



財政報告

Financial Reports

HONG KONG FAMILY WELFARE SOCIETY

REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee submits its report together with the audited financial statements of Hong Kong Family Welfare Society (the “Society”) for the year ended 31st March 2021.

Principal activity

The principal activity of the Society is the provision of welfare services.

Business review

Main business

Hong Kong Family Welfare Society, established in 1949, is one of the major social service organisations in Hong Kong. With a “family-centric” perspective, the Society is committed to delivering quality and professional social services to enhance the wellbeing of families and individuals in Hong Kong and foster a caring community.

The Society renders the following major types of social services for families and individuals through its 43 service centres in Hong Kong:

- a) Integrated Family Services – including 6 Integrated Family Service Centres, Zonta White House – Family Retreat Centre, Clinical Psychological Service, and service projects to promote the wellbeing of families;
- b) Mediation Services and Divorce Services – including a Mediation Centre, a Parent-child Connect Specialised Co-parenting Support Centre, a Family Resource Centre, and “Child-focused” Parenting Coordination and Co-parenting Services for Divorced Families;
- c) Children Services – including Foster Care Service, After School Care and Support Programmes, Neighbourhood Support Child Care Project and Kindergarten Social Work Service, and Pilot Scheme on Social Work Service for Pre-primary Institutions;
- d) Youth Services – including School Social Work Service for 40 secondary schools, an Integrated Children and Youth Service Centre, and a variety of service projects to serve the developmental needs of young people;
- e) Community Care and Support Services for the Elderly – including Integrated Home Care Service, Enhanced Home and Community Care Services, a Neighbourhood Elderly Centre, Self-financed “Viva” and service projects that address the mental health issues of elders and their carers; and
- f) Special Services – including a Financial Education Centre, a Women and Family Enhancement Centre, Services for Multi-Generational Families, Volunteer Service, and Wellness Programmes.

2020 was a remarkably challenging year. The COVID-19 pandemic continued to rage which brought not only great stress on the economy and caused the unemployment rate to hit a peak but also further changed our ways of living to a “new normal”.

The Society proactively developed services and projects in response to changes brought by the pandemic and corresponding social needs. During the year, the Society continued to work together with our partners to provide both tangible and intangible support to families in need. Our online services were well received by the service users. Besides, the first socially relevant and culturally appropriate research findings on family wellbeing, “Hong Kong Family Wellbeing Index” (HKFWI), was announced in May 2020. It enhanced the general public’s understanding of family wellbeing and served as a reference for advocacy work in this area.

HONG KONG FAMILY WELFARE SOCIETY

REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

Business review (Continued)

Main business (Continued)

The Society started the execution of the “HKFWS Envisioning 2024” project with the “Preparation, Stock-taking, Engagement” work. The work under the 4 key strategies had established the solid foundation on which the future of the project is to be built.

Business review and performance analysis

The Society was financially stable with an increase in total income by 11.5% as compared with that of last year. Its major source of fund was from the subvention by the SWD, including Lump Sum Grant (“LSG”), which was 81.9% of the total income. The Society also got funding support from other government departments and different kinds of project fund and charity fund, including The Community Chest, The Hong Kong Jockey Club Charities Trust and the Lotteries Fund Grant as well as donation from individuals and corporates.

All along, the Society complies with the requirements stipulated in the SWD LSG Manual, Lotteries Fund Manual and 16 Service Quality Standards. The Society has policies to ensure all units observe the relevant legal obligations in their operation, including Employment Ordinance and Personal Data (Privacy) Ordinance. In 2014, the SWD introduced a new requirement, namely the Best Practice Manual (“BPM”), and the Society has reviewed its policies and procedures to comply with the “Level One” requirements stipulated in the BPM.

The Society has generally met the performance requirements agreed with its funders, including the Service Quality Standards, Essential Service Requirements, Output Standards and Outcome standards set out by the SWD. Besides, its services received positive feedback from service users.

During the year, the Society was granted different awards for its contributions:

- a) “Bronze Award”, “3rd Highest Donation Award in Donation Drive” and “Outstanding Award” of Corporate and Employee Contribution Programme 2020/21 by the Community Chest;
- b) The status of “Manpower Developer” (1st April 2020 – 31st March 2021) in the “Employees Retraining Board “ERB” Manpower Developer Award Scheme;
- c) Parent-child Connect Pilot Project on Children Contact Service received the Outstanding Award in the Wofoo Asian Award for Advancing Family Well Being (Wofoo 3A Project) 2020; and
- d) Financial Education Centre (FEC) received the 2021 Financial Education Champion Award and the Quality Award by the Investor and Financial Education Council.

Key relationships

a) Members

Members of the Society are persons, corporates or institutional bodies who register and subscribe to the Articles of Association and pay the annual subscription. At the end of the financial year 2020/21, the Society maintained a membership of 119.

b) Service users

In general, service users of the Society are families or individuals who meet the eligibility criteria for services of the Society and wish to use the Society’s services. Apart from providing appropriate services to its service users, the Society also promotes a family-friendly environment and advocates policies which enhance family wellbeing. The Society had announced the first HKFWI in May 2020, which aimed to arouse the attention and understanding of general public on family wellbeing. Besides, the Society took an active stance in sharing views and concerns towards relevant social issues, government policies and legislation, including Consultation on Proposed Amendments to the “Principles, Criteria & Standards for Recognizing Qualifications in Social Work” (PCS), Views on “Mandatory reporting of suspected child abuse cases”, Sentencing and Related Matters in the Review of Sexual Offences, etc.

HONG KONG FAMILY WELFARE SOCIETY

REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

Business review (Continued)

Key relationships (Continued)

b) Service users (Continued)

During the year, the Society offered education, preventive and remedial services for more than 649,238 beneficiaries and provided intensive service for more than 22,321 individual and family cases.

c) Staff

The Society maintained a work force of over 1,050 as at 31st March 2021, comprising professional, management, administrative, frontline and support staff. The number of staff slightly increased as compared with 2019/20.

d) Funders and external partners

The Society has maintained close collaboration with government departments, funders and strategic partners to put joint efforts in service provision to benefit the service users and the community as a whole. During the year, the management staff served in over 119 committees, panels, working groups, task force, liaison groups and network meetings of different nature set up under Labour and Welfare Bureau, Social Welfare Department, Home Affairs Bureau, Social Workers Registration Board, Hong Kong Council of Social Service and Family Council, etc., to advise on the development of social services, social welfare policies and issues relating to the welfare of its service users and the community as a whole. All these efforts are to actualise the Society's mission to promote the wellbeing of families and foster a caring community.

Principal risks and uncertainties

With increased complexity in the external environment, it is inevitable that the Society is exposed to risk which would affect its ability to achieve the planned objectives. To manage risks and to ensure sustainable development of the Society, a Risk Management ("RM") Policy and Framework has been formulated and implemented since 2014. There was progress report to the Executive Committee on a regular basis to ensure that risks are identified, appropriately assessed, mitigated and managed, and continual enhancement of its services and operations is in place.

The Society had an overall staff turnover rate at 10.0%, which recorded a decrease as compared with the figure of 14.9% last year. With service expansion in the social welfare sector, we faced strong competition in the manpower market. The turnover rate dropped for the second year, but we continued to face difficulty in the recruitment and retention of social workers, paramedical staff and frontline care staff. The Society conducted regular monitoring of the turnover rate and took different measures to tackle the issues, including annual review of the remuneration package to align with the manpower market, and enhance the Human Resource initiatives and benefits to promote the competitiveness in recruitment and retention of staff.

Adoption of new Articles of Association of the Society

On 17th November 2020, an Extraordinary General Meeting was held to adopt the new Articles of Association of the Society. Amendments mainly fell into content which was in line with the Company Registry's guidance notes for a company that has been given licence to dispense with the word "Limited", and in compliance with the new requirements of New Companies Ordinance.

HONG KONG FAMILY WELFARE SOCIETY

REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

Business review (Continued)

Future development

In face of rapid social changes, the anxiety hurts one's confidence in the future. The Society will continue to pay attention to the challenges and difficulties faced by individuals and families. By sustaining the extensive experiences of the Society and our collaboration with different stakeholders, we will further promote the importance of family values and functions, and to support those in need with professionalism, care and enthusiasm. Besides, we will continue the implementation of the strategic plan of Envisioning and the implementation on the enhancement of Performance Monitoring and Incentives System.

Results

The results of the Society for the year are set out in the statement of comprehensive income on page 10.

Own funds

Details of the movements in own funds of the Society during the year are set out in notes 12 to 14 to the financial statements.

Executive Committee members

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

Mr. Law Kin Chung, Christopher, JP (Chairman)
 Dr. Cheng Cheuk Sang, Arnold (Vice Chairman)
 Mr. Cheng Shee Sing, Patrick (Honorary Treasurer)
 Mrs. Choy Pun Siu Fun, Veronica, MBE, JP
 Dr. Chung See Yuen
 Mrs. Kwok Leung Kit Kan, Ingrid
 Mr. Lau King Shing, Daniel
 Ms. Lau Wing Yin, Cecilia
 Mr. Law Sheung Ping, James (retired on 17th November 2020)
 Mr. Loong Hon Bui, Louis
 Ms. Siu Wing Yee, Sylvia, JP
 Dr. Tang Sau Lim, Philip
 Ms. Yip Yun Wan, Amarantha (Chief Executive) (ex-officio)

Mr. Law Sheung Ping, James retired as Executive Committee member and he did not offer himself for election at the last Annual General Meeting. He has confirmed that there are no disagreements with the Board and nothing relating to the affairs of the Society needed to be brought to the attention of the Executive Committee of the Society.

In accordance with Article 33 of the Society's Articles of Association, the members of the Executive Committee (except ex-officio) shall be elected annually from amongst the members of the Society in the Annual General Meeting.

HONG KONG FAMILY WELFARE SOCIETY

REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

Executive Committee members (Continued)

In accordance with Article 37 of the Society's Articles of Association, the Executive Committee may appoint not more than four persons to be co-opted members of the Executive Committee but so that the total number of Executive Committee members shall not at any time exceed 16.

Executive Committee members' material interests in transactions, arrangements and contracts that are significant in relation to the Society's business

No transactions, arrangements and contracts of significance in relation to the Society's business to which the Society was a party and in which an Executive Committee member of the Society had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Executive Committee members' interests in the shares and debentures of the Society or any specified undertaking of the Society

At no time during the year was the Society a party to any arrangement to enable the Executive Committee members of the Society to hold any interests in the shares or debentures of the Society or its specified undertakings.

Management contracts

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

Permitted indemnity provisions

A permitted indemnity provision (as defined in Section 469 of the Hong Kong Companies Ordinance (Cap. 622)) for the benefit of the Executive Committee members of the Society is currently in force and was in force throughout the year.

Auditor

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

On behalf of the Executive Committee



Law Kin Chung, Christopher
Chairman

Hong Kong, 11 OCT 2021



**INDEPENDENT AUDITOR'S REPORT
TO THE EXECUTIVE COMMITTEE OF HONG KONG FAMILY WELFARE SOCIETY**
(Incorporated in Hong Kong and limited by guarantee)

Opinion

What we have audited

The financial statements of Hong Kong Family Welfare Society (the "Society") set out on pages 9 to 54, which comprise:

- the balance sheet as at 31st March 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in own funds for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Society as at 31st 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.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Society 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.

Other Information

The Executive Committee is responsible for the other information. The other information comprises the information included in the Executive Committee's report and the annual report, 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.



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT
TO THE EXECUTIVE COMMITTEE OF HONG KONG FAMILY WELFARE SOCIETY (CONTINUED)**
(Incorporated in Hong Kong and limited by guarantee)

Other Information (Continued)

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 for the Financial Statements

The Executive Committee is 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 determines is 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 is responsible for assessing the Society'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 either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

The Executive Committee's responsibilities include overseeing the Society's financial reporting process.

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. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**INDEPENDENT AUDITOR'S REPORT
TO THE EXECUTIVE COMMITTEE OF HONG KONG FAMILY WELFARE SOCIETY (CONTINUED)**
(Incorporated in Hong Kong and limited by guarantee)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

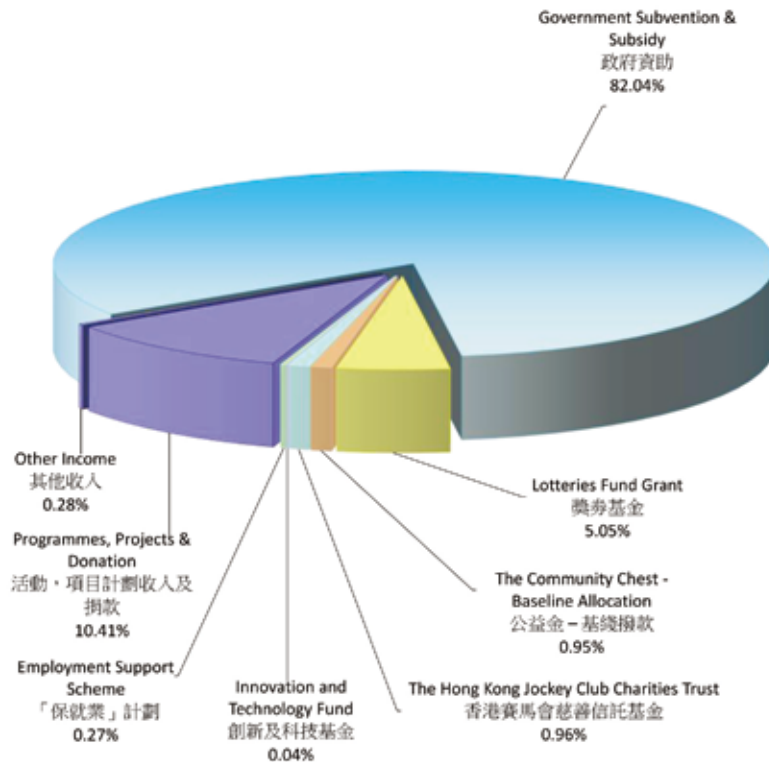
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committee's 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 Society'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 Society 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 the Executive Committee 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.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 11 OCT 2021

HONG KONG FAMILY WELFARE SOCIETY
FINANCIAL HIGHLIGHTS (財政簡報)
FOR THE YEAR ENDED 31 MARCH 2021
(ALL AMOUNTS IN HONG KONG DOLLARS)

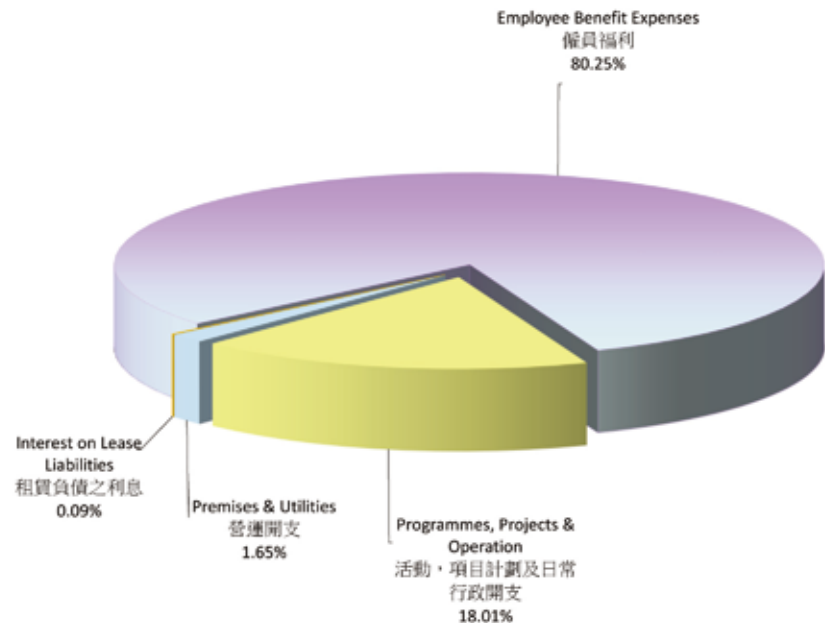


Source of Income 收入來源

Government Subvention & Subsidy 政府資助	\$487,141,611
Lotteries Fund Grant 獎券基金	\$29,993,016
The Community Chest - Baseline Allocation 公益金 - 基綫撥款	\$5,654,550
The Hong Kong Jockey Club Charities Trust 香港賽馬會慈善信託基金	\$5,671,765
Innovation and Technology Fund 創新及科技基金	\$212,195
Employment Support Scheme 「保就業」計劃	\$1,607,141
Programmes, Projects & Donation 活動、項目計劃收入及捐款	\$61,805,598
Other Income 其他收入	\$1,711,352
	<u>\$593,797,228</u>

Expenditure 支出

Employee Benefit Expenses 僱員福利	\$430,561,323
Programmes, Projects & Operation 活動、項目計劃及日常行政開支	\$96,677,058
Premises & Utilities 營運開支	\$8,831,363
Interest on Lease Liabilities 租賃負債之利息	\$485,734
	<u>\$536,555,478</u>



Note: The Annual Financial Report (Lump Sum Grant) for the year ended 31 March 2021 that submitted to Social Welfare Department can be downloaded from the Society's website: hkfws.org.hk/en/about-us/financial-reports.

備註：本會向社會福利署提交之二零二零至二零二一年度周年財務報告(整筆撥款)，已經上載至本會網站。
本會網址：hkfws.org.hk/about-us/financial-reports。


HONG KONG FAMILY WELFARE SOCIETY
(All amounts in Hong Kong dollars unless otherwise stated)

BALANCE SHEET

	Note	As at 31st March	
		2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	5	25,848,262	24,421,768
Right-of-use assets	6	6,848,188	11,403,409
Trust fund assets	8	49,354,575	42,334,396
Total non-current assets		82,051,025	78,159,573
Current assets			
Receivables from Lotteries Fund	9	3,644,910	11,025,205
Receivables from Innovation and Technology Fund		86,680	-
Deposits, prepayments and other receivables	10	22,598,953	20,788,301
Fixed deposits with original maturity over three months	11	25,156,219	24,957,226
Cash and cash equivalents	11	276,347,235	224,154,066
Total current assets		327,833,997	280,924,798
Total assets		409,885,022	359,084,371
FUNDS AND RESERVES			
Own funds			
General Fund	12	100,656,902	78,419,667
Capital Reserve	13	663,094	1,204,203
Designated Funds	14	39,391,948	40,893,659
Total own funds		140,711,944	120,517,529
Other reserves and trust funds			
Social Welfare Lump Sum Grant Reserve	15(a)	107,644,488	85,713,015
Provident Fund Reserve	15(b)	17,965,391	17,239,960
Subvented Employee Benefit Reserve	15(a) & (c)	23,823,212	17,887,394
Social Welfare Subvention Reserve	16	11,057,833	8,853,876
Trust Funds	17	49,354,575	42,334,396
Total other reserves and trust funds		209,845,499	172,028,641
Total funds and reserves		350,557,443	292,546,170
LIABILITIES			
Non-current liabilities			
Deferred income	18	18,230,536	18,489,518
Lease liabilities	20	1,091,329	5,841,216
Total non-current liabilities		19,321,865	24,330,734
Current liabilities			
Payables and receipts in advance	19	15,765,319	16,248,971
Home help deposits received		100,000	97,000
Provisions for unutilised annual leave and long service payments		3,245,674	5,466,280
Deferred income	18	14,768,249	14,527,546
Lease liabilities	20	6,126,472	5,867,670
Total current liabilities		40,005,714	42,207,467
Total liabilities		59,327,579	66,538,201
Total funds and liabilities		409,885,022	359,084,371

The above balance sheet should be read in conjunction with the accompanying notes. The financial statements on pages 9 to 54 were approved by the Executive Committee on **11 OCT 2021** and were signed on its behalf.


Law Kin Chung, Christopher
Chairman


Cheng Shee Sing, Patrick
Honorary Treasurer

HONG KONG FAMILY WELFARE SOCIETY
(All amounts in Hong Kong dollars unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31st March	
		2021	2020
Income			
Government subvention		485,197,414	423,970,484
One-off subsidy from Social Welfare Department		570,895	911,400
Income from Lotteries Fund - Block Grant		5,122,141	3,981,747
Income from Lotteries Fund - Social Welfare Development Fund ("SWDF")		912,462	1,508,994
Income from Lotteries Fund - General		23,958,413	22,861,246
Income from Innovation and Technology Fund		212,195	-
Back payment from Social Welfare Department		1,373,302	900,485
Government grants for Employment Support Scheme		1,607,141	-
Home help fees		9,754,143	9,542,583
Donation funding for specific projects from:			
- The Community Chest - Baseline Allocation		5,654,550	4,990,700
- The Hong Kong Jockey Club Charities Trust		5,671,765	6,242,093
- Other sponsors	24	35,791,060	37,272,038
Donations and income from fund raising activities	26	1,062,133	1,408,351
Subsidiary services and other project income		15,198,262	16,266,615
		<u>592,085,876</u>	<u>529,856,736</u>
Other income			
Dividend income		1,446,110	1,531,668
Interest income		265,242	1,094,823
		<u>1,711,352</u>	<u>2,626,491</u>
Total income		<u>593,797,228</u>	<u>532,483,227</u>
Expenditure			
Employee benefit expenses	21	430,561,323	390,366,349
Programme expenses	22	56,794,523	57,518,545
Premises expenses	23	8,831,363	10,426,862
Other expenses	23	39,882,535	36,515,331
Interest on lease liabilities	20	485,734	612,611
Total expenditure		<u>536,555,478</u>	<u>495,439,698</u>
Surplus and total comprehensive income for the year		<u>57,241,750</u>	<u>37,043,529</u>
Utilisation of current year's surplus:			
Surplus transferred to:			
- General Fund	12	22,188,390	22,189,514
- Capital Reserve	13	(541,109)	(262,711)
- Designated Funds	14	(1,579,063)	427,608
- Social Welfare Lump Sum Grant Reserve	15(a)	27,830,896	8,747,776
- Social Welfare Provident Fund Reserve	15(b)	1,038,241	198,775
- Social Welfare Subvention Reserve	16	8,304,395	5,742,567
		<u>57,241,750</u>	<u>37,043,529</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Disclaimer

The figures and financial information relating to the year ended 31 March 2021 included in the Annual Report for 2020-2021 are not the statutory annual financial statements of Hong Kong Family Welfare Society for that year. Further information relating to those statutory annual financial statements required to be disclosed in accordance with Section 436 of the Hong Kong Companies Ordinance is as follows:

Hong Kong Family Welfare Society will deliver those annual financial statements to the Registrar of Companies as required by Section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

Hong Kong Family Welfare Society's auditor has reported on those annual financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under Section 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.