
- Escape Psychedelic Forest	161,092.65	(72,789.66)
- Healthy Campus@ BSTC - Anti-drug Programmes	(112,473.75)	(85,713.50)
- School Drug Testing	(61,340.40)	(46,250.25)
- Walking with Lovely Kids	(514,397.83)	(328,387.05)
- No Weed Chill Out	705,020.21	-
- Paws Tree	946,418.56	-
- Crisis Accommodation Personal Strength Building Program	(431,560.13)	496,892.15
- Energetic Campus @ CHSS - Anti-drug Programmes	(87,351.46)	(60,118.11)
- School Drug Testing	(70,199.67)	(49,705.07)
- Energetic Life - Healthy School - Anti-drug Programmes	(100,104.00)	(61,015.20)
- School Drug Testing	(66,181.14)	(40,379.34)
- Chords with us - Community Extended Rehabilitation Project	-	(11,908.58)
	(1,211,900.14)	(1,513,786.62)
District After School Learning Scheme		
- School based After-school Learning and Support Programme (Note 19(a))	257,376.93	51,615.76
Youth Life Planning Activities		
- Career Aspiration Youth Enlightenment Schemes II (Note 19(c))	239,487.55	239,487.55
- Career Aspiration Youth Enlightenment Schemes III (Note 19(d))	-	12,175.72
- Career Aspiration Youth Enlightenment Schemes IV (Note 19(e))	707,879.15	611,146.40
Career and Life Adventure Planning for Youth		
- New Territories East District (Note 19(f))	(1,191,926.68)	(9,703,090.36)
- Phase 2 (Note 19(g))	(75,607.40)	-
Youth Service Innovation Programme (Note 19(h))	(594,421.91)	(262,313.55)
The Community Chest		
- HSBC 150 th Anniversary Charity Programme (Note 19(i))	(31,117.60)	(43,508.01)
- After School Care Services (Tai Yuen) (Note 19(k))	(526,003.26)	(474,293.43)
- BOCHK Centenary Charity Programme - EM Rocks	557,452.72	472,155.74
Quality Education Fund Projects (Note 19(j))	(63,326.11)	(86,331.65)
FLY Project - Simon KY Lee Children's Fund	-	155,026.30
Pass it on Culture Conservation Programme	-	5,997.29
A New Brand of Changes	(3,324.62)	(3,324.62)
Adventure Kinball Fighting youth	(6,400.00)	(51,968.40)
Support - Connect Wellness Triathlon Training Project	(18,188.54)	(74,475.10)
Getting Fun in P.I.E.	40,743.00	223,218.92
Red for You 2017-18	-	67,292.30

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HONG KONG CHILDREN AND YOUTH SERVICES

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Joel Chan

Mr Chan Lai Sang
Chairman

Notes to the Financial Statements

16. Non-Subvented Projects Reserve (cont'd)

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
(continue from last page)		
悅歷晴 TEEN 跳躍生命大使計劃	-	(3,300.00)
離賭行動平和基金資助計劃	(78,583.94)	(78,583.94)
融合教育輔導綜合服務	143,418.51	143,768.51
Smart Family Link	(543,929.25)	(400,155.60)
2020 Youth Education Programme	(6,095.49)	(218,883.76)
Creative Dance Education and Social Service Support Programme	924,950.00	-
Promoting Family Resilience	833,000.00	-
Support Cross Boarder Students and Residential Youth	2,333,942.97	-
Open Up Online Emotional Service for Youth (2nd Phase)	(234,340.17)	-
Jockey Club Project IDEAL	(87,020.65)	-
Prevention of Novel Coronavirus infection for the Vulnerable Groups	-	44,876.70
COVID-19 Emergency Fund Jockey Club	-	480,000.00
Sing Wo 2020/20 Capital Project Fund	-	(508,905.00)
Community-based Youth Mental Wellness Hubs	(30,911.48)	704,543.49
'W' with the Child	-	(2,461.30)
Surplus/(deficit) carried forward	<u>1,335,153.59</u>	<u>(10,214,076.66)</u>

17. Other funds

	C.C.F. Inc Trust	Development	The Flag Day	Total
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
Balance as at 1 April 2019	333,260.67	2,391,435.72	7,263,879.32	9,988,575.71
Donation income	-	137,443.40	-	137,443.40
Interest received	3,650.66	29,672.58	59,650.22	92,973.46
Salaries	-	(22,857.14)	(225,436.63)	(248,293.77)
Provident fund	-	(1,142.86)	(12,101.73)	(13,244.59)
Programme expenses	-	(48,391.00)	(660.00)	(49,051.00)
Balance as at 1 April 2020	<u>336,911.33</u>	<u>2,486,160.70</u>	<u>7,085,331.18</u>	<u>9,908,403.21</u>
Donation income	-	185,629.00	2.00	185,631.00
Interest received	3,687.87	24,362.55	53,913.12	81,963.54
Repair and maintenance	-	-	(805,888.00)	(805,888.00)
Programme expenses	-	(1,718.00)	(470.00)	(2,188.00)
Balance as at 31 March 2021	<u>340,599.20</u>	<u>2,694,434.25</u>	<u>6,332,888.30</u>	<u>9,367,921.75</u>

18. Designated Projects and Funds

(a) Community Chest Rainbow Fund

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Deficit as at 1 April	(217,479.00)	(16,500.00)
Subsidy received	1,486,153.00	148,800.00
Programme expenses	(1,418,918.00)	(349,779.00)
Deficit as at 31 March	<u>(150,244.00)</u>	<u>(217,479.00)</u>

HONG KONG CHILDREN AND YOUTH SERVICES

香港青少年服務處

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Joel Chan

Mr Chan Lai Sang
Chairman

**Notes to the Financial Statements
For the year ended 31 March 2021**

18. Designated Projects and Funds (cont'd)

(b) Community programme against Youth Drug Abuse and Anti-drug programme

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Deficit as at 1 April	(318,570.50)	(537,111.70)
Subsidy received	26,151.40	622,780.00
Programme expenses	<u>(554,072.90)</u>	<u>(404,238.80)</u>
Deficit as at 31 March	<u>(846,492.00)</u>	<u>(318,570.50)</u>

(c) Lotteries Fund Projects

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
(1) Purchase of Furniture and Equipment for the Pilot Scheme on Social Work Service for Pre-primary Institutions (Phase 3)		
Grant received	84,875.00	-
Furniture & Equipment	<u>(98,022.00)</u>	-
Deficit as at 31 March	<u>(13,147.00)</u>	-
(2) Set-up a new sub-base of Hung Hom Intergrated Family Service Centre		
Deficit as at 1 April	(6,618.00)	(667,987.50)
Grant received	31,000.00	671,437.50
Expenditure:		
M&R/Minor works	(85,517.50)	-
Furniture and equipment	<u>(29,079.20)</u>	<u>(10,068.00)</u>
Deficit as at 31 March	<u>(90,214.70)</u>	<u>(6,618.00)</u>
(3) Cost of 15-seater liquefied petroleum gas (LPG) PLB for Shatin Integrated Home care Services Centre		
Deficit as at 1 April	-	(1,104,900.00)
Grant received	-	1,014,951.00
Income from Ex-Gratia Payment Scheme	-	87,200.00
Minibus	-	2,749.00
Deficit as at 31 March	-	-
(4) Pilot Project on Provision of Wi-Fi Service		
Grant received	400,500.00	212,000.00
Deferred income recognized	212,000.00	-
Wifi Services Expenses	(192,648.00)	-
Reallocation to deferred income	-	(212,000.00)
Surplus as at 31 March	<u>419,852.00</u>	-
(5) On-site Pre-school Rehabilitation Services upon Service Expansion in October 2020		
Grant receivable	97,658.80	1,040,230.44
Furniture & Equipment	<u>(97,658.80)</u>	<u>(1,040,230.44)</u>
Surplus as at 31 March	-	-

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**Notes to the Financial Statements
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18. Designated Projects and Funds (cont'd)

(c) Lotteries Fund Projects (cont'd)	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
(continue from last page)		
(6) Purchase of Furniture and Equipment for the Pilot Scheme on Social Work Service for Pre-primary Institutions (Phase 2)		
Grant receivable	-	196,000.00
Furniture & Equipment	-	(196,000.00)
Surplus as at 31 March	<u>-</u>	<u>-</u>
(7) Purchase of Furniture and Equipment for Integrated Home Care Services		
Grant receivable	192,450.00	-
Furniture & Equipment - Sha Tin IHC	(119,950.00)	-
Furniture & Equipment - Tai Po IHC	(72,500.00)	-
Surplus as at 31 March	<u>-</u>	<u>-</u>
(8) Fitting out works for On-site Pre-school Rehabilitation Services upon Service Expansion in October 2019		
Grant receivable	391,125.00	-
Renovation	(391,125.00)	-
Surplus as at 31 March	<u>-</u>	<u>-</u>
Total surplus/(deficit) as at 31 March	<u>316,490.30</u>	<u>(6,618.00)</u>
 (d) Fee Waiving Subsidy Scheme of After School Care Programme		
	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Surplus/(deficit) as at 1 April	25,650.00	(1,050.00)
Subsidy received	46,950.00	55,800.00
Programme expenses	(10,800.00)	(29,100.00)
Surplus as at 31 March	<u>61,800.00</u>	<u>25,650.00</u>
 (e) Home Care & Support for Mild Impairment Elderly		
	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Surplus/(deficit) as at 1 April	265,409.02	(27,863.20)
Subsidy received	985,778.00	1,010,872.00
Fee income	133,905.20	94,754.00
Expenditure during the year		
- Auditor's Remuneration	(3,200.00)	-
- Furniture & Equipment	(7,478.00)	(10,050.00)
- Salary	(396,813.25)	(597,824.63)
- Mandatory provident fund	(25,938.83)	(36,089.18)
- Programme expenses	(146,524.69)	(168,389.97)
Surplus as at 31 March	<u>805,137.45</u>	<u>265,409.02</u>

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**Notes to the Financial Statements
For the year ended 31 March 2021**

18. Designated Projects and Funds (cont'd)

(f) Child Development Fund ("CDF")	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
(1) The 4 th Batch CDF Project		
Surplus as at 1 April	16,753.14	28,994.05
Expenditure and deficit for the year		
- Personal Development Plan Expenses	-	(156.60)
Subsidy refunded to Social Welfare Department	-	(12,084.31)
Surplus as at 31 March	<u>16,753.14</u>	<u>16,753.14</u>
(2) The 5 th Batch CDF Project		
Surplus as at 1 April	<u>3,251.28</u>	<u>276,228.28</u>
Donation reallocation	-	(192,200.00)
Expenditure		
- Personal development plan expenses	(43,227.99)	(62,579.50)
- Programme expenses	-	(18,197.50)
Deficit for the year	<u>(43,227.99)</u>	<u>(272,977.00)</u>
(Deficit)/surplus as at 31 March	<u>(39,976.71)</u>	<u>3,251.28</u>
(3) The 6 th Batch CDF Project		
Surplus as at 1 April	<u>554,632.63</u>	<u>1,224,360.32</u>
Subsidy received from Social Welfare Department	118,580.00	826,140.00
Programme income	3,000.00	(800.00)
Donation income	-	23,700.00
Interest income	3.45	1,386.86
Expenditure		
- Auditor's Remuneration	(7,600.00)	-
- Salary	(80,290.00)	(514,038.58)
- Mandatory provident fund	(4,014.50)	(25,701.93)
- Insurance	(869.36)	(1,733.54)
- Personal development plan expenses	(495,164.03)	(721,305.00)
- Programme expenses	28,759.40	(257,375.50)
Deficit for the year	<u>(437,595.04)</u>	<u>(669,727.69)</u>
Surplus as at 31 March	<u>117,037.59</u>	<u>554,632.63</u>
(4) The 7 th Batch CDF Project		
Surplus as at 1 April	<u>900,282.93</u>	<u>220,859.49</u>
Subsidy received from Social Welfare Department	1,186,720.00	977,680.00
Programme income	157,000.00	238,400.00
Donation income	85,220.00	323,880.00
Interest income	0.43	345.57
Expenditure		
- Salary	(62,550.50)	(508,698.10)
- Mandatory provident fund	(3,127.50)	(25,434.89)
- Insurance	(1,860.08)	(1,733.54)
- Programme expenses	(99,869.10)	(325,015.60)
- Personal development plan expenses	(273,454.60)	-
Surplus for the year	<u>988,078.65</u>	<u>679,423.44</u>
Surplus as at 31 March	<u>1,888,361.58</u>	<u>900,282.93</u>

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HONG KONG CHILDREN AND YOUTH SERVICES

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Mr Chan Lai Sang
Chairman

**Notes to the Financial Statements
For the year ended 31 March 2021**

18. Designated Projects and Funds (cont'd)

(f) Child Development Fund ("CDF") (cont'd)

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
(continue from last page)		
(5) The 8 th Batch CDF Project		
Surplus as at 1 April	-	-
Subsidy received from Social Welfare Department	1,036,728.00	-
Programme income	136,800.00	-
Donation income	144,940.00	-
Interest income	1.61	-
Expenditure		
- Insurance	(1,238.35)	-
- Programme expenses	(200,590.80)	-
Surplus for the year and as at 31 March	<u>1,116,640.46</u>	<u>-</u>
Total surplus as at 31 March	<u>3,098,816.06</u>	<u>1,474,919.98</u>

(g) Social Welfare Development Fund ("SWDF")

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Use of SWDF Phase 3 funded by Lotteries Fund		
Surplus as at 1 April	259,081.42	193,721.62
Allocation from SWDF during the year	-	1,162,977.00
Interest received	-	40.47
Expenditure during the year		
- Projects under scope A	-	(541,736.07)
- Projects under scope B (IT)	(258,467.49)	(425,545.16)
- Administrative support	-	(130,376.44)
Surplus as at 31 March	<u>613.93</u>	<u>259,081.42</u>

Use of SWDF Phase 3 (Third Round) funded by Lotteries Fund

Surplus as at 1 April	-	-
Allocation from SWDF during the year	133,356.00	-
Interest received	8.77	-
Expenditure during the year		
- Projects under scope A	(16,880.00)	-
- Projects under scope B (IT)	-	-
- Administrative support	-	-
Surplus as at 31 March	<u>116,484.77</u>	<u>-</u>
Total surplus as at 31 March	<u>117,098.70</u>	<u>259,081.42</u>



 Mr Chan Lai Sang
 Chairman

HONG KONG CHILDREN AND YOUTH SERVICES

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**Notes to the Financial Statements
 For the year ended 31 March 2021**
18. Designated Projects and Funds (cont'd)

(h) Lotteries Fund Block Grant

Movement of F&E Replenishment and Minor Works Block Grant Reserve

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Surplus as at 1 April	5,538,864.67	5,788,194.67
Block Grant received during the year	3,543,000.00	2,840,000.00
Bank interest received	58,040.53	56,277.86
Expenditure during the year		
- Minor Works Projects	-	788,420.00
- Furniture & Equipment	118,833.00	2,312,237.06
- Vehicle overhauling	-	44,950.80
	<u>(118,833.00)</u>	<u>(3,145,607.86)</u>
Surplus as at 31 March	<u>9,021,072.20</u>	<u>5,538,864.67</u>

As at 31 March 2021, the outstanding capital commitments in respect of F&E Replenishment and Minor Works Grant were as follows,

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

(i) A Jockey Club Community- Based Youth Enhancement Programme - P.A.T.H.S. To Adulthood

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Surplus as at 1 April and 31 March	-	257,063.70
Balance transfer to general fund	-	(257,063.70)
Surplus as at 31 March	<u>-</u>	<u>-</u>

(j) Direct Cash Assistance

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Surplus as at 1 April	4,000.00	6,000.00
Subsidy received	268,000.00	235,953.00
Programme expenses	(264,000.00)	(237,953.00)
Surplus as at 31 March	<u>8,000.00</u>	<u>4,000.00</u>

(k) 微塵心事 - 青少年守護者培訓課程

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Surplus as at 1 April	-	10,500.00
Subsidy received	-	-
Programme expenses	-	(2,806.40)
Refund to SWD	-	(7,693.60)
Surplus as at 31 March	<u>-</u>	<u>-</u>

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Notes to the Financial Statements
For the year ended 31 March 2021

18. Designated Projects and Funds (cont'd)

(l) Social Work Service for Pre-primary Institutions

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Surplus as at 1 April	2,577,189.38	-
Subsidy received	7,972,725.00	6,494,903.00
Bank interest income	592.49	-
Expenditure:		
- Auditor's Remuneration	(4,800.00)	-
- Salary	(4,695,205.10)	(3,327,441.69)
- Mandatory provident fund	(149,399.96)	(152,182.04)
- Maintenance and repair/Minor works	(57,844.40)	-
- Insurance	(470.00)	(11,521.68)
- Provident fund	(42,473.52)	(39,205.81)
- Programme expenses	(735,681.98)	(284,046.87)
- Other expenses	(245,513.52)	(103,315.53)
Surplus as at 31 March	4,619,118.39	2,577,189.38

(m) Social Work Service for Pre-primary Institutions (Phase 3)

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Subsidy received	3,332,014.00	-
Bank interest received	159.80	-
Expenditure:		
- Salary	(1,614,716.65)	-
- Mandatory provident fund	(55,474.53)	-
- Maintenance and repair/Minor works	(3,329.90)	-
- Insurance	(470.00)	-
- Provident fund	(18,069.94)	-
- Programme expenses	(303,415.83)	-
- Other expenses	(171,830.04)	-
Surplus as at 31 March	1,164,866.91	-

(n) Time-limited Posts for Elderly and Rehabilitation Services

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Subsidy received	130,800.00	-
Expenditure:		
- Salary	(84,333.34)	-
- Mandatory provident fund	(4,216.67)	-
Surplus as at 31 March	42,249.99	-

(o) Special Grant to Step up preventive Measures against the Spread of Severe Respiratory Disease

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Surplus as at 1 April	240,000.00	-
Subsidy received	480,000.00	490,000.00
Expenditure:		
- Cleaning expense	(52,700.00)	(25,720.00)
- Cleaning materials	(667,300.00)	(224,280.00)
Surplus as at 31 March	-	240,000.00

Joel Chan

Mr Chan Lai Sang
Chairman

Notes to the Financial Statements
For the year ended 31 March 2021

18. Designated Projects and Funds (cont'd)

(p) Environment Improvement Programme Kwai Hing Small Group Homes

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Subsidy received	1,506,745.70	-
Expenditure:		
- Furniture & Equipment	(208,325.00)	-
- Maintenance and repair/Minor works	(1,300,945.70)	-
Deficit as at 31 March	<u>(2,525.00)</u>	<u>-</u>

(q) Environment Improvement Programme Chung On 3 Small Group Homes

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Subsidy receivable	1,694,223.16	-
Expenditure:		
- Furniture & Equipment	(206,061.20)	-
- Maintenance and repair/Minor works	(1,488,161.96)	-
Surplus as at 31 March	<u>-</u>	<u>-</u>

(r) Environment Improvement Programme Fu Heng Small Group Homes

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Subsidy receivable	295,336.80	-
Expenditure:		
- Furniture & Equipment	(39,351.00)	-
- Maintenance and repair/Minor works	(100,100.00)	-
- Sundry expenses	(155,885.80)	-
Surplus as at 31 March	<u>-</u>	<u>-</u>

19. Non-subvented projects

Details of the major non-subvented projects are as following:

(a) District After School Learning Scheme - School based After-school Learning and Support Programme

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Income		
-Subsidy received	178,333.00	185,872.49
-Interest received	1.17	155.91
Programme expenses	<u>27,427.00</u>	<u>(161,747.10)</u>
Surplus for the year	205,761.17	24,281.30
Surplus brought forward	<u>51,615.76</u>	<u>27,334.46</u>
Surplus carried forward	<u>257,376.93</u>	<u>51,615.76</u>

HONG KONG CHILDREN AND YOUTH SERVICES
香港青少年服務處

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Notes to the Financial Statements
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19. Non-subvented projects (cont'd)

(b) Beat Drugs Fund

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Income		
-Subsidy received	7,524,830.45	5,972,642.06
-Donation received	18,710.00	32,356.60
-Interest received	26.74	639.05
Expenditure during the year		
-Salary	(5,492,616.36)	(4,996,056.70)
-PF and MPF contribution	(268,671.76)	(238,954.56)
-Programme expenses	(1,480,392.59)	(1,340,044.88)
Surplus/(deficit) for the year	301,886.48	(569,418.43)
Deficit brought forward	(1,513,786.62)	(938,297.19)
Surplus refunded	-	(6,071.00)
Deficit carried forward	<u>(1,211,900.14)</u>	<u>(1,513,786.62)</u>

(c) Youth Life Planning Activities - Career Aspiration Youth Enlightenment Schemes II

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Subsidy received	-	-
Expenditure during the year		
-Programme expenses	-	2,808.50
Surplus for the year	-	2,808.50
Surplus brought forward	239,487.55	236,679.05
Surplus carried forward	<u>239,487.55</u>	<u>239,487.55</u>

(d) Youth Life Planning Activities - Career Aspiration Youth Enlightenment Schemes III

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Subsidy received	-	508,059.04
Expenditure during the year		
-Auditor's remuneration	-	(5,000.00)
-Salary	-	(288,628.45)
-PF and MPF contribution	-	(17,716.95)
-Programme expenses	(12,175.72)	(116,283.00)
(Deficit)/surplus for the year	(12,175.72)	80,430.64
Surplus/(deficit) brought forward	12,175.72	(68,254.92)
Surplus carried forward	<u>-</u>	<u>12,175.72</u>

HONG KONG CHILDREN AND YOUTH SERVICES
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Notes to the Financial Statements
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19. Non-subvented projects (cont'd)

(e) Youth Life Planning Activities - Career Aspiration Youth Enlightenment Schemes IV

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Subsidy received	1,350,986.40	1,254,385.20
Expenditure during the year		
-Salary	(1,097,944.60)	(513,723.00)
-PF and MPF contribution	(54,843.55)	(21,585.00)
-Programme expenses	(101,465.50)	(107,930.80)
Surplus for the year	96,732.75	611,146.40
Surplus brought forward	611,146.40	-
Surplus carried forward	<u>707,879.15</u>	<u>611,146.40</u>

(f) Career and Life Adventure Planning for Youth - New Territories East District

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Income		
-Subsidy received from the Hong Kong Jockey Club Charities Trust	12,543,199.63	8,788,038.20
-Programme income	2,400.00	1,560.00
-Donation received	279,824.72	114,767.78
-Interest received	11.60	837.41
	<u>12,825,435.95</u>	<u>8,905,203.39</u>
Expenditure during the year		
-Salary	(3,445,956.74)	(8,294,733.46)
-PF and MPF contribution	(316,266.74)	(591,916.51)
-Building management fee	(13,331.00)	(229,125.00)
-Cleaning fee	(160.80)	(10,304.70)
-Electricity and water	(3,103.40)	(32,766.00)
-Insurance	50,126.94	(69,843.50)
-Local travelling expenses	(13,840.10)	(9,792.50)
-Postage	(100.00)	(149.00)
-Printing and stationery	(4,852.01)	(21,856.29)
-Programme expenses	(260,998.76)	(865,109.55)
-Purchase of furniture and equipment	-	(45,539.00)
-Rent and rates	(49,189.00)	(683,384.00)
-Repairs and maintenance	(166,501.00)	(3,770.00)
-Telephone	(3,739.47)	(13,305.00)
-Training	(57,748.19)	(267,703.33)
-Sundry expenses	(28,612.00)	(523.40)
	<u>(4,314,272.27)</u>	<u>(11,139,821.24)</u>
Surplus/(deficit) for the year	8,511,163.68	(2,234,617.85)
Deficit brought forward	(9,703,090.36)	(7,468,472.51)
Deficit carried forward	<u>(1,191,926.68)</u>	<u>(9,703,090.36)</u>

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Notes to the Financial Statements
For the year ended 31 March 2021

19. Non-subvented projects (cont'd)

(g) Career and Life Adventure Planning for Youth - Phase 2

	<u>2021</u> HK\$	<u>2020</u> HK\$
Income		
-Subsidy received from the Hong Kong Jockey Club Charities Trust	3,404,000.00	-
-Interest received	30.39	-
	<u>3,404,030.39</u>	<u>-</u>
Expenditure during the year		
-Administrative Overhead	(21,988.00)	-
-Salary	(3,046,757.50)	-
-PF and MPF contribution	(245,828.09)	-
-Insurance	(20,050.50)	-
-Local travelling expenses	(1,093.00)	-
-Printing and stationery	(2,446.00)	-
-Programme expenses	(20,000.00)	-
-Purchase of furniture and equipment	(115,856.70)	-
-Telephone	(5,618.00)	-
	<u>(3,479,637.79)</u>	<u>-</u>
Deficit for the year and carried forward	<u>(75,607.40)</u>	<u>-</u>

(h) Youth Service Innovation Programme

	<u>2021</u> HK\$	<u>2020</u> HK\$
Subsidy received from the Hong Kong Jockey Club Charities Trust	379,726.50	591,706.10
Programme Income	4,170.00	-
Expenditure during the year		
-Cleaning	-	(3,082.00)
-Salary	(241,700.00)	(258,363.50)
-MPF contribution	(13,738.26)	(12,227.75)
-Programme expenses	(220,764.30)	(177,515.00)
-Purchase of furniture and equipment	(238,802.30)	(84,156.00)
-Repair and maintenance	(1,000.00)	(6,674.00)
-Sundry expenses	-	(3,544.00)
(Deficit)/surplus for the year	<u>(332,108.36)</u>	<u>46,143.85</u>
Deficit brought forward	<u>(262,313.55)</u>	<u>(308,457.40)</u>
Deficit carried forward	<u>(594,421.91)</u>	<u>(262,313.55)</u>

(i) The Community Chest – HSBC 150th Anniversary Charity Programme

	<u>2021</u> HK\$	<u>2020</u> HK\$
(1) Healthy Mind Map		
Income		
-Subsidy received	-	-
Expenditure during the year		
-Programme expenses	-	(4,800.00)
Surplus for the year	-	(4,800.00)
Deficit brought forward	<u>(31,117.60)</u>	<u>(26,317.60)</u>
Deficit carried forward	<u>(31,117.60)</u>	<u>(31,117.60)</u>

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HONG KONG CHILDREN AND YOUTH SERVICES

香港青少年服務處

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Jan Chan

Mr Chan Lai Sang
Chairman

**Notes to the Financial Statements
For the year ended 31 March 2021**

19. Non-subsidized projects (cont'd)

(i) The Community Chest – HSBC 150th Anniversary Charity Programme (cont'd)

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
	(continue from last page)	
(2) Witty Kids Project		
Programme expense shared by Lump Sum Grant	12,390.41	-
Deficit brought forward	(12,390.41)	(12,390.41)
Deficit carried forward	-	(12,390.41)
Total Deficit carried forward	<u>(31,117.60)</u>	<u>(43,508.01)</u>

(j) Quality Education Fund Projects

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Income		
-Subsidy received	641,652.90	1,701,458.30
-Interest received	6.81	2,201.22
Expenditure during the year		
-Auditor's remuneration	-	(24,600.00)
-Salary	(579,016.03)	(2,816,619.50)
-MPF contribution	(29,075.74)	(141,065.82)
-Programme expenses	(10,562.40)	(756,628.90)
Surplus/(deficit) for the year	<u>23,005.54</u>	<u>(2,035,254.70)</u>
(Deficit)/surplus brought forward	<u>(86,331.65)</u>	<u>1,948,923.05</u>
Deficit carried forward	<u>(63,326.11)</u>	<u>(86,331.65)</u>

(k) The Community Chest - After School Care Services (Tai Yuen)

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Subsidy received from the Community Chest	262,350.00	231,500.00
Other subsidy received	52,782.75	-
Fee income	141,400.00	596,334.00
Donation received	2,500.00	34,892.10
Programme income	-	11,200.00
Sundry income	120.00	600.00
Expenditure during the year		
-Administrative Overhead	(20,730.41)	(34,420.58)
-Cleaning	(9,257.50)	(11,617.40)
-Electricity and water	(7,732.85)	(27,195.00)
-Food and Beverage	-	(70,411.90)
-Insurance	(4,994.83)	(6,532.64)
-Printing and Stationery	(4,989.30)	(7,580.29)
-Programme expenses	(3,383.71)	(60,331.20)
-Purchase of furniture and equipment	(5,080.00)	(10,458.00)
-Rent and rates	(87,792.00)	(90,132.00)
-Repair and maintenance	(10,678.90)	(27,569.00)
-Salary	(314,561.90)	(558,913.50)
-MPF contribution	(29,231.57)	(75,347.42)
-Telephone	(12,229.00)	(11,445.00)
-Sundry expenses	(132.85)	(241.20)
Deficit for the year	<u>(51,642.07)</u>	<u>(117,669.03)</u>
Deficit brought forward	<u>(470,252.16)</u>	<u>(352,583.13)</u>
Deficit carried forward	<u>(521,894.23)</u>	<u>(470,252.16)</u>

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HONG KONG CHILDREN AND YOUTH SERVICES
香港青少年服務處

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Paul Chan

Mr Chan Lai Sang
Chairman

Notes to the Financial Statements
For the year ended 31 March 2021

19. Non-subsented projects (cont'd)

(k) The Community Chest - After School Care Services (Tai Yuen) (cont'd)

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
(continue from last page)		
Effect on HKFRS16		
-Rental payment	87,792.00	87,792.00
-Depreciation on right-of-use assets	(81,706.85)	(81,706.85)
-Interest on lease liabilities	(6,152.91)	(10,126.42)
-Lease effect brought forward	(4,041.27)	-
	<u>(4,109.03)</u>	<u>(4,041.27)</u>
Total deficit carried forward	<u>(526,003.26)</u>	<u>(474,293.43)</u>

20. Operating lease commitment

At 31 March 2021, the Agency had total commitments under short-term operating leases to make payments in respect of properties as follows:

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Within one year	-	220,800.00
Within two to five years	-	-
	<u>-</u>	<u>220,800.00</u>

21. Capital disclosure

The Agency's objectives when managing capital are to safeguard the Agency's ability to continue as a going concern, in order to carry out its principal activities. The Agency's overall strategy remains unchanged from prior year.

The capital structure of the Agency consists of accumulated surplus and designated fund for service projects. In order to maintain or adjust the capital structure, the Agency may appeal for donations from the Hong Kong Government and the general public.

22. Financial instruments

The Agency has classified its financial assets at amortised cost in the following categories:

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Accounts receivable (note 9)	6,444,217.91	3,700,237.94
Cash and bank balances (note 10)	158,190,967.74	131,578,116.33
	<u>164,635,185.65</u>	<u>135,278,354.27</u>

Mr Chan Lai Sang
Chairman**Notes to the Financial Statements**
For the year ended 31 March 2021**22. Financial instruments (cont'd)**

The Agency has classified its financial liabilities at amortised cost in the following categories:

	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Accounts payable (note 11)	27,794,329.00	17,918,007.81
Amounts due to Social Welfare Department (note 12)	16,252,060.80	16,140,058.69
Lump Sum Reserve refundable to Social Welfare Department (note 14)	4,613,561.41	-
Deferred income	-	212,000.00
	<u>48,659,951.21</u>	<u>34,270,066.50</u>

All other financial instruments are carried at amounts not materially different from their fair values as at 31 March 2020 and 2021.

The Agency is exposed to credit risk, liquidity risk and market risk arising in the normal course of its operations and financial instruments. The Agency's risk management objectives, policies and processes mainly focus on minimizing the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

a. Credit risk

The Agency is exposed to credit risk on financial assets, mainly attributable to deposit and prepayments. It sets credit limit on each individual customer and prior approval is required for any transaction exceeding that limit. The customer with sound payment history would accumulate a higher credit limit.

The Agency's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Agency has significant exposure to individual customers. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The Agency measures loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses, which is calculated using a provision matrix. As the Agency's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Agency's different customer bases. Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

At 31 March 2021, the Agency has no concentration of risk and the maximum exposure to credit risk is represented by the carrying amount of each financial assets.

b. Liquidity risk

The Agency is exposed to liquidity risk on financial liabilities. It manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need.

**Notes to the Financial Statements
For the year ended 31 March 2021****22. Financial instruments (cont'd)****c. Market interest rate risk**

The Agency's exposure on fair value interest rate risk mainly arises from its fixed deposits with banks, which are classified as held-to-maturity investments. It also has exposure on cash flow interest rate risk which is mainly arising from its deposits with banks and interest-bearing borrowings with the banks. It is a common practice in Hong Kong to have floating rate borrowings with the banks.

The Agency mainly holds fixed deposits with banks with maturity within 3 months and the exposure is considered not significant. In consequence, no material exposure on fair value interest rate risk is expected. Even that, the Agency closely monitors the fair value fluctuation of the investments and disposes of them in case of significant increase in interest rate is foreseen.

At 31 March 2021, if interest rates at that date had been 100 basis points lower with all other variables held constant, the Agency's surplus for the year and reserves would have been HK\$1,581,910 (2020:HK\$1,315,781) lower, and other components of equity would have been HK\$1,581,910 (2020:HK\$1,315,781) lower.

At 31 March 2021, if interest rates at that date had been 100 basis points higher, with all other variables held constant, the Agency's surplus and reserves would have been HK\$1,581,910 (2020:HK\$1,315,781) higher, and other components of equity would have been HK\$1,581,910 (2020:HK\$1,315,781) higher.

The sensitivity analysis has been prepared with the assumption that the change in interest rates had occurred at the end of reporting date and had been applied to the exposure to interest rate risk for the relevant financial instruments in existence at that date. The changes in interest rate represents management's assessment of a reasonably possible change in interest rates at that date over the period until the next annual end of reporting date. The analysis is prepared on the same basis for 2020.

23. Hong Kong Financial Reporting Standards issued but not yet effective for the year

HKFRSs that have been issued but are not yet effective for the year include the following HKFRSs which may be relevant to the Agency's operations and financial statements:

		<u>Effective for annual periods beginning on or after</u>
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to HKFRSs 2018-2020 Cycle		1 January 2022
Amendments to HKAS 1	Presentation of Financial Statements: Classification of liabilities as Current or non-current	1 January 2023

The Agency has not early adopted these HKFRSs. Initial assessment has indicated that the adoption of these HKFRSs would not have a significant impact on the Agency's financial statements in the year of initial application. The Agency will be continuing with the assessment of the impact of these HKFRSs and other significant changes may be identified as a result.