



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 2023.

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 48 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 services to address needs of divorce and blended 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, Pilot Scheme on Community Care Service Voucher for the Elderly, Home Care and Support Services for Elderly Persons with Mild Impairment, 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.

The COVID-19 pandemic continued to slow down, Hong Kong was returning to normal. With solid experience in social welfare services and development of innovative services, our Society provided support to address the needs of families under the "new normal". With the transformation of family structure, the aging population, and the mental health problems brought challenges to society, families were under stress. Our Society, collaborated with the government and different stakeholders, had launched different service projects to support those families in need, and to enhance the family wellbeing.

At the same time, the two envisioning goals developed in 2019 under Envisioning 2024 were continued, the work for the third year plan was completed with satisfactory result, and had set the sustainable development direction of the Society and with different derivable developed. Internally, staff continually to strengthen the application of "family-centric" intervention model in their daily routine; while externally, we conducted the second "Hong Kong Family Wellbeing Index" and had advocated those important elements in family wellbeing with the collaboration of corporate partners.

HONG KONG FAMILY WELFARE SOCIETY

REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

Business review (Continued)

Business review and performance analysis

The Society was financially stable with an increase in total income by 1.65% 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 82.72% 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 Best Practice Manual. The Society has policies and procedures to ensure all units observe the relevant legal obligations in their operation, including Employment Ordinance, Personal Data (Privacy) Ordinance, etc.

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) Financial Education Centre "e\$mart Financial Management Kids Society" received the "Excellence in Social Impact Innovation (Large Organization)" and "Special Award for NGO" in the HKMA/HKT Global Innovation Award 2022/2023 organised by The Hong Kong Management Association;
- b) "Bronze Award", "2nd Highest Donation Award for Donation Drive" and "9th Top Fund-raiser Award" of Corporate and Employee Contribution Programme 2022/23 by the Community Chest; and
- c) The status of "Manpower Developer" (1st April 2022 – 31st March 2023) in the "Employees Retraining Board "ERB" Manpower Developer Award Scheme.

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 2022/23, the Society maintained a membership of 117.
- 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. Besides, the Society took an active stance in sharing views and concerns towards relevant social issues, government policies and legislation, such as "Proposed Mandatory Reporting Requirement for Suspected Child Abuse Cases.

During the year, the Society offered education, preventive and remedial services for more than 519,706 beneficiaries and provided intensive service for more than 24,820 individual and family cases

- c) **Staff**
The Society maintained a work force of over 1,120 as at 31st March 2023, comprising professional, management, administrative, frontline and support staff. The number of staff was almost the same as compared with the figure of 1,120 in 2021/22.

HONG KONG FAMILY WELFARE SOCIETY

REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

Business review (Continued)

Key relationships (Continued)

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 120 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 16.8%, which recorded a significant increase as compared with the figure of 15.9% last year. With the continuous service expansion in the social welfare sector and government subvention, competition in the manpower market could not be avoided. The staff turnover due to migration continued throughout the year. Difficulty in the recruitment and retention of staff was significant, particularly for social workers and health care professionals, etc. To address such issues, the Society continued the annual review exercise on the remuneration package, and develop different Human Resource initiatives to improve the staff welfare benefits and to promote the Society through employer branding measures.

Future development

In the coming year, the Society will be celebrating her 75th Anniversary. In view of the accumulated practice wisdom in the past years for serving the families in need, the Society will continue the implementation of strategies under the two envisioning goals. With the collaboration of government and partners from different sectors, our Society will commit to co-create a family-friendly environment, and advocate the values in family wellbeing and to foster a caring society.

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.

HONG KONG FAMILY WELFARE SOCIETY
REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)
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
 Ms. Lau Wing Yin, Cecilia
 Mr. Loong Hon Biu, Louis
 Ms. Siu Wing Yee, Sylvia, JP
 Dr. Tang Sau Lim, Philip
 Ms. Wong Hang Yee, Sandy, JP
 Ms. Sung Ye Wan, Yvonne
 Ms. Chu Choi Ming Fung, Janet (appointed on 22nd November 2022)
 Ms. Chau Shuk King, Kitty (Chief Executive) (ex-officio) (appointed on 1st August 2023)
 Ms. Yip Yun Wan, Amarantha (Chief Executive) (ex-officio) (retired on 1st April 2023)

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.

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.

HONG KONG FAMILY WELFARE SOCIETY

REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

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



Mr. Law Kin Chung, Christopher
Chairman

Hong Kong, - 6 OCT 2023



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS 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"), which are set out on pages 9 to 54, comprise:

- the balance sheet as at 31st March 2023;
- 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 significant accounting policies and other explanatory information.

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 2023, 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 ("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 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.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS 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.

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 MEMBERS 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 HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

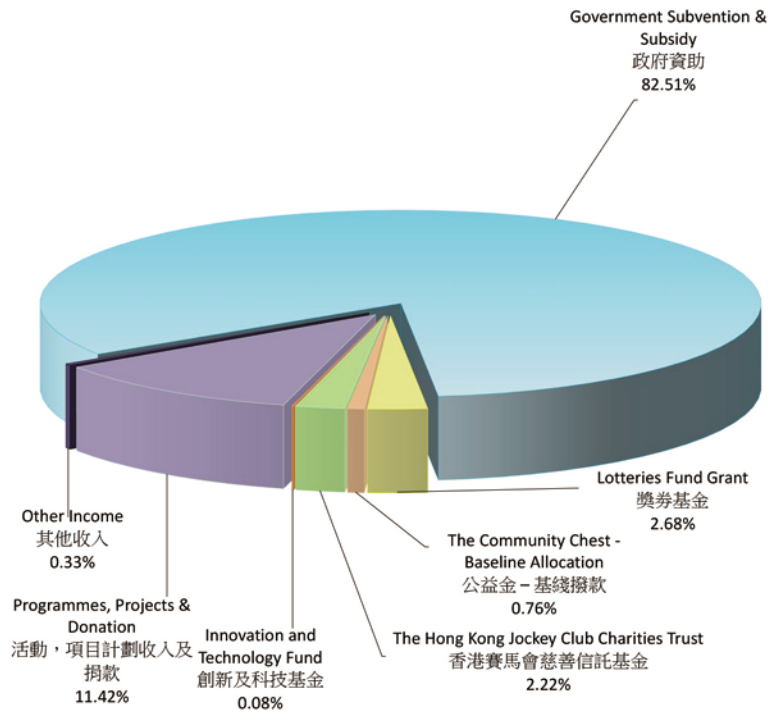
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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, - 6 OCT 2023

HONG KONG FAMILY WELFARE SOCIETY
FINANCIAL HIGHLIGHTS (財政簡報)
FOR THE YEAR ENDED 31 MARCH 2023
(ALL AMOUNTS IN HONG KONG DOLLARS)

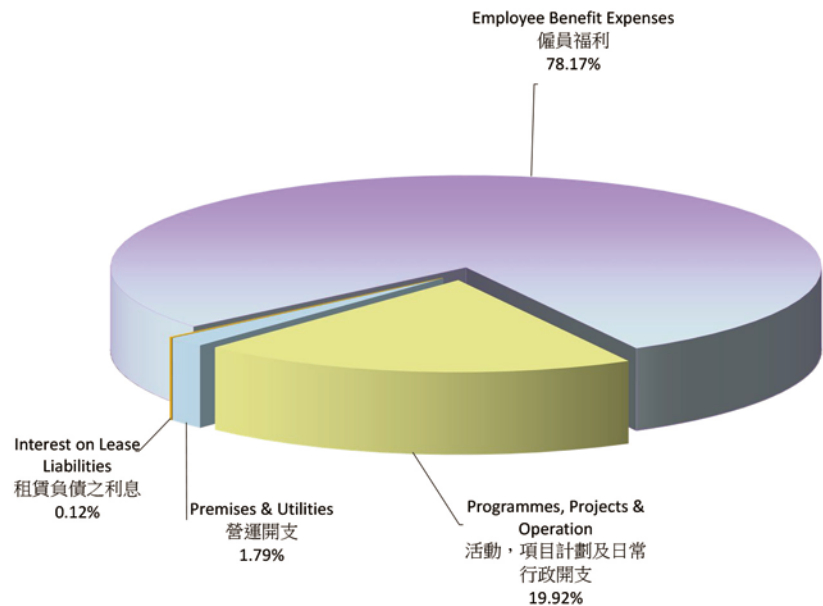


Source of Income 收入來源

Government Subvention & Subsidy 政府資助	\$559,951,103
Lotteries Fund Grant 獎券基金	\$18,162,867
The Community Chest - Baseline Allocation 公益金 - 基綫撥款	\$5,140,500
The Hong Kong Jockey Club Charities Trust 香港賽馬會慈善信託基金	\$15,049,514
Innovation and Technology Fund 創新及科技基金	\$573,598
Programmes, Projects & Donation 活動, 項目計劃收入及捐款	\$77,474,429
Other Income 其他收入	\$2,255,889
	<u>\$678,607,900</u>

Expenditure 支出

Employee Benefit Expenses 僱員福利	\$526,657,130
Programmes, Projects & Operation 活動, 項目計劃及日常行政開支	\$134,184,705
Premises & Utilities 營運開支	\$12,057,852
Interest on Lease Liabilities 租賃負債之利息	\$810,488
	<u>\$673,710,175</u>



Note : The Annual Financial Report (Lump Sum Grant) for the year ended 31 March 2023 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二零二二至二零二三年度周年財務報告(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	
		2023	2022
Assets			
Non-current assets			
Property, plant and equipment	5	32,696,047	26,918,401
Right-of-use assets	6	13,996,087	4,677,575
Trust fund assets	8	40,270,364	44,818,331
Total non-current assets		86,962,498	76,414,307
Current assets			
Receivables from Lotteries Fund	9	1,009,966	409,745
Receivables from Innovation and Technology Fund		178,333	554,709
Deposits, prepayments and other receivables	10	54,462,348	39,571,640
Fixed deposits with original maturity over three months	11	56,278,389	25,443,831
Cash and cash equivalents	11	243,037,882	315,100,808
Total current assets		354,966,918	381,080,733
Total assets		441,929,416	457,495,040
Funds and reserves			
Own funds			
General Fund	12	93,222,469	95,573,449
Capital Reserve	13	906,430	175,475
Designated Funds	14	46,884,374	47,239,039
Total own funds		141,013,273	142,987,963
Other reserves and trust funds			
Social Welfare Lump Sum Grant Reserve	15(a)	129,973,730	148,188,044
Provident Fund Reserve	15(b)	22,288,457	21,767,819
Subvented Employee Benefit Reserve	15(a) & (c)	23,327,105	25,689,640
Social Welfare Subvention Reserve	16	11,427,660	12,282,647
Trust Funds	17	40,270,364	44,818,331
Total other reserves and trust funds		227,287,316	252,746,481
Total funds and reserves		368,300,589	395,734,444
Liabilities			
Non-current liabilities			
Deferred income	18	14,240,283	17,901,358
Lease liabilities	20	6,669,145	2,247,087
Total non-current liabilities		20,909,428	20,148,445
Current liabilities			
Payables and receipts in advance	19	19,105,514	21,766,178
Home help deposits received		110,000	127,000
Provisions for unutilised annual leave and long service payments		2,359,794	3,465,076
Deferred income	18	23,311,742	13,575,322
Lease liabilities	20	7,832,349	2,678,575
Total current liabilities		52,719,399	41,612,151
Total liabilities		73,628,827	61,760,596
Total funds and liabilities		441,929,416	457,495,040

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 **6 OCT 2023** and were signed on its behalf.


Mr. Law Kin Chung, Christopher
Chairman


Mr. Cheng Sze 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	
		2023	2022
Income			
Government subvention		559,533,833	535,016,992
One-off subsidy from Social Welfare Department		26,100	489,964
Income from Lotteries Fund - Block Grant		4,954,554	3,826,819
Income from Lotteries Fund - Social Welfare Development Fund ("SWDF")		699,765	1,016,572
Income from Lotteries Fund - General	25	12,508,548	24,467,436
Income from Innovation and Technology Fund		573,598	814,392
Back payment from Social Welfare Department		391,170	1,369,942
Home help fees		12,600,619	10,639,006
Donation funding for specific projects from:			
- The Community Chest - Baseline Allocation		5,140,500	5,140,500
- The Hong Kong Jockey Club Charities Trust		15,049,514	12,060,769
- Other sponsors	24	33,779,017	32,166,294
Donations and income from fund raising activities	26	2,693,500	10,823,271
Subsidiary services and other project income		28,401,293	27,512,490
		<u>676,352,011</u>	<u>665,344,447</u>
Other income			
Dividend income		1,471,838	1,307,303
Interest income		784,051	334,718
		<u>2,255,889</u>	<u>1,642,021</u>
Total income		<u>678,607,900</u>	<u>666,986,468</u>
Expenditure			
Employee benefit expenses	21	526,657,130	478,346,130
Programme expenses	22	77,633,300	71,209,601
Premises expenses	23	12,057,852	10,495,577
Other expenses	23	56,551,405	50,286,515
Interest on lease liabilities	20	810,488	328,138
Total expenditure		<u>673,710,175</u>	<u>610,665,961</u>
Surplus and total comprehensive income for the year		<u>4,897,725</u>	<u>56,320,507</u>
Utilisation of current year's surplus:			
Surplus/(deficit) transferred to/(from):			
- General Fund	12	(950,980)	(3,583,453)
- Capital Reserve	13	(669,045)	(487,619)
- Designated Funds	14	(354,665)	6,347,091
- Social Welfare Lump Sum Grant Reserve	15(a)	96,751	42,414,613
- Social Welfare Provident Fund Reserve	15(b)	522,274	4,066,644
- Social Welfare Subvention Reserve	16	6,253,390	7,563,231
		<u>4,897,725</u>	<u>56,320,507</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 2023 included in the Annual Report for 2022-2023 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.