

# FINANCIAL STATEMENTS

## Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

	Notes	2023 HK\$	2022 HK\$
<b>Income</b>			
Levy income	4	<b>1,431,416,579</b>	1,059,882,291
Workers registration fee income	5	<b>1,694,213</b>	3,496,948
Course fees and related income	6	<b>27,501,957</b>	29,333,433
Trade testing income	6	<b>4,897,906</b>	4,924,749
Investment and interest income	7	<b>86,311,533</b>	32,940,677
Other income	8	<b>188,186,784</b>	60,682,568
		<b>1,740,008,972</b>	1,191,260,666
<b>Expenditure</b>			
Staff costs	9	<b>546,313,053</b>	456,176,210
Training expenses		<b>566,333,160</b>	226,828,216
Workshop expenses		<b>38,189,723</b>	32,235,325
General and administrative expenses	10	<b>117,386,666</b>	94,251,414
Relief measures for COVID-19	11	<b>10,027,179</b>	59,345,375
Repair and maintenance expenses		<b>57,348,569</b>	42,081,544
Advertising and publicity expenses		<b>85,760,278</b>	72,811,977
Depreciation	12	<b>218,464,262</b>	222,960,411
Net impairment losses on levy receivables	16	<b>353,109</b>	1,054,244
		<b>1,640,175,999</b>	1,207,744,716
		<b>99,832,973</b>	(16,484,050)
<b>Surplus (deficit) for the year</b>			
<b>Other comprehensive expense for the year</b>			
Item that will not be reclassified to profit or loss:			
Equity instruments at fair value through other comprehensive income			
- Decrease in fair value		<b>(2,864,668)</b>	(129,623)
		<b>96,968,305</b>	(16,613,673)
<b>Surplus (deficit) and total comprehensive Income (expense) for the year</b>			

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<b>Consolidated statement of financial position</b>			
At 31 December 2023			
	Notes	2023 HK\$	2022 HK\$
<b>Non-current assets</b>			
Property, plant and equipment	13	<b>926,281,638</b>	981,368,607
Construction in progress	13	<b>71,993,758</b>	70,209,642
Debt instruments at amortised cost	14	<b>258,352,870</b>	260,420,621
Equity instruments at fair value through other comprehensive income ("FVTOCI")	15	<b>7,855,154</b>	10,719,822
		<b>1,264,483,420</b>	1,322,718,692
<b>Current assets</b>			
Levy receivables	16	<b>103,039,594</b>	96,097,969
Deposits, prepayments and other receivables	17	<b>180,616,209</b>	105,809,212
Cash and bank balances	18	<b>3,932,625,959</b>	3,866,857,604
		<b>4,216,281,762</b>	4,068,764,785
<b>Current liabilities</b>			
Accounts and other payables and accruals	19	<b>385,346,027</b>	333,544,545
Construction Innovation and Technology Fund	20	<b>1,808,033,646</b>	1,864,328,549
Lease liabilities	21	<b>6,282,621</b>	7,559,286
Contract liabilities	22	<b>8,173,273</b>	8,447,119
		<b>2,207,835,567</b>	2,213,879,499
<b>Net current assets</b>		<b>2,008,446,195</b>	1,854,885,286
<b>Total assets less current liabilities</b>		<b>3,272,929,615</b>	3,177,603,978

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## Consolidated statement of financial position (continued)

At 31 December 2023

	Notes	2023 HK\$	2022 HK\$
<b>Non-current liabilities</b>			
Lease liabilities	21	<b>2,741,180</b>	5,695,561
Contract liabilities	22	<b>3,880,188</b>	2,568,475
		<b>6,621,368</b>	8,264,036
<b>Net assets</b>			
		<b>3,266,308,247</b>	3,169,339,942
Represented by:			
Accumulated fund		<b>2,874,311,372</b>	2,774,478,399
General reserve		<b>389,353,310</b>	389,353,310
Investment revaluation reserve		<b>2,643,565</b>	5,508,233
<b>Total fund and reserves</b>			
		<b>3,266,308,247</b>	3,169,339,942

The consolidated financial statements on pages 194 to 220 were approved and authorised for issue by the Council members of Construction Industry Council on 19 April 2024 and were signed on their behalf by:

HO On-sing, Thomas  
*Chairman*

MA Hok-ming, Kevin  
*Council member*

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## Consolidated statement of changes in fund and reserves For the year ended 31 December 2023

	Accumulated fund HK\$	General reserve HK\$ (Note (a))	Investment revaluation reserve HK\$ (Note (b))	Total HK\$
At 1 January 2022	2,790,962,449	389,353,310	5,637,856	3,185,953,615
Deficit for the year	(16,484,050)	-	-	(16,484,050)
Other comprehensive expense or the year	-	-	(129,623)	(129,623)
At 31 December 2022	<b>2,774,478,399</b>	<b>389,353,310</b>	<b>5,508,233</b>	<b>3,169,339,942</b>
Surplus for the year	<b>99,832,973</b>	-	-	<b>99,832,973</b>
Other comprehensive expense for the year	-	-	<b>(2,864,668)</b>	<b>(2,864,668)</b>
At 31 December 2023	<b>2,874,311,372</b>	<b>389,353,310</b>	<b>2,643,565</b>	<b>3,266,308,247</b>

Notes:

- (a) General reserve has been set up to record the statutory transfer of net assets from Construction Industry Training Authority on 1 January 2008 and Construction Workers Registration Authority on 1 January 2013. The general reserve was created for employing the reserve in the operations of the Council or by investing the reserve in such manner as the Council members think fit. The Council members may apply the general reserve for any other special purpose.
- (b) Investment revaluation reserve comprises the cumulative net change in the fair value of equity investments at FVTOCI held at the end of the reporting period and is dealt with in accordance with the accounting policy in Note 3.

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## Consolidated statement of cash flows

For the year ended 31 December 2023

	Notes	2023 HK\$	2022 HK\$
<b>Operating activities</b>			
Surplus (deficit) for the year		<b>99,832,973</b>	(16,484,050)
Adjustments for:			
Net impairment losses on levy receivables		<b>353,109</b>	1,054,244
Interest expense on lease liabilities		<b>225,533</b>	357,395
Depreciation		<b>218,464,262</b>	222,960,411
Investment and interest income		<b>(86,311,533)</b>	(32,940,677)
Losses on disposal of property, plant and equipment		<b>143,525</b>	648,821
		<b>232,707,869</b>	175,596,144
<b>Operating cash flow before movements in working capital</b>			
Increase in levy receivables		<b>(7,294,734)</b>	(15,090,243)
Increase in deposits, prepayments and other receivables		<b>(54,541,465)</b>	(1,724,284)
Decrease in accounts and other payables and accruals		<b>(725,828)</b>	(113,864,195)
Increase (decrease) in contract liabilities		<b>1,037,867</b>	(4,631,340)
Net cash from operating activities		<b>171,183,709</b>	40,286,082
<b>Investing activities</b>			
Placement in bank deposits with maturity over three months		<b>(2,235,020,471)</b>	(3,746,040,000)
Withdrawal of bank deposits with maturity over three months		<b>4,380,020,471</b>	2,448,927,170
Interest received		<b>63,856,547</b>	13,119,288
Dividend received from equity instruments at FVTOCI		<b>339,612</b>	373,314
Proceeds received on disposal of property, plant and equipment		<b>24,282</b>	4,500
Payment for purchase of property, plant and equipment		<b>(161,733,353)</b>	(72,976,868)
Net cash from (used in) investing activities		<b>2,047,487,088</b>	(1,356,592,596)
<b>Financing activities</b>			
Repayment of lease liabilities	21	<b>(7,902,442)</b>	(7,573,752)
Construction Innovation and Technology Fund provided by Development Bureau	20	-	1,200,000,000
Net cash (used in) from financing activities		<b>(7,902,442)</b>	1,192,426,248
		<b>2,210,768,355</b>	(123,880,266)
<b>Net increase (decrease) in cash and cash equivalents</b>			
<b>Cash and cash equivalents at the beginning of the year</b>		<b>120,817,604</b>	244,697,870
<b>Cash and cash equivalents at the end of the year</b>		<b>2,331,585,959</b>	120,817,604
<b>Analysis of the balances of cash and cash equivalents</b>			
Cash and bank balances		<b>3,932,625,959</b>	3,866,857,604
Less: Time deposits with original maturity over three months		<b>(1,601,040,000)</b>	(3,746,040,000)
		<b>2,331,585,959</b>	120,817,604