

STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
REPORTS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

<u>CONTENTS</u>	<u>PAGE(S)</u>
DIRECTORS' REPORT	1 - 4
INDEPENDENT AUDITOR'S REPORT	5 - 8
CONSOLIDATED STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME	9
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	10
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	11
CONSOLIDATED STATEMENT OF CASH FLOWS	12
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	13 - 41

STEWARDS DIRECTORS' REPORT

The directors have the pleasure in submitting their annual report together with the audited consolidated financial statements of Stewards ("the Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2018.

Principal activity

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

Results and state of affairs

The results of the Group for the year ended 31 March 2018 and the state of affairs of the Company and of the Group as at that date are set out in the consolidated financial statements on pages 9 to 41.

Business review

Fair review of business

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

Regarding educational service, Stewards Pooi Kei College ("SPKC"), our Secondary School under Direct Subsidy Scheme, was quite stable in its enrollment of new students. The performance and operation of the College remained more or less the same as in previous years. The income for SPKC for the year ended 31 March 2018 increased 15.9% to HK\$93,113,510 (2017: HK\$80,335,433). Our two kindergartens, Stewards Pooi Chun Kindergarten and Stewards Pooi Yan Kindergarten also showed improvement in their financial position. The income for the kindergartens for the year ended 31 March 2018 increased 11.4% to HK\$14,830,987 (2017: HK\$13,319,165), principally due to the increase of government subvention under Free Quality Kindergarten Education Scheme.

Regarding social welfare, the subvention under the Lump Sum Grant from Social Welfare Department ("SWD") increased by 5.1% to HK\$75,072,032 (2017: HK\$71,401,343), mainly due to the additional subvention of \$1.65 million to ICCMW, civil pay adjustment and inflation adjustment.

Regarding medical service, the total income of Peace Medical Centre and Peace Dental Clinic increased by 9.3% to HK\$7,441,866 (2017: HK\$6,806,132).

Financial key performance indicators for major sectors

The directors considered the key measure of the performance for the education sector to be the school fee income per student (i.e. the subvention from Education Bureau and the school fee from parents divided by the number of students). The school fee income per student for the year was HK\$77,598 which was higher than \$65,607 in the previous year.

The directors considered the key measure of financial performance indicator for the social welfare sector to be the growth in total funding for the social service activities. In 2017/18, the total funding income from government subvention and other fund raising activities increase by a healthy 6.2% to \$81,148,361 compared with \$76,378,477 in 2016/17.

STEWARDS DIRECTORS' REPORT

Business review (cont'd)

Financial position

As at 31 March 2018, the Group had net assets of HK\$159,086,903 (2017: HK\$150,167,447), comprising non-current assets of HK\$15,070,522 (2017: 13,375,401) and net current assets of HK\$144,016,381 (2017: HK\$136,792,046).

Liquidity

As at 31 March 2018, the Group had time deposits, bank balances and cash of HK\$153,875,512 (2017: HK\$152,774,222).

Lump sum grant reserve

The Group has different designated funds and reserves and the largest reserve is the Lump Sum Grant Reserve. As at 31 March 2018, the Lump Sum Grant Reserve (excluding provident funds) increased by 5.4% to HK\$25,234,629 (2017: HK\$23,942,304), equivalent to 31% (2017: 31%) of annual operating expenditure of subvented services. For the year ended 31 March 2018, the Lump Sum Grant subvention were mainly used to pay for the staff costs and operating costs for the subvented services according to the budget approved by the Board of Directors. In the coming years, the Lump Sum Grant Reserve will continue to be used for the payment of staff costs and operating costs in relation to the subvented services.

Principal risks and uncertainties

The Board had engaged a professional accounting firm to carry out an actuarial study for the LSG Reserve and MPF Reserve in 2017. The result of the study supported our finding in our in-house 5-year forecast of the Lump Sum Grant Reserve. This assessment showed that, in the medium term, the Lump Sum Grant Reserve will decline steadily due to the faster increase in staff cost than SWD subventions, although the rate of decline has moderated compared with the assessment in the previous year. There is thus still a need to undertake staff cost control measures to maintain the healthy financial position of the organization in the next few years, including, for example, appropriate downsizing of staff strength through natural wastage.

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

The Group has adopted environmental policy such as requiring all the electrical appliances and lighting to be shut down when all the staff left the office. Also in order to save the environment, all service units will use the recycle paper or print double sided as far as possible.

The Group complied with all the relevant laws and regulations issued by Education Bureau, Social Welfare Department and Health Department.

Renovation works for Yiu On Halfway House was completed in 2017 and we have obtained the Residential Care Homes license.

STEWARDS DIRECTORS' REPORT

Business review (cont'd)

Key relationships with employees, service users and government bodies

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

Likely future development

A new site in Yiu On Estate will commence renovation work in early 2019 and the renovation cost will be about \$6.5 million.

Our dental clinic has rented a shop in Lok Wah Estate and will commence operation in October 2018.

Fixed assets

Movements in fixed assets during the year were set out in note 10 to the consolidated financial statements.

Directors

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

Ms. PANG Chau Sheung
Mr. TO Tat Man
Mr. TSE Chun Fai
Mr. CHOW Kai Cheung
Mr. LIANG Jun
Mr. HUI Chi Keung Philip
Ms. CHAN Oi Yu
Mr. KWAN Chi Hong
Mr. CHIU Yu Lung

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

**STEWARDS
DIRECTORS' REPORT**

Permitted indemnity provision

At no time during the financial year and up to the date of this directors' report, there was or is, any permitted indemnity provision being in force for the benefit of any directors of the Company (whether made by the Company).

Management contracts

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

Directors' interests in contract

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

Directors' right to acquire shares or debentures

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

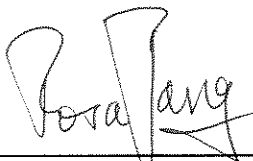
Auditor

The accompanying financial statements have been audited by Fung, Yu & Co. CPA Limited, Certified Public Accountants (Practising).

Other matters

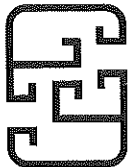
At the date of this report the directors are not aware of any circumstances not otherwise dealt with in this report of financial statements, which would render any amount stated in the financial statements misleading.

On behalf of the Board



Ms. PANG Chau Sheung
Chairman

Hong Kong: 19 SEP 2010



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

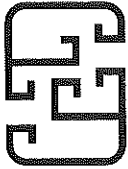
Opinion

We have audited the consolidated financial statements of Stewards ("the Company") and its subsidiaries ("the Group") set out on pages 9 to 41, which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of surplus or deficit and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2018, and of its consolidated financial performance and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

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

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

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

The directors are responsible for the other information. The other information comprises all the information included in the directors' report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

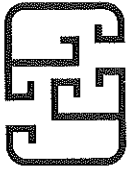
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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



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

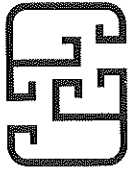
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



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

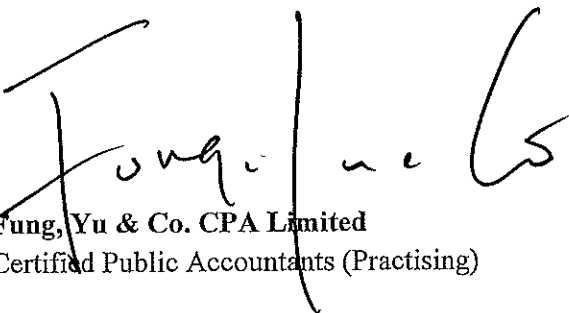
10th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
T: +852 2541 6632 E: info@fungyu CPA.com
香港干諾道中148號粵海投資大廈10樓

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

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

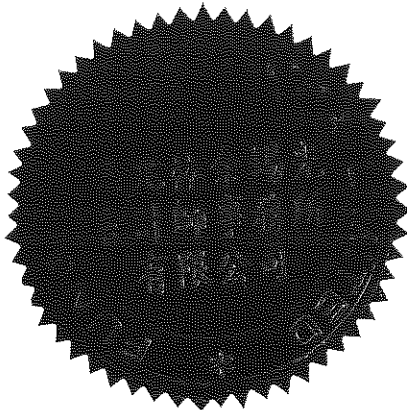
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate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

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

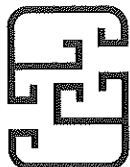


Fung, Yu & Co. CPA Limited
Certified Public Accountants (Practising)

LAU Vui Cheong
Practising Certificate Number: P03455



Date: 19 SEP 2018



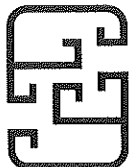
FUNG, YU & CO. CPA LIMITED
馮兆林余錫光會計師事務所有限公司

STEWARDS

(Incorporated in Hong Kong and limited by guarantee)

CONSOLIDATED STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 HK\$	2017 HK\$
INCOME	5	228,557,103.04	210,222,409.60
LESS: EXPENDITURE			
- Staff costs		159,710,281.62	153,341,654.78
- Operating costs		52,381,359.25	47,183,877.61
- Property costs		7,579,992.50	7,167,455.10
		<u>219,671,633.37</u>	<u>207,692,987.49</u>
SURPLUS BEFORE TAXATION	6	8,885,469.67	2,529,422.11
TAXATION	8	<u>-</u>	<u>-</u>
SURPLUS FOR THE YEAR		8,885,469.67	2,529,422.11
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR (page 11)		<u>471,387.80</u>	<u>(174,281.15)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>9,356,857.47</u></u>	<u><u>2,355,140.96</u></u>



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Notes	2018 HK\$	2017 HK\$
NON-CURRENT ASSETS			
Property, furniture and equipment	10 (a)	14,635,079.97	12,988,462.04
Available-for-sale financial assets	11	435,442.00	386,938.90
		15,070,521.97	13,375,400.94
CURRENT ASSETS			
Inventories	12	198,086.66	199,617.39
Accounts receivable and sundry debtors		2,612,636.61	1,260,108.43
Deposits and prepayments		1,763,552.50	2,666,856.30
Time deposits		101,078,523.80	98,240,389.12
Bank balances and cash		52,796,988.12	54,533,832.56
		158,449,787.69	156,900,803.80
CURRENT LIABILITIES			
Accounts payable and accrued expenses		10,541,576.20	16,896,410.09
Social welfare / Education Bureau surplus		1,043,660.96	814,852.97
Receipt in advance		2,848,169.28	2,397,494.70
		14,433,406.44	20,108,757.76
NET CURRENT ASSETS		<u>144,016,381.25</u>	<u>136,792,046.04</u>
NET ASSETS		<u>159,086,903.22</u>	<u>150,167,446.98</u>
RESERVES			
Accumulated fund	16	94,889,708.68	89,461,525.72
Designated funds	17	20,080,365.04	19,256,564.53
Flag day fund	18	3,989,132.12	4,577,354.52
Lump sum grant reserve	19	33,376,222.55	31,112,646.95
Block grant reserve	20	6,879,938.99	5,936,322.52
Investment revaluation reserve	21	(128,464.16)	(176,967.26)
		<u>159,086,903.22</u>	<u>150,167,446.98</u>

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

Ms. PANG Chau Sheung
Director

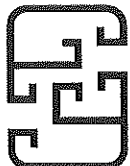
19 SEP 2018

Mr. CHOW Kai Cheung
Director



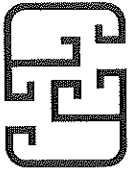
STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Accumulated fund HK\$	Designated funds HK\$	Flag day fund HK\$	Lump sum grant reserve HK\$	Block grant reserve HK\$	Investment revaluation reserve HK\$	Total HK\$
At 31 March 2016	92,502,167.86	19,344,202.65	3,594,029.92	28,885,282.09	5,326,937.24	(244,508.96)	149,408,110.80
Surplus for the year ended 31 March 2017	2,529,422.11	-	-	-	-	-	2,529,422.11
Other comprehensive income / (loss) for the year	-	-	-	-	-	67,541.70	67,541.70
Surplus arising on revaluation of investment	-	259,253.00	-	-	30,820.18	-	290,073.18
Income directly dealt with in the fund	-	(462,061.03)	(69,835.00)	-	-	-	(531,896.03)
Expenditure directly dealt with in the fund	-	(202,808.03)	(69,835.00)	-	30,820.18	67,541.70	(174,281.15)
Total comprehensive income for the year	2,529,422.11	(202,808.03)	(69,835.00)	-	30,820.18	67,541.70	2,355,140.96
Transfer to Education Bureau and Social Welfare	(468,946.00)	-	-	(89,362.68)	-	-	(558,308.68)
Department surplus account	(1,025,479.10)	-	-	(12,017.00)	-	-	(1,037,496.10)
Other transfers	(4,075,639.15)	115,169.91	1,053,159.60	2,328,744.54	578,565.10	-	-
Transfer between funds							
At 31 March 2017	89,461,525.72	19,256,564.53	4,577,354.52	31,112,646.95	5,936,322.52	(176,967.26)	150,167,446.98
Surplus for the year ended 31 March 2018	8,885,469.67	-	-	-	-	-	8,885,469.67
Other comprehensive income / (loss) for the year	-	-	-	-	-	48,503.10	48,503.10
Surplus arising on revaluation of investment	-	811,718.47	-	-	34,902.19	-	846,620.66
Income directly dealt with in the fund	-	(418,835.96)	(4,900.00)	-	-	-	(423,735.96)
Expenditure directly dealt with in the fund	-	392,882.51	(4,900.00)	-	34,902.19	48,503.10	471,387.80
Total comprehensive income for the year	8,885,469.67	392,882.51	(4,900.00)	-	34,902.19	48,503.10	9,356,857.47
Transfer from Education Bureau and Social Welfare	(228,809.85)	-	-	-	-	-	(228,809.85)
Department surplus account	(103,700.38)	-	-	(104,891.00)	-	-	(208,591.38)
Other transfers	(3,124,776.48)	430,918.00	(583,322.40)	2,368,466.60	908,714.28	-	-
Transfer between funds							
At 31 March 2018	94,889,708.68	20,080,365.04	3,989,132.12	33,376,222.55	6,879,938.99	(128,464.16)	159,086,903.22



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	HK\$	HK\$
Cash flows from operating activities		
Surplus before taxation	8,885,469.67	2,529,422.11
Income directly dealt with in reserve	846,620.66	290,073.18
Expenditure directly dealt with in reserve	(423,735.96)	(531,896.03)
Adjustments:		
Transfer to Education Bureau and Social Welfare		
Department surplus account	(228,809.85)	(558,308.68)
Other transfer	(208,591.38)	(1,037,496.10)
Loss on disposal of property, furniture and equipment	20,522.00	3,150.04
Depreciation	5,243,700.80	4,785,267.43
Interest income	(982,783.04)	(818,354.99)
	<u>13,152,392.90</u>	<u>4,661,856.96</u>
Operating cash flows before working capital changes		
Decrease / (increase) in inventories	1,530.73	(72,106.37)
Increase in accounts receivable and sundry debtors	(1,352,528.18)	(145,769.90)
Decrease / (increase) in deposits and prepayments	903,303.80	(116,872.22)
(Decrease) / increase in accounts payable and accrued expenses	(6,354,833.89)	8,813,204.34
Increase in Social Welfare Department/Education		
Bureau surplus account	228,807.99	366,809.07
Increase in receipts in advance	450,674.58	1,087,462.54
	<u>7,029,347.93</u>	<u>14,594,584.42</u>
Net cash from operating activities	7,029,347.93	14,594,584.42
Cash flows from investing activities		
Interest received	982,783.04	818,354.99
Payment of property, plant and equipment	(6,910,840.73)	(6,333,727.52)
	<u>(5,928,057.69)</u>	<u>(5,515,372.53)</u>
Net cash used in investing activities	(5,928,057.69)	(5,515,372.53)
Net increase in cash and cash equivalents	1,101,290.24	9,079,211.89
Cash and cash equivalents at beginning of year	152,774,221.68	143,695,009.79
Cash and cash equivalents at end of year	153,875,511.92	152,774,221.68
Analysis of the balances of cash and cash equivalents		
Time deposits	101,078,523.80	98,240,389.12
Bank balances and cash	52,796,988.12	54,533,832.56
	<u>153,875,511.92</u>	<u>152,774,221.68</u>



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. **General information**

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

Central Administration

Central Administration Office
Accounting Support

Clinics

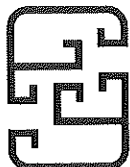
Peace Medical Centre

Kindergartens

Stewards Pooi Chun Kindergarten
Stewards Pooi Yan Kindergarten

Social services

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



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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

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

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

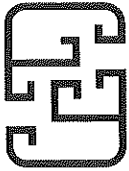
The above subsidiaries are companies limited by guarantee and not having a share capital. They were set up with no capital injection by the Company. They are accounted for as subsidiaries of the Company and 100% consolidated by the Company by virtue of control.

2. **Adoption of new or revised Hong Kong Financial Reporting Standards (HKFRSs)**

In the current year, the Group has adopted, for the first time, all of the new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are relevant to its operations and effective for the accounting year ended 31 March 2018. The adoption of these new and revised HKFRSs does not have material effect on these financial statements.

3. **New and revised HKFRSs issued but not yet effective**

Up to the date of these consolidated financial statements, certain new and revised HKFRSs which may be relevant to the Group's operations and consolidated financial statements have been issued by the HKICPA but are not yet effective for the accounting year ended 31 March 2018. The Group is not yet in a position to state whether the adoption of them would have a significant impact on the Group's results of operations and financial position.



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

4. **Significant accounting policies**

(a) **Basis of preparation**

These financial statements have been prepared in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance.

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

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

(b) **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company. Control is achieved when the Company:

- has power over the investee
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

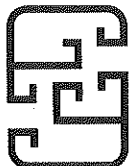
The consolidated financial statements included the financial statements of the Company and all its subsidiaries made up to 31 March each year. Significant intercompany transactions are eliminated on consolidation and all figures in the consolidated financial statements relate to external transactions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

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

(c) **Recognition of income**

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

- (i) Subvention from Social Welfare Department, Education Bureau and Community Chest are recognised when the money is received.



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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

(c) **Recognition of income (cont'd)**

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

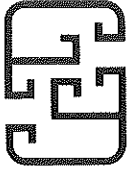
(d) **Property, furniture and equipment**

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

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

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

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



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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

(e) **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

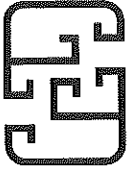
All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measure date
- Level 2 - based on inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly
- Level 3 - based on inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(f) **Financial assets**

The Group classifies its financial assets in the following categories: held-to-maturity securities, financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The financial assets recognised in the financial statements during the year include held-to-maturity securities, available-for-sale financial assets and loans and receivables.



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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

(f) **Financial assets (cont'd)**

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

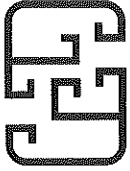
Available-for-sale financial assets are non-derivative investments in listed and unlisted securities, other than investments in subsidiaries, associates and jointly-controlled entities. They are intended to be held for a continuing strategic or long term purpose and are stated in the statement of financial position at fair value, except that equity securities which do not have a quoted market price in an active market and whose fair value cannot be measured reliably are measured at cost less any impairment losses.

In respect of available-for-sale financial assets carried at fair value, the unrealised gains or losses arising from changes in the fair value of investments are dealt with as movements in the investment revaluation reserve. When the investments are sold, the difference between the sale proceeds and the carrying value, and the accumulated fair value adjustments in the investment revaluation reserve are treated as gains or losses on disposal of investments and recognised in surplus or deficit. Impairment losses recognised in surplus or deficit for equity investments carried at fair value are not subsequently reversed through surplus or deficit. If, in a subsequent period, the fair value of a debt investment increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in surplus or deficit, the impairment loss is reversed, with the amount of the reversal recognised in surplus or deficit.

In respect of available-for-sale financial assets carried at cost less any accumulated impairment losses, when there is objective evidence that an impairment loss has been incurred on an investment, the carrying amount of the investment should be reduced to the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset and the amount of the impairment is recognised in surplus or deficit for the year in which it arises. Any impairment losses recognised shall not be reversed.

(ii) **Loans and receivables**

Loans and receivables (including accounts receivable and sundry debtors, deposits and prepayments, bank deposits and cash balance) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and thereafter stated at amortised cost less any impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial, in such cases, the receivables are stated at cost less any impairment losses for bad and doubtful debts.



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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

(f) **Financial assets (cont'd)**

(iii) **Held-to-maturity securities**

Non-derivative financial assets with fixed or determinable payments and fixed maturity that the company has the expressed intention and positive ability to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated in the statement of financial position at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

Financial assets are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the Group transfers substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in surplus or deficit.

(g) **Impairment of assets**

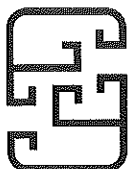
Internal and external sources of information are reviewed at each date of the statement of financial position to identify indications that the financial and non-financial assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated.

(i) **Calculation of recoverable amount**

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

(ii) **Recognition of impairment losses**

An impairment loss is recognised in surplus or deficit whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of other assets in the unit on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable. For financial assets carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial assets and the estimated future cash flows. Impairment losses for account receivables are reversed if in a subsequent period the amount of impairment losses decreases.



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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

(g) **Impairment of assets (cont'd)**

(iii) **Reversals of impairment losses**

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the surplus or deficit in the year in which the reversals are recognised.

(h) **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the weighted average method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

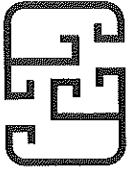
(i) **Financial liabilities**

Financial liabilities (including accounts payable and accrued expense, Social Welfare Department/Education Bureau subvention surplus and receipts in advance) are initially recognised at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method, unless the balances are interest-free loans obtained from related parties without any fixed repayment terms or the effect of discounting would be immaterial, in such cases, they are stated at cost.

Financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments. The Group derecognises financial liabilities when the obligation specified in the contract is discharged or cancelled or expires.

(j) **Operating leases**

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



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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

(k) **Employee benefits**

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

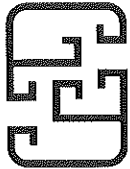
(l) **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(m) **Related parties**

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

- (i) A person or a close member of that person's family is related to the Group if that person:
 - (a) has control or joint control over the Group;
 - (b) has significant influence over the Group; or
 - (c) is a member of the key management personnel of the Group or of a parent of the Group.



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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

(m) **Related parties (cont'd)**

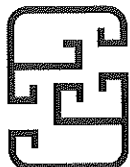
- (ii) An entity is related to the Group if any of the following conditions applies:
- (a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) One entity is an associate or joint venture of the other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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

5. **Income**

Income received during the year are as follows:

	2018 HK\$	2017 HK\$
Subvention from Education Bureau	78,104,156.95	64,030,441.53
Subvention from Social Welfare Department	81,148,360.63	76,378,477.45
Subvention from Community Chest	1,468,400.00	1,425,600.00
Fee income from medical services	7,441,613.68	6,805,012.17
Fee income from kindergartens and schools	29,480,388.11	29,464,138.11
Fee income from social services and central administration	25,196,479.79	24,740,140.54
Lotteries fund for setting up an ICCMW Centre in Tseung Kwan O / Purchase of furniture & equipment for WEP	-	1,979,449.60
Lotteries fund for undertaking fire safety / building rectification measures for Yiu On Halfway House	1,029,906.00	-
Block grant subvention	1,130,000.00	1,086,000.00
Subvention from Quality Education Fund	300,000.00	-
Donation received	2,275,014.84	3,494,795.21
Bank interest received	982,783.04	818,354.99
	<u>228,557,103.04</u>	<u>210,222,409.60</u>



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

6. Surplus before taxation

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

	2018	2017
	HK\$	HK\$
Auditor's remuneration	122,000.00	110,000.00
Depreciation	5,243,700.80	4,785,267.43
Loss on disposal of property, furniture and equipment	5,468.00	3,150.04
Operating lease charges - land and buildings	5,999,725.90	5,434,003.00
Staff costs	159,710,281.62	153,341,654.78

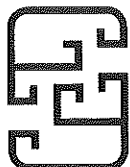
7. Directors' remuneration

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

	2018	2017
	HK\$	HK\$
Fees	-	-
Other emoluments	-	-
Retirement benefits	-	-
Compensation for loss of office	-	-
	<hr/>	<hr/>
Key management personnel's remuneration	<hr/> <hr/>	<hr/> <hr/>

8. Taxation

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



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

9. Statement of financial position of the Company

	Notes	2018 HK\$	2017 HK\$
NON-CURRENT ASSETS			
Property, furniture and equipment	10 (b)	3,994,707.81	3,952,927.29
Available-for-sale financial assets	11	435,442.00	386,938.90
		4,430,149.81	4,339,866.19
CURRENT ASSETS			
Inventories	12	114,703.08	127,896.89
Accounts receivable and sundry debtors		2,279,667.08	1,074,044.03
Amounts due from subsidiaries	13	1,336,564.52	3,493,451.07
Deposits and prepayments		1,356,507.40	2,524,708.30
Time deposits		45,517,459.51	39,760,880.86
Bank balances and cash		18,020,090.56	18,667,562.48
		68,624,992.15	65,648,543.63
CURRENT LIABILITIES			
Accounts payable and accrued expenses		411,028.99	3,213,771.80
Amount due to a subsidiary	14	870,892.22	-
Social welfare/Education Bureau surplus		1,043,660.96	814,852.97
Receipt in advance		2,764,625.28	2,304,968.70
		5,090,207.45	6,333,593.47
NET CURRENT ASSETS		<u>63,534,784.70</u>	<u>59,314,950.16</u>
NET ASSETS		<u>67,964,934.51</u>	<u>63,654,816.35</u>
RESERVES			
Accumulated fund	16	3,768,339.97	2,949,495.09
Designated funds	17	20,079,765.04	19,255,964.53
Flag day fund	18	3,989,132.12	4,577,354.52
Lump sum grant reserve	19	33,376,222.55	31,112,646.95
Block grant reserve	20	6,879,938.99	5,936,322.52
Investment revaluation reserve	21	(128,464.16)	(176,967.26)
		<u>67,964,934.51</u>	<u>63,654,816.35</u>

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

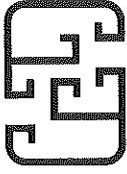
Ms. PANG/Chau Sheung

Director

19 SEP 2018

Mr. CHOW Kai Cheung

Director



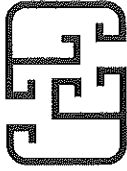
STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

10. **Property, furniture and equipment**

(a) The Group

	Leasehold Land and buildings HK\$	Furniture and fixtures HK\$	Leasehold improvements HK\$	Motor vehicle HK\$	Total HK\$
Cost					
At 1 April 2016	1.00	23,508,430.67	25,104,338.17	701,074.50	49,313,844.34
Additions	-	3,946,756.27	2,386,971.25	-	6,333,727.52
Disposals	-	(1,363,394.10)	-	-	(1,363,394.10)
At 31 March 2017	1.00	26,091,792.84	27,491,309.42	701,074.50	54,284,177.76
Additions	-	3,858,620.73	3,052,220.00	-	6,910,840.73
Disposals	-	(386,634.40)	(15,054.00)	-	(401,688.40)
At 31 March 2018	1.00	29,563,779.17	30,528,475.42	701,074.50	60,793,330.09
Accumulated Depreciation					
At 1 April 2016	-	17,412,474.31	19,806,724.79	651,493.25	37,870,692.35
Charge for the year	-	2,643,140.26	2,092,545.92	49,581.25	4,785,267.43
Disposals written back	-	(1,360,244.06)	-	-	(1,360,244.06)
At 31 March 2017	-	18,695,370.51	21,899,270.71	701,074.50	41,295,715.72
Charge for the year	-	2,862,133.61	2,381,567.19	-	5,243,700.80
Disposals written back	-	(381,166.40)	-	-	(381,166.40)
At 31 March 2018	-	21,176,337.72	24,280,837.90	701,074.50	46,158,250.12
Net Book Value					
At 31 March 2018	1.00	8,387,441.45	6,247,637.52	-	14,635,079.97
At 31 March 2017	1.00	7,396,422.33	5,592,038.71	-	12,988,462.04

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

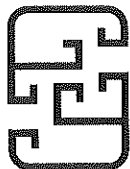


STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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

	Leasehold Land and buildings HK\$	Furniture and fixtures HK\$	Leasehold improvements HK\$	Motor vehicle HK\$	Total HK\$
Cost					
At 1 April 2016	1.00	7,245,845.46	13,638,370.70	701,074.50	21,585,291.66
Additions	-	542,344.50	2,216,450.00	-	2,758,794.50
Disposals	-	(234,472.00)	-	-	(234,472.00)
At 31 March 2017	1.00	7,553,717.96	15,854,820.70	701,074.50	24,109,614.16
Additions	-	837,227.60	528,750.00	-	1,365,977.60
Disposals	-	(256,376.90)	(15,054.00)	-	(271,430.90)
At 31 March 2018	1.00	8,134,568.66	16,368,516.70	701,074.50	25,204,160.86
Accumulated Depreciation					
At 1 April 2016	-	5,050,514.76	13,455,318.69	651,493.25	19,157,326.70
Charge for the year	-	750,296.75	428,989.50	49,581.25	1,228,867.50
Disposals written back	-	(229,507.33)	-	-	(229,507.33)
At 31 March 2017	-	5,571,304.18	13,884,308.19	701,074.50	20,156,686.87
Charge for the year	-	795,840.31	513,302.77	-	1,309,143.08
Disposals written back	-	(256,376.90)	-	-	(256,376.90)
At 31 March 2018	-	6,110,767.59	14,397,610.96	701,074.50	21,209,453.05
Net Book Value					
At 31 March 2018	1.00	2,023,801.07	1,970,905.74	-	3,994,707.81
At 31 March 2017	1.00	1,982,413.78	1,970,512.51	-	3,952,927.29

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



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

11. Available-for-sale financial assets

The investments in securities classified under available-for-sale financial assets are held for long term purposes. At 31 March 2018, investments in securities comprise:

	The Group and the Company	
	2018	2017
	HK\$	HK\$
<u>Cost</u>		
Listed equity securities	463,906.16	463,906.16
Unlisted equity securities	100,000.00	100,000.00
	<u>563,906.16</u>	<u>563,906.16</u>
<u>Carrying value</u>		
Listed equity securities carried at fair value	335,442.00	286,938.90
Unlisted equity securities carried at cost	100,000.00	100,000.00
	<u>435,442.00</u>	<u>386,938.90</u>

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

12. Inventories

Inventories represent goods held for resale.

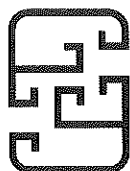
13. Amounts due from subsidiaries

	The Company	
	2018	2017
	HK\$	HK\$
Arm Services Company Limited	1,336,564.52	2,572,081.15
Stewards Peace Dental Clinic Limited	-	921,369.92
	<u>1,336,564.52</u>	<u>3,493,451.07</u>

The above amounts are unsecured and interest free with no fixed repayment terms.

14. Amount due to a subsidiary

The amount due to a subsidiary, Stewards Peace Dental Clinic Limited, is unsecured and interest free with no fixed repayment terms.



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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

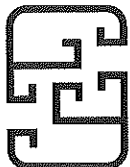
For the period from 1 April 2017 to 31 July 2017

	Programme ST1622 HK\$	Programme ST1623 HK\$	Others HK\$	Total HK\$
Balance as at 1 April 2017	128,442.40	95,057.00	-	223,499.40
Add: Income				
Education Bureau's grant	68,484.00	25,790.00	-	94,274.00
(School's subsidies) / fee income	(1,107.00)	-	-	(1,107.00)
NGO subsidy	1,978.50	96.00	-	2,074.50
Interest	-	-	-	-
	69,355.50	25,886.00	-	95,241.50
Less: Expenditure				
Tutor fee	76,830.00	65,777.50	-	142,607.50
Function materials and printing charges	32,791.20	27,941.30	-	60,732.50
Programme coordination expense	28,535.00	10,746.00	-	39,281.00
Administration expenses	28,535.00	10,746.00	-	39,281.00
	166,691.20	115,210.80	-	281,902.00
Balance as at 31 July 2017	<u>31,106.70</u>	<u>5,732.20</u>	-	<u>36,838.90</u>

For the period from 1 August 2017 to 31 March 2018

	Programme ST1727 HK\$	Programme ST1728 HK\$	Others HK\$	Total HK\$
Income				
Education Bureau's grant	77,864.00	195,086.00	-	272,950.00
School's subsidies/fee income	-	2,450.00	-	2,450.00
Interest	-	-	-	-
	77,864.00	197,536.00	-	275,400.00
Less: Expenditure				
Tutor fee	2,000.00	93,285.00	-	95,285.00
Function materials and printing charges	670.00	6,151.00	-	6,821.00
Programme coordination expense	-	-	-	-
Administration expenses	-	-	-	-
	2,670.00	99,436.00	-	102,106.00
Balance as at 31 March 2018	<u>75,194.00</u>	<u>98,100.00</u>	-	<u>173,294.00</u>

The income and expenditure for the School-Based After-School Learning and Support Programmes for the year have been included in the consolidated statement of surplus and deficit and other comprehensive income and the balance of HK\$173,294.00 as at 31 March 2018 has been included in the receipts in advance.



FUNG, YU & CO. CPA LIMITED

馮兆林余錫光會計師事務所有限公司

STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

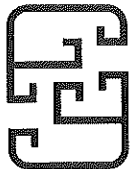
16. **Accumulated fund**

Accumulated fund attributable to services group are as follows:

	The Group	
	2018	2017
	HK\$	HK\$
Central Administration Office	(8,423,482.01)	(8,417,112.71)
Clinics	6,635,962.55	4,823,641.24
Kindergarten	2,596,633.28	1,565,234.85
Schools	87,111,079.14	84,664,758.81
Social Services	6,969,515.72	6,825,003.53
	<u>94,889,708.68</u>	<u>89,461,525.72</u>
	The Company	
	2018	2017
	HK\$	HK\$
Central Administration Office	(7,853,482.01)	(8,021,112.71)
Clinics	3,379,171.26	3,282,976.57
Kindergarten	2,596,633.28	1,565,234.85
Social Services	5,646,017.44	6,122,396.38
	<u>3,768,339.97</u>	<u>2,949,495.09</u>

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

	2018	2017
	HK\$	HK\$
Balance as at 1 April	2,949,495.09	922,513.47
Surplus for the year	4,276,131.59	7,597,045.87
Transfer from Education Bureau and Social Welfare		
Department surplus account	(228,809.85)	(468,946.00)
Other transfers	(103,700.38)	(1,025,479.10)
Transfer between funds	(3,124,776.48)	(4,075,639.15)
	<u>3,768,339.97</u>	<u>2,949,495.09</u>



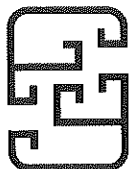
STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

17. Designated funds

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

	The Group	
	2018 HK\$	2017 HK\$
Education funds	4,115,721.97	4,595,357.44
Gang Yun Foundation	87,765.90	87,765.90
Maintenance / utilities fund	(106,488.57)	(141,394.46)
Membership fund	46,000.00	43,000.00
Ministry fund	186,394.00	147,452.00
Quarters fund	323,058.24	152,011.24
Reserve & development fund	11,254,159.15	11,236,154.41
Social service fund	1,233,696.58	1,358,224.38
Designated fund	332,761.59	126,474.26
Walk with you fund	758,720.53	536,346.35
Youth Mental Health subsidy scheme	907,294.77	653,115.60
Yiu Tsuen fund	55,344.70	57,734.70
Fund for Peace Medical Centre	572,716.43	91,102.96
Fund for Stewards Peace Dental Clinic Limited	600.00	600.00
Fund for High Rock Christian Centre	312,619.75	312,619.75
	<u>20,080,365.04</u>	<u>19,256,564.53</u>

	The Company	
	2018 HK\$	2017 HK\$
Education funds	4,115,721.97	4,595,357.44
Gang Yun Foundation	87,765.90	87,765.90
Maintenance / utilities fund	(106,488.57)	(141,394.46)
Membership fund	46,000.00	43,000.00
Ministry fund	186,394.00	147,452.00
Quarters fund	323,058.24	152,011.24
Reserve & development fund	11,254,159.15	11,236,154.41
Social service fund	1,233,696.58	1,358,224.38
Designated fund	332,761.59	126,474.26
Walk with you fund	758,720.53	536,346.35
Youth Mental Health subsidy scheme	907,294.77	653,115.60
Yiu Tsuen fund	55,344.70	57,734.70
Fund for Peace Medical Centre	572,716.43	91,102.96
Fund for High Rock Christian Centre	312,619.75	312,619.75
	<u>20,079,765.04</u>	<u>19,255,964.53</u>



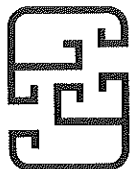
FUNG, YU & CO. CPA LIMITED
馮兆林余錫光會計師事務所有限公司

STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

17. **Designated funds (cont'd)**

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

	The Company	
	2018 HK\$	2017 HK\$
Balance as at April 1	19,255,964.53	19,343,602.65
Add: Income directly dealt with in the fund	811,718.47	259,253.00
Transfer from other funds	430,918.00	115,169.91
	<u>20,498,601.00</u>	<u>19,718,025.56</u>
Less: Expenditure directly dealt with in the fund	(418,835.96)	(462,061.03)
Balance as at March 31	<u>20,079,765.04</u>	<u>19,255,964.53</u>

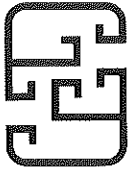


STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

18. Flag day fund

	The Group and the Company	
	2018 HK\$	2017 HK\$
<u>Designated Flag Day fund</u>		
Balance as at April 1	4,353,837.06	3,300,677.46
Donations from flag day fund raising event held on 25 February 2017	-	1,629,462.65
	<u>4,353,837.06</u>	<u>4,930,140.11</u>
Flag Day expenses	-	(122,678.85)
	<u>4,353,837.06</u>	<u>4,807,461.26</u>
Usage of fund from flag day held in 2008 to 2017		
Youth programmes	(5,350.00)	(72,594.60)
Counselling services	-	-
Rehabilitation services	(26,950.00)	(19,390.00)
Middle aged and senior male services	(105,656.42)	(208,456.56)
Youth menal health services	(68,670.03)	(153,183.04)
Recurrent expenses of central administration	(376,695.95)	-
	<u>(583,322.40)</u>	<u>(453,624.20)</u>
Balance as at 31 March	<u>3,770,514.66</u>	<u>4,353,837.06</u>
<u>General Flag Day Fund</u>		
Balance as at April 1	223,517.46	293,352.46
Other donations	-	-
	<u>223,517.46</u>	<u>293,352.46</u>
Funds allocated to		
- Ma Ko Pan Memorial College	(4,900.00)	(39,235.00)
- Pooi Kei Primary School	-	(30,600.00)
	<u>(4,900.00)</u>	<u>(69,835.00)</u>
Balance as at March 31	<u>218,617.46</u>	<u>223,517.46</u>
Total balance of flag day as at 31 March	<u>3,989,132.12</u>	<u>4,577,354.52</u>

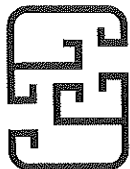
For the remaining net proceeds collected from the flag days held on 2 May 2009, 29 January 2011, 25 February 2012, 16 Feb 2013, 14 Mar 2015 and 25 Feb 2017 brought forward, the usage of HK\$583,322.40 were used as disclosed above. The unused balance of HK\$3,770,514.66 will be carried forward and will be used for the purposes of i) rehabilitation service for mental health service; ii) strengthening children, youth, family and counseling service, iii) improving family relationship of retired / pre-retire men through a variety of activities, interest class, etc.



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

19. Lump sum grant reserve

	The Group and the Company	
	2018 HK\$	2017 HK\$
Income		
Lump sum grant and tide-over grant	75,072,032.00	71,401,343.00
Fee Income	2,113,307.00	2,125,420.00
Other Income	10,371,141.70	10,053,233.21
Interest Received	212,945.26	175,665.18
Total Income	<u>87,769,425.96</u>	<u>83,755,661.39</u>
Expenditure		
Personal Emoluments	67,283,261.77	65,923,028.45
Other Charges	18,121,658.85	15,503,888.40
Total Expenditure	<u>85,404,920.62</u>	<u>81,426,916.85</u>
Surplus for the year transferred from accumulated fund	2,364,505.34	2,328,744.54
Balance at beginning of year	31,112,646.95	28,885,282.09
Adjust interest received on Workshop Fund to LSG	3,961.26	-
Transfer of unspent PA to LSG	-	(89,362.68)
Refund to Government	(104,891.00)	(12,017.00)
Balance at end of year	<u>33,376,222.55</u>	<u>31,112,646.95</u>
The components of the reserve are as follows:		
Lump sum grant reserve (excluding provident fund)	25,234,628.63	23,942,303.76
Surplus of provident fund subvention	8,141,593.92	7,170,343.19
	<u>33,376,222.55</u>	<u>31,112,646.95</u>



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

20. **Block grant reserve**

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

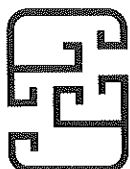
	The Group and the Company	
	2018	2017
	HK\$	HK\$
Balance at beginning of year	5,936,322.52	5,326,937.24
Bank interest income	34,902.19	30,820.18
	<u>5,971,224.71</u>	<u>5,357,757.42</u>
Block grant received	1,130,000.00	1,086,000.00
Expenditure for renovation, furniture and equipment	<u>(221,285.72)</u>	<u>(507,434.90)</u>
	<u>908,714.28</u>	<u>578,565.10</u>
Transfer from accumulated fund and other funds	908,714.28	578,565.10
	<u>6,879,938.99</u>	<u>5,936,322.52</u>
Balance at end of year	<u><u>6,879,938.99</u></u>	<u><u>5,936,322.52</u></u>

As at 31 March 2018, the outstanding commitments in respect of block grant allocation from SWD for furniture & equipment and minor works were as follows:

	2018	2017
	HK\$	HK\$
Contracted but not provided for in the financial statements	-	-
Authorised but not contracted for	-	-
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

21. **Investment revaluation reserve**

	The Group and the Company	
	2018	2017
	HK\$	HK\$
Balance at beginning of year	(176,967.26)	(244,508.96)
Increase in the fair value of investments in securities	48,503.10	67,541.70
	<u>(128,464.16)</u>	<u>(176,967.26)</u>
Balance at end of year	<u><u>(128,464.16)</u></u>	<u><u>(176,967.26)</u></u>



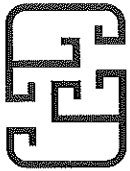
STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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

	The Group and the Company	
	2018	2017
	HK\$	HK\$
<u>Phase 2</u>		
Balance brought forward	96,053.73	427,585.22
Income		
Interest received	-	42.76
Total income during the year	-	42.76
Expenditure under SWDF during the year:		
1. Expenditure for projects under scope A	-	91,303.00
2. Expenditure for projects under scope B (IT)	-	162,350.00
3. Expenditure for projects under scope C	-	77,921.25
Total expenditure during the year	-	331,574.25
Balance carried forward to the next financial year	<u>96,053.73</u>	<u>96,053.73</u>
<u>Phase 3</u>		
Balance brought forward	94,668.27	-
Income		
Allocation from SWDF	923,300.00	167,737.00
Interest received	101.80	16.77
Total income during the year	<u>923,401.80</u>	<u>167,753.77</u>
Expenditure under SWDF during the year:		
1. Expenditure for projects under scope A	<u>429,379.90</u>	<u>73,085.50</u>
Total expenditure during the year	<u>429,379.90</u>	<u>73,085.50</u>
Balance carried forward to the next financial year	<u>588,690.17</u>	<u>94,668.27</u>

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

The above income and expenditure have been included in the consolidated statement of surplus or deficit and other comprehensive income of the Company and the total balance of \$684,743.90 as at 31 March 2018 has been included in Social Welfare Department / Education Bureau surplus.



FUNG, YU & CO. CPA LIMITED

馮兆林余錫光會計師事務所有限公司

STEWARDS

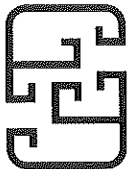
(Incorporated in Hong Kong and limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

23. HSBC Community Partnership Programme

Project name: "Happy Buddies" Community Care Project

	2018 HK\$	2017 HK\$
Balance at the beginning of the period	135,585.64	-
Income		
Donation from HSBC Community Partnership Fund	89,708.26	210,000.00
Programme income	<u>2,875.00</u>	<u>9,490.00</u>
Total income	<u>92,583.26</u>	<u>219,490.00</u>
Expense		
Purchase of equipments	690.00	4,009.66
Programme materials	109,728.90	79,894.70
Tutor fee	<u>117,750.00</u>	<u>-</u>
Total expenses	<u>228,168.90</u>	<u>83,904.36</u>
(Deficit) / surplus for the period	<u>(135,585.64)</u>	<u>135,585.64</u>
Balance at the end of the period	<u>-</u>	<u>135,585.64</u>



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

24. **Financial instruments**

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

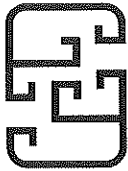
	The Group	
	2018	2017
	HK\$	HK\$
Financial assets		
Available-for-sale financial assets (investments in securities)		
- carried at fair value	335,442.00	286,938.90
- carried at cost	100,000.00	100,000.00
Loans and receivables (including cash and bank balances)	157,052,235.53	156,701,186.41
Financial liabilities		
Financial liabilities measured at amortised cost	14,433,406.44	20,108,757.76

Other than the investment carried at cost, the fair values of the Group's financial assets and liabilities are not materially different from their carrying amounts.

25. **Operating lease commitments**

At 31 March 2018, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	The Group	
	2018	2017
	HK\$	HK\$
Within one year	4,904,964.00	4,460,044.00
In the second to fifth years inclusive	1,844,352.00	4,106,316.00
	<u>6,749,316.00</u>	<u>8,566,360.00</u>



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

26. Risk related to financial instruments

The Group's overall policy on risk management remained the same as in the previous year. The risks associated with the Group's financial instruments at the date of the statement of financial position are as follows:

Credit risk

The carrying amounts of accounts receivables and sundry debtors, deposits and prepayments, time deposits, and bank balances and cash as stated in the consolidated statement of financial position represent the Group's maximum exposure to credit risk at the date of the statement of financial position. The Group has a credit policy in place and exposures to the credit risk are monitored on an ongoing basis. In respect of the time deposits and bank balances, the exposure to credit risk is minimised by placing the deposits with reputable international financial institutions only. The Group has no significant concentrations of credit risk.

At the date of the statement of financial position, the Group had no receivables that were past or impaired.

Price risk

The Group's investments in listed equity securities are measured at fair value at each date of the statement of financial position. Therefore, the Group is exposed to security price risk. The movements in the market values of the investments in securities are reviewed by the management of the Group periodically.

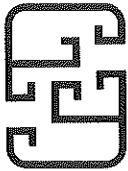
Any reasonable changes in security price would not result in a significant change in the Group's results and therefore no sensitivity analysis is presented for price risk.

Interest rate risk

The value of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to fair value interest rate risk primarily relates to its fixed-rate time deposits. However, the Group only invests surplus fund in fixed-rate financial assets and such investments are normally short term. In consequence, no material exposure to fair value interest rate risk is expected.

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

26. Risk related to financial instruments (cont'd)

Liquidity risk (cont'd)

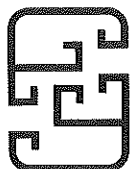
The maturity analysis for the Group's financial liabilities at the date of the statement of financial position, based on the contractual undiscounted cash flows, is as follows:

At 31 March 2018

	Social Welfare Department / Education Bureau surplus HK\$	Payables and accruals HK\$	Total financial liabilities HK\$
Carrying amount	<u>1,043,660.96</u>	<u>13,389,745.48</u>	<u>14,433,406.44</u>
Without fixed repayment terms	-	-	-
Within 3 months	-	13,389,745.48	13,389,745.48
More than 3 months but within 1 year	1,043,660.96	-	1,043,660.96
More than 1 year	-	-	-
	<u>1,043,660.96</u>	<u>13,389,745.48</u>	<u>14,433,406.44</u>

At 31 March 2017

	Social Welfare Department / Education Bureau surplus HK\$	Payables and accruals HK\$	Total financial liabilities HK\$
Carrying amount	<u>814,852.97</u>	<u>19,293,904.79</u>	<u>20,108,757.76</u>
Without fixed repayment terms	-	-	-
Within 3 months	-	19,293,904.79	19,293,904.79
More than 3 months but within 1 year	814,852.97	-	814,852.97
More than 1 year	-	-	-
	<u>814,852.97</u>	<u>19,293,904.79</u>	<u>20,108,757.76</u>



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

27. **Fair value of financial instruments**

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid and ask prices respectively.
- The fair values of derivative instruments are measured at fair value by reference to the valuation provided by counterparty financial institutions for these instruments.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 2 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

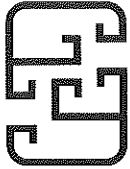
At 31 March 2018

	Level 1 HK\$	Level 2 HK\$	Total HK\$
Financial assets			
<i>Available-for-sale financial assets</i>			
- Listed equity securities	335,442.00	-	335,442.00

At 31 March 2017

	Level 1 HK\$	Level 2 HK\$	Total HK\$
Financial assets			
<i>Available-for-sale financial assets</i>			
- Listed equity securities	286,938.90	-	286,938.90

There were no transfer between Levels 1 and 2 during the years ended 31 March 2018 and 2017.



STEWARDS
(Incorporated in Hong Kong and limited by guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

28. Capital management

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

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

29. Critical accounting estimates and judgements

In preparing these financial statements, the management is required to exercise significant judgements in the selection and application of accounting principles, including making estimates and assumptions concerning the future. The resulting accounting estimate will, by definition, seldom equal to the related actual results. The following is a review of the more significant accounting policies that are impacted by judgements and uncertainties and for which different amounts may be reported under a different set of conditions or using different assumptions.

Impairment

The Group assesses annually whether property, furniture and equipment, held-to-maturity securities and available-for-sale financial assets have any indication of impairment. The recoverable amounts of the assets have been determined based on value-in-use calculations. These calculations require the use of judgements and estimates.

Depreciation

The Group's net book value of property, furniture and equipment as at 31 March 2018 was HK\$14,635,079.97. The Group depreciates the assets on a straight-line basis over their estimated useful life. The estimated useful life reflects the directors' estimate of the periods that the company intends to derive future economic benefits from the use of the assets.

- The End -