HELPING HAND
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

CONTENTS

	Pages
Report of The Executive Committee	1
Independent Auditor's Report	2 to 3
Consolidated Statement of Surplus or Deficit And Other Comprehensive Income And Expenditure Account	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Changes in Funds Employed	6 to 7
Consolidated Statement of Cash Flows	8
Notes to The Consolidated Financial Statements	9 to 35

(LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee has pleasure in submitting its annual report together with the audited financial statements for the year ended 31 March 2024.

PRINCIPAL PLACE OF OPERATION

Helping Hand (the "Company") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of operation at 1/F., 12 Borrett Road, Hong Kong.

PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiary (the "Group") are to provide care, housing and recreational facilities, including care homes, housing for the elderly and a holiday resort centre cum day care unit, for the needy elderly of Hong Kong and the People's Republic of China.

RESULTS

The results of the Group for the year are set out in the consolidated statement of surplus or deficit and other comprehensive income and expenditure account on page 5.

EXECUTIVE COMMITTEE MEMBERS

The executive committee members of the Company during the financial year and up to the date of this report were:

Mrs. Johanna Arculli (Chairperson)
Ms. Edith Shih (Vice Chairperson)
Mr. Frank Yee-chon Lyn (Hon Treasurer)
Ms. Veronica Tao (Hon Secretary)
Mr. Simon Yun-sang Yung (Hon Legal Advisor)
Hon Mr. Justice Kemal Bokhary
Dr. York Yat-ngok Chow
Dr. David Lok-kwan Dai (Resigned on 29 September 2023)
Ms. Regina Fuk-ching Gan
Mrs. Lena Harilela
Mr. Leo Lin-cheng Kung
Ms. Christina Oi-ping Lee
Dr. Joseph Lee
Ms. Christine Hay-tai Lie
Ms. Siemen Sin-man Tsoi
Dr. Jessica Ogilvy-Stuart
Mr. Tim-leung Lui
Mrs. Nancy Giok-Ching Thompson (Deceased on 12 August 2023)
Ms. Helena Suk-chong Wai
Mr. Andy Yung
Mr. Gary Kin-man Yau (Resigned on 16 June 2023)
Mr. Raymond Ming Joe Chow (Appointed on 28 September 2023)
Mr. Walter Chang (Appointed on 13 June 2024)

In accordance with Articles 15 of the Company's Articles of Association, all executive committee members of the Executive Committee retire from the committee and, being eligible, offer themselves for re-election.

A full list of the names of the directors of the Company's subsidiary is shown in note 8 to the consolidated financial statements.

INDEMNITY OF EXECUTIVE COMMITTEE MEMBERS

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the executive committee members of the Company is currently in force and was in force throughout this year.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the operation of the Group were entered into or existed during the year.

EXECUTIVE COMMITTEE MEMBERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transaction, arrangement or contract of significance in relation to the Group's operation to which the Company or its subsidiary was a party and in which an executive committee member of the Company had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the year.

EXECUTIVE COMMITTEE MEMBERS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

AUDITORS

The financial statements have been audited by Crowe (HK) CPA Limited, who retire and, being eligible, offers itself for re-appointment.

On behalf of the Executive Committee

Johanna Arculli

Chairperson, Executive Committee
Hong Kong, 6 September 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELPING HAND

(Incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

Opinion

We have audited the consolidated financial statements of Helping Hand (the "Company") and its subsidiary (the "Group") set out on pages 4 to 35, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of surplus or deficit and other comprehensive income and expenditure account, the consolidated statement of changes in funds employed and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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 2024, 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 ("HKSAs") 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.

Information other than the consolidated financial statements and auditor's report thereon

The Executive Committee of the Company is responsible for the other information. The other information comprises the information included in the annual report, other than 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 the Executive Committee for the consolidated financial statements

The Executive Committee of the Company is 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 Executive Committee determines 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 Executive Committee is 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 Executive Committee either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Executive Committee is responsible for overseeing the Group's financial reporting process.

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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Executive Committee.
- Conclude on the appropriateness of the Executive Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- 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 the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Crowe (HK) CPA Limited

Crowe (HK) CPA Limited
Certified Public Accountants
Hong Kong, 6 September 2024

Leung Pak Ki
Practising Certificate Number P08014
HCH0896-2024

CONSOLIDATED STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 HK$	2023 HK$
OPERATING INCOME AND EXPENDITURE			
Community Chest allocation	20(a)	3,120,900	3,120,900
Donations			
- Others	20(b)	3,793,560	3,742,860
Interest income		23,698	24,127
Lump sum grant		64,616,097	61,892,622
Meal income		7,015,701	6,604,059
Meal income from staff		458,801	490,693
Rental income		16,211,289	15,906,255
Sundry income		1,897,231	1,633,359
SWD Subvention for homes		13,035,118	13,016,940
SWD others		239,212	5,597,513
Total operating income (Appendix I)		110,411,607	112,029,328
Less: Operating expenditure (Appendix I)		(124,135,177)	(120,195,260)
		(13,723,570)	(8,165,932)
Less: Finance cost (Appendix I)		(193,303)	(277,644)
Donations for capital costs			
- SWD – Block Grants		1,363,073	645,487
- Community Chest Capital Project	20(b)	-	680,000
- Others	20(b)	630,857	1,050,631
		1,993,930	2,376,118
		(11,922,943)	(6,067,458)
ADMINISTRATIVE INCOME AND EXPENDITURE			
Community Chest allocation	20(a)	449,000	449,000
Gain on disposal of property, plant and equipment		-	2,000
Net loss on financial assets at fair value through profit or loss		(1,717,213)	(368,049)
General donations	20(b)	970,808	3,186,567
Donation for running cost	20(b)	167,333	-
Donation for capital costs	20(b)	10,745,417	-
Interest income		1,930,702	957,011
Lump sum grant		7,257,201	6,879,998
Membership fee and sponsoring membership		15,960	14,360
Sundry income		35,485	221,966
Exchange (loss)/gain		(19,024)	21,680
SWD - Lotteries Funds		20,720	217,304
SWD - Others		-	3,807
Total administrative income		19,856,389	11,585,644
Less: Administrative expenditure		(8,112,057)	(7,601,426)
Depreciation of property, plant and equipment		(15,858,554)	(4,504,017)
Net administrative deficit (Appendix II)		4,114,222	(519,799)
FUND RAISING EVENTS INCOME, NET			
Cookie Campaign (Appendix III)		2,671,167	1,563,347
Other fund raising events (Appendix IV)		140,699	1,958,359
		2,811,866	3,521,706
HOLIDAY CENTRE - SURPLUS FOR THE YEAR	5	10,650,545	6,005,600
(DEFICIT)/SURPLUS FOR THE YEAR		(2,574,754)	2,940,049
Other comprehensive expenditure for the year			
Item that may be reclassified subsequently to surplus or deficit:			
Exchange differences on translation of financial statements of foreign operation		(1,624,711)	(2,621,369)
TOTAL COMPREHENSIVE (EXPENDITURE)/ INCOME FOR THE YEAR		(4,199,465)	318,680

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2024

	Note	2024	2023
		HK$	HK$
NON-CURRENT ASSETS			
Property, plant and equipment	6(a)	169,777,243	167,582,978
Financial assets at fair value through profit or loss	7	11,732,440	13,855,855
		181,509,683	181,438,833
CURRENT ASSETS			
Inventories	9	187,620	102,256
Trade and other receivables	10	4,008,920	6,298,190
Deposits with banks (maturity over 3 months)	11(b)	42,832,011	32,669,867
Cash and cash equivalents	11(a)	30,619,167	31,671,158
		77,647,718	70,741,471
CURRENT LIABILITIES			
Trade and other payables	12	20,530,961	16,484,791
Deferred income	14	57,377,751	48,426,655
Lease liabilities	13	1,943,979	1,943,950
		(79,852,691)	(66,855,396)
NON-CURRENT LIABILITIES			
Lease liabilities	13	-	(1,820,733)
NET ASSETS		179,304,710	183,504,175
FUNDS EMPLOYED			
General deficit		(79,212,450)	(65,892,279)
General reserve		1,885,526	1,885,526
Exchange reserve		4,860,015	6,484,726
Christa Tisdall Fund	15	13,239	13,239
The Hong Kong Jockey Club Charities Trust	16	91,773,695	86,276,361
Holiday Centre project:			
Gold Coin Fund	17	77,636,711	77,636,711
SWD Reserve Fund	18	2,091,898	2,091,898
Others		1,316,280	1,316,280
SWD Lotteries Fund	19	78,939,796	73,691,713
TOTAL FUNDS EMPLOYED		179,304,710	183,504,175

Approved and authorised for issue by the executive committee on 6 September 2024.

Mrs. Johanna Arculli
Chairperson, Executive Committee

Mr. Frank Yee-chon Lyn
Hon Treasurer, Executive Committee

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS EMPLOYED

FOR THE YEAR ENDED 31 MARCH 2024

	General reserve	Exchange reserve	Christa Tisdall Fund	The Hong Kong Jockey Club Charities Trust
	HK$	HK$	HK$	HK$
At 1 April 2022	1,885,526	9,106,095	13,239	86,276,361
Total comprehensive (expenditure)/ income for the year	-	(2,621,369)	-	-
At 31 March 2023	1,885,526	6,484,726	13,239	86,276,361
At 1 April 2023	1,885,526	6,484,726	13,239	86,276,361
Total comprehensive (expenditure)/ income for the year	-	(1,624,711)	-	-
Transfer	-	-	-	5,497,334
At 31 March 2024	1,885,526	4,860,015	13,239	91,773,695

The accompanying notes form part of these financial statements.

Gold Coin Fund	SWD Reserve Fund: Holiday Centre Project - Others	SWD Reserve Fund: Holiday Centre	SWD Lotteries Fund	General deficit	Total
HK$	HK$	HK$	HK$	HK$	HK$
77,636,711	1,316,280	2,091,898	73,691,713	(68,832,328)	183,185,495
-	-	-	-	2,940,049	318,680
77,636,711	1,316,280	2,091,898	73,691,713	(65,892,279)	183,504,175
77,636,711	1,316,280	2,091,898	73,691,713	(65,892,279)	183,504,175
-	-	-	-	(2,574,754)	(4,199,465)
-	-	-	5,248,083	(10,745,417)	-
77,636,711	1,316,280	2,091,898	78,939,796	(79,212,450)	179,304,710

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 HK$	2023 HK$
OPERATING ACTIVITIES			
(Deficit)/surplus for the year		(2,574,754)	2,940,049
Adjustments for:			
Depreciation		23,104,107	12,949,563
Interest income		(1,954,400)	(981,138)
Finance cost		193,303	277,644
Donation received		(8,430,931)	(12,151,503)
Provision/(reversal of provision) for untaken annual leave		118,576	(180,364)
Reversal of provision for long service payment		(281,655)	(101,725)
Fair value loss on financial assets at fair value through profit or loss		1,717,213	368,049
Foreign exchange (loss)/gain		19,024	(21,680)
Net loss on disposal of property, plant and equipment		5,548	12,297
		11,916,031	3,111,192
CHANGES IN WORKING CAPITAL			
(Increase)/decrease in inventories		(85,364)	25,591
Decrease/(increase) in trade and other receivables		2,289,270	(1,242,373)
Increase/(decrease) in trade and other payables		4,209,249	(9,821,326)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES		18,329,186	(7,926,916)
INVESTING ACTIVITIES			
Interest received		1,954,400	983,146
Increase in deposits with banks (maturity over 3 months)		(10,162,144)	(22,861,706)
Payment for the purchases of property, plant and equipment		(3,330,340)	(2,661,720)
Payment for the purchases of property, plant and equipment from The Hong Kong Jockey Club Charities Trust		(19,960,187)	(15,167,000)
Payment for the purchases of property, plant and equipment from Lotteries Fund		(3,632,186)	(786,016)
Proceeds from disposal of financial assets at fair value through profit or loss		-	1,772,550
Proceeds from disposal of property, plant and equipment		-	3,798
NET CASH USED IN INVESTING ACTIVITIES		(35,130,457)	(38,716,948)
FINANCING ACTIVITIES			
Deferred income received		8,951,096	15,872,911
Donations received		8,430,931	12,151,503
Interest element of lease liabilities paid	11(c)	(193,303)	(277,644)
Capital element of lease liabilities paid	11(c)	(1,820,704)	(1,736,363)
NET CASH GENERATED FROM FINANCING ACTIVITIES		15,368,020	26,010,407
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,433,251)	(20,633,457)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	11(a)	31,671,158	52,191,071
Effect of foreign exchange rate changes, net		381,260	113,544
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	11(a)	30,619,167	31,671,158

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1. GENERAL INFORMATION

Helping Hand (the "Company"), a company limited by guarantee and its subsidiary (together the "Group"), is a charitable organisation engaged in providing care, housing and recreational facilities, including care homes, housing for the elderly and a holiday resort centre cum day care unit, for the needy elderly of Hong Kong and the People's Republic of China ("the PRC"). The Company has obtained permission from the Registrar of Companies to omit "Limited" from its name. The income and property of the Company, wheresoever derived, is applied solely towards the promotion of the objects set out in the Company's memorandum of association. The Company's funds are not distributable to its members.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. Material accounting policy information adopted by the Group are disclosed below.

The HKICPA has issued certain new and amendments to HKFRSs which are mandatorily effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2024 comprise the Company and its subsidiary.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is the Company's functional and the Group's presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the investments in financial assets at fair value through profit or loss are stated at their fair value as explained in note 2(d).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 24.

c) Subsidiary

Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the elements of control.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale (see note 2(g)).

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

d) Other investments in equity securities

The Group's policies for investments in equity securities, other than investment in subsidiary, are set out below:

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. All regular way purchases or sales of equity securities are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of equity securities that require delivery of assets within the time frame established by regulation or convention in the market place. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 21(f). These investments are subsequently accounted for as follows, depending on their classification.

Equity investments

An investment in equity security is classified as financial assets at FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at fair value through other comprehensive income (FVOCI) (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections is made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to general deficit. It is not recycled through profit or loss. Dividends from an investment in equity security, irrespective of whether classified as at FVPL or FVOCI, are recognised in surplus or deficit as other income in accordance with the policy set out in note 2(q), unless the dividends clearly represent a recovery of part of the cost of the investment.

Financial assets at FVPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the fair value gain/loss on financial assets at fair value through profit or loss line item, unless the dividends clearly represent a recovery of part of the cost of the investment.

e) Property, plant and equipment

The following items of property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any accumulated impairment losses (see note 2(g)(ii)):

- interests in leasehold land and buildings where the Group is the registered owner of the property interest;
- right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest; and
- other items of property, plant and equipment, including right-of-use assets arising from leases of underlying property, plant and equipment.

Depreciation is calculated to write off the cost of items of property, plant and equipment, other than construction in progress, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- buildings situated on leasehold land are depreciated over the shorter of the unexpired terms of leases and their estimated useful lives, being no more than 50 years after the date of completion.

- Leasehold improvements	4 to 15 years or over the remaining term of the lease
- Furniture and fixtures	4 to 5 years
- Office equipment	4 to 5 years
- Motor vehicles	4 to 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in statement of surplus or deficit and other comprehensive income and expenditure account during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

e) Property, plant and equipment (Continued)

Gain or loss arising from the retirement or disposal of an item of property, plant and equipment is determined as the difference between the net proceeds on disposal and the carrying amount of the item and is recognised in statement of surplus or deficit and other comprehensive income and expenditure account on the date of retirement or disposal.

Properties, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in surplus or deficit. The cost of those items is measured in accordance with the measurement requirements of HKAS 2 Inventories ("HKAS 2"). Such properties, plant and equipment are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

f) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments (less any lease incentives receivable) payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred. Lease payments also include amounts expected to be payable by the Group under residual value guarantees; the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date less any lease incentives received, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, and is reduced by any lease incentives received.The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities (see notes 2(e) and 2(g)).

The initial fair value of refundable rental deposits is accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to financial asset measured at amortised cost (see notes 2(i) and 2(g)(i)). Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The Group presents right-of-use assets, that do not meet the definition of investment property, in "property, plant and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

f) Leases (Continued)

(i) As a lessee (Continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate used to determine those payments, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, by discounting the revised lease payments using an unchanged discount rate, unless the change in lease payments results from a change in floating interest rates. In that case, the lessee shall use a revised discount rate that reflects changes in the interest rate. When there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate, being the interest rate implicit in the lease for the remainder of the lease term, or the Group's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. When the lease liability is remeasured in either of these ways, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") and that is not accounted for as a separate lease. In this case the consideration in the modified contract is allocated to each lease component on the basis of the relative stand-alone price of the lease component and the associated non-lease components are included in the respective lease components. The lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of HKFRS 16 Leases. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position. In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

g) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses (ECLs) for financial assets measured at amortised cost (including deposits with banks, cash and cash equivalents and trade and other receivables).

Financial assets measured at fair value, including equity securities measured at FVPL, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses over the expected life of the financial instrument. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected life of a financial instrument.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

g) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group;
- an actual or expected internal credit rating downgrade for the borrower;
- an actual or expected significant change in the operating results of the borrower;
- significant changes in the expected performance and behaviour of the borrower.

The Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in surplus or deficit. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 2(q)(vi) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

g) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in surplus or deficit in the period in which the recovery occurs.

(ii) Impairment of non-financial assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment; and
- investments in a subsidiary in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount
  The recoverable amount of an asset is the greater of its fair value less costs of disposal and its 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 the 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). A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.
- Recognition of impairment losses
  An impairment loss is recognised in the statement of surplus or deficit and other comprehensive income and expenditure account if 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 the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).
- Reversal of impairment losses
  An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

  A reversal of an impairment loss 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 statement of surplus or deficit and other comprehensive income and expenditure account in the year in which the reversals are recognised.

h) Inventories

Inventories are assets which are held for sale in the ordinary course of operation, in the process of production for such sale or in the form of material or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out 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 realisable 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. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

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

i) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

i) Trade and other receivables (Continued)

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost, using the effective interest method, less allowance for ECL (see note 2(g)(i)).

j) 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 readily convertible into known amounts 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 consolidated statement of cash flows. Cash and cash equivalents are assessed for expected credit losses (ECLs) in accordance with the policy set out in note 2(g)(i).

Cash at bank excludes bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash.

k) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

l) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in surplus or deficit.

m) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in surplus or deficit.

n) Employee benefits

i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to the Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are charged to statement of surplus or deficit and other comprehensive income and expenditure account when incurred.

ii) Defined benefit plan obligations

The Group has a defined benefit plan, representing long service payment ("LSP") under the Hong Kong Employment Ordinance. The Group's net defined benefit obligation is measured by discounting the estimated cost to the Group of the benefit that employees have earned in return for their service in the current and prior periods, after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises re-structuring costs involving the payment of termination benefits.

o) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in statement of surplus or deficit except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case they are recognised in other comprehensive income or directly in equity, respectively.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

o) Income tax (Continued)

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary difference, provided that those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are:

- temporary differences arising from goodwill not deductible for tax purposes,
- temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and do not give rise to equal taxable and deductible temporary differences,
- temporary differences relating to investments in subsidiaries, associates and joint ventures to the extent that the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future, and
- temporary differences related to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

p) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group is also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

p) Provisions and contingent liabilities

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

q) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services in the ordinary course of the Group's operation.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer at contract inception, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

i) government grants for specific capital costs of projects are deferred and released to the statement of surplus or deficit and other comprehensive income and expenditure account as income when those specific capital costs are incurred. Any unused grants are classified as deferred income under current liabilities as further explained in note 2(t) below;

ii) donations received from specific donors (other than government bodies) for specific purposes are deferred and released to the statement of surplus or deficit and other comprehensive income and expenditure account as income when the donations are expended on those specific purposes. Any unused donations are classified as funds within the funds employed section of the statement of financial position;

iii) donations and government subventions other than the items (i) and (ii) above, on a cash receipt basis. Any excess government subventions to be refunded to government are classified as trade and other payables under current liabilities;

iv) income from functions organised by the Group, on a cash receipt basis;

v) membership fee and sponsorship membership fee, in the accounting year to which the subscription are related;

vi) interest income is recognised as it accrues using the effective interest method. For financial assets (other than purchased or originated credit-impaired financial assets) measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 2(g)(i)).

vii) rental and meals income, in the period when the services are rendered;

viii) income from sale of investments, on the transaction dates when the relevant contract notes are exchanged;

ix) sales of goods, transfer of control over goods which generally coincides with the time when the goods are delivered to customers and title has passed; and

(x) dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

r) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in the statement of surplus or deficit and other comprehensive income and expenditure account, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from funds employed to surplus or deficit on disposal or partial disposal of the Group's net investment in the foreign operation.

Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates and are not re-translated. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

r) Translation of foreign currencies (Continued)

When a fair value gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is also recognised in surplus or deficit. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

The results of foreign operations are translated into Hong Kong dollars at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the foreign exchange rates ruling at the dates of the transactions are used. Items in statement of financial position are translated into Hong Kong dollars at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and expenditure and accumulated separately in the exchange reserve in funds employed.

s) Related parties

a) A person, or a close member of that person's family, is related to the Group if that person:

- i) has control or joint control over the Group;
- ii) has significant influence over the Group; or
- iii) is a member of the key management personnel of the Group or the Group's parent.

b) An entity is related to the Group if any of the following conditions applies:

- i) 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).
- ii) 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).
- iii) Both the entity and the Group are joint ventures of the same third party.
- iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- vi) The entity is controlled or jointly controlled by a person identified in (a).
- vii) A person identified in (a)(i) 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).
- viii) The entity, or any member of a group of which it is a part, provides key management personnel 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.

t) Government grants

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

Government grants are recognised in statement of surplus or deficit and other comprehensive income and expenditure account on a systematic basis over the periods in which the Group recognises as expenditure the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to statement of surplus or deficit and other comprehensive income and expenditure account on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in statement of surplus or deficit and other comprehensive income and expenditure account in the period in which they become receivable.

u) Projects surplus/(deficit)

Donations and other income received and expenditure incurred on project operations during the year are dealt with in the projects' statement of surplus or deficit and other comprehensive income and expenditure account.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period for the first time, which are mandatorily effective for the Group's financial annual period beginning on or after 1 April 2023.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

HKFRS 17 and related amendments	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform - Pillar Two Model Rules

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/ or on the disclosures set out in these consolidated financial statements. The Group has not applied any amendments to HKFRSs that are not yet mandatorily effective for the current accounting period.

Possible impact of amendments issued but not yet effective for the year ended 31 March 2024

Up to the date of approval for issue of these consolidated financial statements, the HKICPA has issued a number of amendments which are not yet effective for the year ended 31 March 2024 and which have not been adopted in these consolidated financial statements, as follows:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 and Non-current Liabilities with Covenants[1]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to HKAS 21	Lack of Exchangeability[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
HKFRS 18 and consequential amendments to other HKFRSs	Presentation and Disclosure in Financial Statements[4]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]

1 Effective for annual periods beginning on or after 1 January 2024
2 Effective for annual periods beginning on or after 1 January 2025
3 Effective for annual periods beginning on or after 1 January 2026
4 Effective for annual periods beginning on or after 1 January 2027
5 Effective for annual periods beginning on or after a date to be determined

Except for the amendments to HKFRSs mentioned below, the directors anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4. INCOME TAX

(a) Income tax in the consolidated statement of surplus or deficit

The Company being a charitable organisation is exempt from Hong Kong Profits Tax by virtue of Section 88 of the Inland Revenue Ordinance.

No PRC Enterprise Income Tax has been provided for in the consolidated financial statements as the subsidiary, Zhaoqing Helping Hand Home for The Elderly Limited, has no assessable profits for the year (2023: Nil).

(b) Reconciliation between tax expense and accounting surplus/(deficit) at applicable tax rates:

	2024 HK$	2023 HK$
(Deficit)/surplus for the year before taxation	(2,574,754)	2,940,049
Notional tax on (deficit)/surplus before taxation, calculated at the rates applicable to deficit in the countries concerned	(740,550)	(5,029)
Tax effect of non-deductible expenses	25,911,634	21,800,571
Tax effect of non-taxable income	(26,099,660)	(23,237,118)
Tax effect of tax losses not recognised	928,576	1,441,576
Actual tax expense	-	-

(c) Deferred tax assets not recognised

As at 31 March 2024, the Group has unused tax losses of HK$18,391,085 (2023: HK$22,395,837) available for offset against future surplus that may be carried forward with expiry date of within 5 years in the tax jurisdiction of the PRC. No deferred tax assets have been recognised in respect of the tax losses due to the unpredictability of future surplus streams.

5. HOLIDAY CENTRE

The Holiday Centre is subvented by the Social Welfare Department (the "SWD"). During the year, subventions, camp fees, donations and other income received amounted to HK$28,866,283 (2023: HK$17,095,739) and expenses incurred amounted to HK$18,215,738 (2023: HK$11,090,139).

6. PROPERTY, PLANT AND EQUIPMENT

a) Reconciliation of carrying amount

	Right-of-use assets	Buildings	Leasehold improvements
	HK$	HK$	HK$
Cost			
At 1 April 2022	8,660,899	245,763,556	19,270,555
Effect of foreign currency exchange differences	(254,526)	(6,891,177)	(208,466)
Additions	5,501,046	251,921	700,778
Disposals	-	-	-
Transfer	-	108,155	-
At 31 March 2023	13,907,419	239,232,455	19,762,867
At 1 April 2023	13,907,419	239,232,455	19,762,867
Effect of foreign currency exchange differences	(161,996)	(4,404,435)	(132,680)
Additions	-	720,957	1,007,080
Disposals	-	-	-
Transfer	-	-	66,312,216
At 31 March 2024	13,745,423	235,548,977	86,949,483
Accumulated depreciation			
At 1 April 2022	5,610,388	132,232,460	15,709,894
Effect of foreign currency exchange differences	(25,773)	(4,573,379)	(108,983)
Charge for the year	1,938,992	5,537,302	1,348,021
Written back on disposals	-	-	-
At 31 March 2023	7,523,607	133,196,383	16,948,932
At 1 April 2023	7,523,607	133,196,383	16,948,932
Effect of foreign currency exchange differences	(22,461)	(3,013,835)	(70,155)
Charge for the year	1,934,124	5,475,242	11,948,467
Written back on disposals	-	-	-
At 31 March 2024	9,435,270	135,657,790	28,827,244
Carrying amounts			
At 31 March 2024	4,310,153	99,891,187	58,122,239
At 31 March 2023	6,383,812	106,036,072	2,813,935

Furniture and fixtures	Office equipment	Motor vehicles	Construction-in-progress	Total
HK$	HK$	HK$	HK$	HK$
18,512,416	25,699,957	11,496,240	29,724,479	359,128,102
(285,791)	(501,944)	(210,532)	(8,571)	(8,361,007)
487,197	1,221,824	-	15,953,016	24,115,782
(423,562)	(240,867)	-	-	(664,429)
-	-	-	(108,155)	-
18,290,260	26,178,970	11,285,708	45,560,769	374,218,448
18,290,260	26,178,970	11,285,708	45,560,769	374,218,448
(181,172)	(318,773)	(133,996)	-	(5,333,052)
375,033	1,151,253	-	23,668,390	26,922,713
(616,651)	(690,059)	-	-	(1,306,710)
61,291	2,779,634	-	(69,153,141)	-
17,928,761	29,101,025	11,151,712	76,018	394,501,399
16,754,179	19,552,177	10,123,135	-	199,982,233
(281,776)	(468,352)	(189,729)	-	(5,647,992)
691,163	2,713,258	720,827	-	12,949,563
(421,200)	(227,134)	-	-	(648,334)
16,742,366	21,569,949	10,654,233	-	206,635,470
16,742,366	21,569,949	10,654,233	-	206,635,470
(179,011)	(308,042)	(120,755)	-	(3,714,259)
649,690	2,721,500	375,084	-	23,104,107
(615,396)	(685,766)	-	-	(1,301,162)
16,597,649	23,297,641	10,908,562	-	224,724,156
1,331,112	5,803,384	243,150	76,018	169,777,243
1,547,894	4,609,021	631,475	45,560,769	167,582,978

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

b) Right-of-use assets

The analysis of the carrying amount of right-of-use assets by class of underlying asset is as follows:

	2024	2023
	HK$	HK$
Ownership interests in leasehold land held for own use, carried at cost less depreciation in the People's Republic of China	2,476,471	2,716,448
Property leased for own use, carried at cost less depreciation	1,833,682	3,667,364
	4,310,153	6,383,812

The analysis of expense items in relation to leases recognised in surplus or deficit is as follows:

	2024	2023
	HK$	HK$
Depreciation charge of right-of-use assets by class of underlying asset:		
Ownership interests in leasehold land	100,442	105,310
Property leased for own use	1,833,682	1,833,682
	1,934,124	1,938,992
Interest on lease liabilities	193,303	277,644
Expense relating to short-term leases	3,464,374	3,440,328

Note:

During the year, additions to right-of-use assets were HK$nil (2023: HK$5,501,046). This amount related to the captialised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 11(d) and 13, respectively.

Ownerships interests in leasehold land held for own use

The Group holds a leasehold land, where one of its elderly residential homes is located. The Group is the registered owner of these property interests, including the whole or part of undivided share in the underlying land. Lump sum payments were made upfront to acquire these property interests from its previous registered owners, and there are no ongoing payments to be made under the land lease, other than payments based on rateable values set by relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

Property leased for own use

The Group has obtained the right to use properties as elderly residential care home through tenancy agreement. The lease typically run for an initial period of three years. The lease does not include an option to renew the lease after the end of the contract term and variable lease payments.

The Group regularly entered into short-term leases for properties for use as elderly residential care home. As at 31 March 2024 and 2023, the portfolio of short-term leases is similar to the portfolio of short-term lease to which the short-term leases expense disclosed above.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group held funds and equity securities under management as follows:

	2024	2023
	HK$	HK$
At fair values:		
Equity securities listed in Hong Kong	10,067,335	12,161,822
Equity securities listed outside Hong Kong	1,589,714	1,560,936
Cash under management	75,391	133,097
	11,732,440	13,855,855

At the end of the reporting period, the financial assets at FVTPL are stated at fair values based on valuation provided by respective fund managers and the current bid prices in active market for the funds and the listed equity securities respectively.

8. SUBSIDIARY

The particulars of the Group's subsidiary, which is unlisted and limited liability company, are set out as follows:

Name	Place of incorporation and operation	Class of shares held	Particulars of paid up capital	Percentage of interest held	Principal activity
Zhaoqing Helping Hand Home for The Elderly Limited*	The PRC	Registered	HK$92,297,520 (2023: HK$91,237,530)	100%	Operation of a care home for the elderly

* A wholly foreign owned enterprise

The directors of the subsidiary during the financial year and up to the date of this report were:

Mr. Leo-Lin-cheng Kung
Mr. Tim-leung Lui
Mr. Stephen Wing-fai, Sun
Dr. York Yat-ngok Chow
Mr. Simon Yun-sang Yung
Mr. Frank Yee-chon Lyn
Ms. Helena Suk Chong Wai (Appointed on 18 October 2023)
Mr. Gary Kin-man Yau (Resigned on 18 October 2023)

9. INVENTORIES

	2024	2023
	HK$	HK$
Merchandises	187,620	102,256

All of the inventories are expected to be recovered within one year.

10. TRADE AND OTHER RECEIVABLES

	2024	2023
	HK$	HK$
Other receivables	2,183,721	898,903
Prepayments and deposits	1,825,199	5,399,287
	4,008,920	6,298,190

All of the receivables are neither past due nor impaired and are expected to be recovered within one year and prepayments are expected to be recognised as expense within one year.

The Group does not hold any collateral as security.

11. CASH AND CASH EQUIVALENTS AND DEPOSITS WITH BANKS (MATURITY OVER 3 MONTHS)

(a) Cash and cash equivalents

	2024	2023
	HK$	HK$
Deposits with banks	7,341,852	12,960,000
Cash at banks and on hand	23,277,315	18,711,158
Cash and cash equivalents in the consolidated statement of financial position and the consolidated statement of cash flows	30,619,167	31,671,158

The interest rates on the deposits with banks and cash at banks ranged from 0% to 4.60% (2023: 0% to 5.25%) per annum.

(b) Deposits with banks (maturity over 3 months)

The interest rates on the deposits with banks with maturity over 3 months ranged from 1.55% to 5.00% (2023: 1.55% to 5.35%) per annum.

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flows as cash flows from financing activities.

11. CASH AND CASH EQUIVALENTS AND DEPOSITS WITH BANKS (MATURITY OVER 3 MONTHS) (Continued)

(c) Reconciliation of liabilities arising from financing activities (Continued)

	Lease liabilities HK$ (note 13)
At 1 April 2022	-
Changes from financing cash flows:	
Capital element of lease liabilities paid	(1,736,363)
Interest element of lease liabilities paid	(277,644)
Total changes from financing cash flows	(2,014,007)
Other changes:	
New lease entered	5,501,046
Interest expenses	277,644
Total other changes	5,778,690
At 31 March 2023	3,764,683
At 1 April 2023	3,764,683
Changes from financing cash flows:	
Capital element of lease liabilities paid	(1,820,704)
Interest element of lease liabilities paid	(193,303)
Total changes from financing cash flows	(2,014,007)
Other changes:	
Interest expenses	193,303
Total other changes	193,303
At 31 March 2024	1,943,979

d) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2024 HK$	2023 HK$
Within operating cash flows	3,464,374	3,440,328
Within financing cash flows	2,014,007	2,014,007
	5,478,381	5,454,335

12. TRADE AND OTHER PAYABLES

The below expenditure under the Social Welfare Development Fund ("SWDF") funded by Lotteries Fund have been incurred in accordance with the requirements stipulated in SWDF Guidance Notes for Applications, SWD's approval letters and the procurement of projects and services are in line with the procedures specified in the Lotteries Fund Manual.

	HK$
Use of the Social Welfare Development Fund Phase 3	
Balance of SWDF brought forward from previous financial year	265,428
Allocation from SWDF during the year	-
Interest received during the year	1,920
Expenditure under SWDF during the year	
Project under scope B (IT)	- *
Balance of SWDF carried forward to the next financial year	267,348

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

13. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting periods.

	2024		2023	
	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
	HK$	HK$	HK$	HK$
Within 1 year	1,943,979	2,014,008	1,943,950	2,014,008
After 1 year but within 2 years	-	-	1,820,733	2,014,008
	1,943,979	2,014,008	3,764,683	4,028,016
Less: total future interest expenses		(70,029)		(263,333)
Present value of lease liabilities		1,943,979		3,764,683

The incremental borrowing rates applied to lease liabilities is 6.75% (2023: 6.75%).

14. DEFERRED INCOME

	2024	2023
	HK$	HK$
Block Grants received from The Government of the Hong Kong Special Administrative Region (the "HKSAR") (note a)	1,915,940	1,814,021
Lotteries Fund received from the HKSAR		
Wi-Fi Project (note b)	41,880	62,600
New Care Home	1,692,845	1,341,600
Renovation Works for Helping Hand Cheung Muk Tau Holiday Centre for the Elderly (note c)	26,240,417	29,950,500
	27,975,142	31,354,700
The Hong Kong Jockey Club Charities Trust		
Upgrade of Cheung Muk Tau Holiday Centre for the Elderly (note d)	27,486,669	15,257,934
	57,377,751	48,426,655

During the year, a total sum of HK$18,627,069 (2023: HK$13,507,912) was received from Hong Kong Jockey Club Charities Trust of which capital donation of HK$17,726,069 (2023: HK$13,507,912) (note d) is included in the above balance and donation income of HK$901,000 (2023: Nil) received in advance is included in trade and other payable.

a) Block Grants received from The Government of the HKSAR

	HK$	HK$
Credit balance brought forward from previous financial year		1,814,021
Add: Block Grants received during the year	1,485,000	
Interest income received	20,116	
		1,505,116
Less: Expenditure during the year		
Furniture & Equipment	527,344	
Minor Works Projects	763,153	
Vehicle Overhauling	112,700	
		(1,403,197)
Credit balance carried forward to the next financial year		1,915,940

The Block Grants received from the Government of the HKSAR can only be used for minor work projects, furniture and equipment replenishment and vehicle overhauling.

14. DEFERRED INCOME (Continued)

a) Block Grants received from The Government of the HKSAR (Continued)

Capital commitments

As at 31 March 2024, the outstanding commitments in respect of F&E Replenishment and Minor Works Grant not provided for in the financial statements were as follows:

	2024	2023
	HK$	HK$
Contracted for	121,330	384,808
Authorised but not contracted for	1,794,610	1,429,213
	1,915,940	1,814,021

b) Wi-Fi Project

	HK$	HK$
Income		
Lotteries Fund Grant		-
Interest income		-
Total income		-
Expenditure		
Other Expenditure:		
(i) Technical set-up and installation cost		-
(ii) Operating expenses		20,720
Total Expenditure		20,720
Deficit for the Year		(20,720)
Add: Cumulated Income brought forward	1,184,871	
Cumulated Expenditure brought forward	(1,122,271)	
Cumulated surplus brought forward		62,600
Cumulated surplus carried forward		41,880

c) Renovation Works for Helping Hand Cheung Muk Tau Holiday Centre for the Elderly

	HK$
Credit balance brought forward from previous financial year	29,950,500
Add: Lotteries Fund received during the year	1,538,000
Less: Amortise over the useful life of property, plant and equipment	(5,248,083)
Credit balance carried forward to the next financial year	26,240,417

d) The Hong Kong Jockey Club Charities Trust - Upgrade of Cheung Muk Tau Holiday Centre for the Elderly

	HK$
Credit balance brought forward from previous financial year	15,257,934
Add: Donation received during the year	17,726,069
Less: Amortise over the useful life of property, plant and equipment	(5,497,334)
Credit balance carried forward to the next financial year	27,486,669

15. CHRISTA TISDALL FUND

The Christa Tisdall Fund was established to provide leisure and recreation activities for elderly people and was approved by the Executive Committee at a Board meeting held on 31 March 1990.

16. THE HONG KONG JOCKEY CLUB CHARITIES TRUST

The donation received from Hong Kong Jockey Club Charities Trust was utilised for the establishment of a care home for the elderly in Zhaoqing, Mainland China and upgrade of Cheung Muk Tau Holiday Centre for the Elderly in Hong Kong, the cost of which is included in property, plant and equipment.

17. GOLD COIN FUND – HOLIDAY CENTRE

The fund represents costs incurred by the Company and the Group and reimbursed by The Government of the HKSAR in respect of the construction of the Cheung Muk Tau Holiday Centre, the cost of which is included in property, plant and equipment.

18. SWD RESERVE FUND – HOLIDAY CENTRE

The fund represents costs incurred by the Company and the Group and reimbursed by the Social Welfare Department in respect of the renovation works of the Cheung Muk Tau Holiday Centre for the Elderly, the cost of which is included in property, plant and equipment.

19. SWD LOTTERIES FUND

The fund represents costs incurred by the Company and the Group and reimbursed by the Government of the HKSAR in respect of the construction of Helping Hand Father Sean Burke Care Home, the cost of which is included in property, plant and equipment.

20. DONATIONS

a) Donations from Community Chest - Baseline Allocation

The total donation granted from the Community Chest for the year ended 31 March 2024 amounting to HK$3,569,900 (2023: HK$3,569,900) has been allocated as follows:

	2024	2023
	HK$	HK$
Homes	2,195,250	2,195,250
Occupational Therapy Unit	422,360	422,360
Physiotherapy Unit	503,290	503,290
	3,120,900	3,120,900
Head office	449,000	449,000
	3,569,900	3,569,900

b) Other donations

The total donations received from others (excluding donations received in cookie campaign and other fund raising events which are included as income as shown in Appendix III and IV) for the year ended 31 March 2024 is as follows:

	2024	2023
	HK$	HK$
Homes - Operating income	3,793,560	3,742,860
Homes - Donations for capital costs	630,857	1,050,631
Homes - Community Chest Capital project	-	680,000
Head office - Administrative income	1,138,141	3,186,567
Head office - Donations for capital costs	10,745,417	-
Holiday centre - Operating income	16,736	10,700
Holiday centre - Donations for capital costs	92,026	249,334
	16,416,737	8,920,092

21. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group's major financial instruments include financial assets at fair value through profit or loss, trade and other receivables, trade and other payables, deposits with banks, cash and cash equivalents and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, liquidity risk, currency risk, interest rate risk and other price risk. The policies on how to mitigate these risks are set out below. The Executive Committee manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

a) Credit risk

i) Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

ii) The Group's credit risk arises mainly from the investments held by fund managers. Given the high credit ratings, good reputation and past prevailing good performances of the fund managers who are managing the investment portfolios, the Group's management has confidence that they could meet their obligations. Fund managers monitor the credit risks with reference to their respective portfolio mandates. Also, the Group's investment sub-committee was appointed to make direct investment on equities with guidelines on the maximum holding of 45% (2023:45%) with upper allowance of not exceeding 10% (2023: 10%) equities for all portfolios and equities on hand in aggregate. Both parties submit reports on portfolio performance to the Group on a regular basis.

iii) The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. At the end of the reporting period, 70% (2023: 56%) of the total receivables (excluding bank deposits and cash and cash equivalents) of the Group were due from the two largest debtors, one of which being Social Welfare Department.

iv) The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies, which the Group considers to represent low credit risk. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

b) Liquidity risk

The Group has all the time being able to ensure that there are adequate funds to meet its current and expected liquidity requirements. Cash flows are closely monitored by the Executive Committee on an ongoing basis and the Group's exposure to liquidity risk is minimal.

The Group also employs projected cash flow analysis to manage liquidity risk by forecasting the amount of cash required to ensure that all liabilities due and funding requirements are met.

All the remaining contractual maturities of the Group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group can be required to pay, at the end of the reporting period are within one year or on demand.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's cash flow interest rate risk mainly concentrates on the fluctuation of market interest rate arising from the bank deposits. The Group controls the risk through benchmark guidelines and asset allocation.

Lease liability is fixed rate instrument which exposes the Group to fair value interest rate risk and is insensitive to any change in interest rate. A change in interest rates at the end of the reporting period would not affect surplus or deficit and funds employed of the Group.

i) Interest rate risk profile

The following table, as reported to the management of the Group, details the interest rate risk profile of the Group's interest-bearing financial instruments at the end of the reporting period:

	2024		2023	
	Effective interest rates		Effective interest rates	
	%	HK$	%	HK$
Fixed rate instruments:				
Cash at banks	0.35% to 5.00%	50,173,201	1.55% to 5.35%	45,629,867
Lease liabilities	6.75%	1,943,979	6.75%	3,764,683
Variable rate instruments:				
Cash at banks	0% to 0.88%	7,478,625	0% to 0.75%	8,783,722

21. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

c) Interest rate risk (Continued)

ii) Sensitivity analysis

At 31 March 2024, it is estimated that a general increase/decrease of 50 basis points (2023: 50 basis points) in interest rates for variable rate bank deposits, with all other variables held constant, would decrease/increase the Group's deficit for the year and decrease/increase the Group's general deficit by HK$37,393 (2023: increase/decrease the Group's surplus for the year and decrease/increase the Group's general deficit by HK$43,919). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank deposits. Other components of funds employed would not change in response to the general increase/decrease in interest rates.

The sensitivity analysis above has been determined based on the exposure to interest rate risk at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. The 50 basis points (2023: 50 basis points) increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of a reasonably possible change in interest rates. The analysis is performed on the same basis for 2023.

d) Currency risk

i) Exposure to currency risk

The Group is exposed to currency risk primarily arising from investments in financial assets, receivables, payables, bank deposits and cash and cash equivalents that are denominated in a foreign currency, that is, a currency other that the functional currency of the operations to which the transactions relate. In addition, the Company has intra-group balances with the subsidiary denominated in foreign currencies which also expose the Group to foreign currency risk. The currencies giving rise to this risk are primarily United States Dollars, Renminbi and HK$. The Group currently does not have a foreign currency hedging policy as the Group believes its exposure to foreign exchange rate is not significant. However, the management monitors the Group's foreign currency exposures and will consider hedging significant foreign currency exposures should the need arise.

The following details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in HK$, translated using the spot rate at the end of the reporting period. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	Exposure to foreign currencies (expressed in HK$)					
	2024			2023		
	United States Dollars	Renminbi	HK$	United States Dollars	Renminbi	HK$
Financial assets at fair value through profit or loss	1,663,963	899	-	1,608,805	76,147	-
Trade and other receivables	-	-	611,918	-	-	398,937
Cash and cash equivalents	666,894	593,226	1,076,136	669,120	416,982	3,105,448
Trade and other payables	-	-	(25,419)	-	-	(18,290)
Net exposure arising from recognised assets and liabilities	2,330,857	594,125	1,662,635	2,277,925	493,129	3,486,095

ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's surplus/deficit for the year (and general deficit) and other comprehensive income and expenditure account that would arise if foreign exchange rates to which the Group has significant exposure at the end of reporting period has changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the HK$ and the US$ would not be affected by any changes in movements in value of the US$ against other currencies. The increase/(decrease) in foreign exchange rates of 5% represents the sensitivity rate of management's assessments of the reasonably possible strengthening/(weakening) of the foreign currency against the functional currencies of the group entities.

21. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

d) Currency risk (Continued)

ii) Sensitivity analysis (Continued)

	2024			2023		
	Increase/ (decrease) in foreign exchange rates	Decrease/ (increase) in deficit for the year	Decrease/ (increase) in general deficit	Increase/ (decrease) in foreign exchanges rates	Increase/ (decrease) in surplus for the year	Decrease/ (increase) in general deficit
		HK$	HK$		HK$	HK$
HK$	5%	83,132	83,132	5%	174,305	174,305
	(5%)	(83,132)	(83,132)	(5%)	(174,305)	(174,305)
RMB	5%	29,706	29,706	5%	24,656	24,656
	(5%)	(29,706)	(29,706)	(5%)	(24,656)	(24,656)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the group entities surplus/deficit for the year and general deficit measured in the respective functional currencies, translated into HK$ at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result form the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2023.

e) Other price risk

The Group is exposed to price changes arising from financial assets at FVPL which comprise mainly listed investments.

Decisions to buy or sell investments are based on daily monitoring of the performance of investments by fund managers, who submit reports on portfolio performance to the Group on a regular basis. The Group controls the risk through benchmark guidelines and asset allocation.

Most of the Group's investments are listed on the Stock Exchange of Hong Kong. Listed investments held in the investment portfolio that are not held for trading purposes have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

At 31 March 2024, it is estimated that 10% increase/decrease in the price of the respective equity securities, with all other variables held constant, would have decrease/increase the Group's deficit for the year and decrease/increase the Group's general deficit by approximately HK$1,165,705 (2023: increase/decrease the Group's surplus for the year and decrease/increase the Group's general deficit by approximately HK$1,372,276).

The sensitivity analysis indicates the instantaneous change in the Group's surplus/deficit for the year and other components of funds employed that would arise assuming that the changes in the stock prices had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period, and that all other variables remain constant. The analysis is performed on the same basis for the year ended 31 March 2023.

At 31 March 2024, the Group have no concentration of equity price risk on its equity investments as the Group held fourteen (2023: fourteen) listed equity investment in the investment portfolio. The Group's equity are exposed to equity price risk due to the fluctuation of prices of the listed equity securities in the relevant stock markets.

f) Fair value measurement

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

21. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

f) Fair value measurement (Continued)

Fair value hierarchy (Continued)

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The fund managers perform valuations for the financial instruments and report directly to the Group's Executive Committee. The fair values of the investments represent the bid prices of these investments in the respective internationally – renowned investment banks and the stock market.

		Fair value measurements as at 31 March 2024 categorised into		
	Fair value as at 31 March 2024	Level 1	Level 2	Level 3
	HK$	HK$	HK$	HK$
Recurring fair value measurements				
Assets:				
Financial assets at fair value through profit or loss	11,732,440	11,732,440	-	-

		Fair value measurements as at 31 March 2023 categorised into		
	Fair value as at 31 March 2023	Level 1	Level 2	Level 3
	HK$	HK$	HK$	HK$
Recurring fair value measurements				
Assets:				
Financial assets at fair value through profit or loss	13,855,855	13,855,855	-	-

During the years ended 31 March 2023 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

g) Fair value of financial assets and liabilities carried at other than fair value

The fair values of deposits with banks, cash and cash equivalents, trade and other receivables, trade and other payables and lease liabilities are not materially different from their carrying amounts because of the immediate or short-term maturity of these financial instruments. The fair value has been determined either by reference to the market value at the end of each reporting period or by discounting the relevant cash flows using current interest rates for similar instruments.

h) Capital risk management

The Group's objective when managing capital are to safeguard the Group's ability to continue as a going concern in order to carry out its principal activities, i.e. to provide care, housing and recreational facilities for the needy elderly of Hong Kong and the PRC.

The capital structure of the Group consists of general deficit, general reserve and other reserves and designated funds. In order to maintain or adjust the capital structure, the Group may appeal for subventions from the HKSAR Government and donations from the general public and other charitable organisations.

The Group is not subject to any externally imposed capital requirements.

22. MATERIAL RELATED PARTY TRANSACTIONS

a) Key management personnel remuneration

All members of key management personnel are the executive committee members of the Company.

There was no transaction with key management personnel during the current and prior years.

b) The Group received sponsorship of HK$1,011,701 for the year ended 31 March 2024 (2023: HK$1,021,262) as endowment expenses from Helping Hand Charitable Trust, a related party which certain executive committee members of the Group are also the trustees and the key management personnel and can control the operations thereof.

23. COMMITMENTS

Capital commitments outstanding at 31 March 2024 not provided for in the financial statements were as follows:

	2024	2023
	HK$	HK$
Contracted for		
Acquisition of property, plant and equipment	86,330	384,808
Construction of elderly care home	35,000	-
	121,330	384,808

24. ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainties

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) **Impairment of non-financial assets**

Determining whether there is an impairment requires an estimation of recoverable amounts of the non-financial assets or the respective cash-generating unit in which the non-financial assets belong, which is the higher of value in use and fair value less costs of disposal. If there is any indication that an asset may be impaired, recoverable amount shall be estimated for individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the cash-generating unit to which the asset belongs. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the assets or cash-generating units and a suitable discount rate in order to calculate the present value. The discount rate represents a rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. Where the actual future cash flows or the revision of estimated future cash flows are less than original estimated future cash flow, a material impairment loss may arise.

b) **Impairment of financial assets**

The loss allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

c) **Depreciation**

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual values. The Executive Committee reviews the estimated useful lives and the residual values of the assets regularly in order to determine the amount of depreciation charge for the year. The estimate is based on the historical experience of the actual useful lives and residual values of assets of similar nature and functions and taking into account anticipated technological changes. The depreciation charge for future periods are adjusted if there are significant changes from previous estimates.

25. COMPANY - LEVEL STATEMENT OF FINANCIAL POSITION

	Note	2024	2023
		HK$	HK$
NON-CURRENT ASSETS			
Property, plant and equipment		139,817,377	134,702,874
Financial assets at fair value through profit or loss		11,732,440	13,855,855
Interests in a subsidiary		46,308,242	48,848,242
		197,858,059	197,406,971
CURRENT ASSETS			
Inventories		174,825	89,114
Trade and other receivables		3,370,564	5,728,457
Deposits with banks (maturity over 3 months)		41,637,509	31,430,000
Cash and cash equivalents		26,950,318	27,106,019
		72,133,216	64,353,590
CURRENT LIABILITIES			
Trade and other payables		17,232,642	12,951,967
Deferred income		57,377,751	48,426,655
Lease liabilities		1,943,979	1,943,950
		(76,554,372)	(63,322,572)
NON-CURRENT LIABILITIES			
Lease liabilities		-	(1,820,733)
NET ASSETS		193,436,903	196,617,256
FUNDS EMPLOYED			
General deficit		(59,811,288)	(45,885,518)
General reserve		1,476,572	1,476,572
Christa Tisdall Fund	15	13,239	13,239
The Hong Kong Jockey Club Charities Trust	16	91,773,695	86,276,361
Holiday Centre project:			
Gold Coin Fund	17	77,636,711	77,636,711
SWD Reserve Fund	18	2,091,898	2,091,898
Others		1,316,280	1,316,280
SWD Lotteries Fund	19	78,939,796	73,691,713
TOTAL FUNDS EMPLOYED		193,436,903	196,617,256

Approved and authorised for issue by the executive committee on 6 September 2024.

Johanna Arculli

Mrs. Johanna Arculli
Chairperson, Executive Committee

Mr. Frank Yee-chon Lyn
Hon Treasurer, Executive Committee

25. COMPANY – LEVEL STATEMENT OF FINANCIAL POSITION (Continued)

Note: Details of the changes in the Company's individual components of funds employed between the beginning and the end of the year are set out below:

	General Reserve	Christa Tisdall Fund	The Hong Kong Jockey Club Charities Trust
	HK$	HK$	HK$
At 1 April 2022	1,476,572	13,239	86,276,361
Total comprehensive expenditure for the year	-	-	-
At 31 March 2023 and 1 April 2023	1,476,572	13,239	86,276,361
Total comprehensive expenditure for the year	-	-	-
Transfer	-	-	5,497,334
At 31 March 2024	1,476,572	13,239	91,773,695

Gold Coin Fund	SWD Reserve Fund Holiday Centre Project - Others	SWD Reserve Fund Holiday Centre	SWD Lotteries Fund	General Deficit	Total
HK$	HK$	HK$	HK$	HK$	HK$
77,636,711	1,316,280	2,091,898	73,691,713	(28,528,154)	213,974,620
-	-	-	-	(17,357,364)	(17,357,364)
77,636,711	1,316,280	2,091,898	73,691,713	(45,885,518)	196,617,256
-	-	-	-	(3,180,353)	(3,180,353)
-	-	-	5,248,083	(10,745,417)	-
77,636,711	1,316,280	2,091,898	78,939,796	(59,811,288)	193,436,903

(FOR MANAGEMENT PURPOSES ONLY)
(Page 1 of 2)

INCOME AND EXPENDITURE ACCOUNT FOR HOLIDAY CENTRE

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024	2023
		HK$	HK$
INCOME			
Lump Sum Grant		17,212,982	16,260,506
Licensed guesthouse subsidy		-	80,000
Camp fees received		479,886	283,133
Programme income		25,800	6,495
Donations	20(b)	16,736	10,700
Donation for capital costs	20(b)	92,026	249,334
SWD Time - Limited Posts		-	4,800
SWD - Block Grants		-	152,532
SWD - Other		-	14,000
Other income			
- Subvented		10,953,158	8,322
- Unrecognised		85,695	25,917
		28,866,283	17,095,739
COST OF SALES			
Opening inventories		5,439	5,439
Purchases		-	-
Closing inventories		(5,439)	(5,439)
		-	-

(FOR MANAGEMENT PURPOSES ONLY)
(Page 2 of 2)

INCOME AND EXPENDITURE ACCOUNT FOR HOLIDAY CENTRE

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024	2023
		HK$	HK$
EXPENDITURE			
Advertising		6,355	25,705
Audit fee		64,575	59,850
Cleaning		279,662	81,347
Food		2,106,450	73,762
Gas		212,982	372
General expenses		165,976	164,607
Insurance		151,453	178,982
Laundry		4,029	-
Medical expenses		9,397	28,594
Motor vehicle expenses		238,963	303,297
Postage		459	135
Printing and stationery		38,531	23,908
Programme expenses		162,303	24,382
Provident fund		506,516	394,299
Reversal of provision for long service payment		(270,430)	(31,531)
Reversal of provision for untaken annual leave		(32,881)	(1,115)
Government rent and rates		300,400	288,400
Repairs and maintenance		1,229,168	555,390
Salaries		11,621,751	8,241,845
Staff uniform		64	2,282
Telephone and cable		27,136	27,862
Travelling expenses		13,262	16,887
Unrecognised expenses (Note)		385,497	314,810
Water and electricity		994,120	316,069
		(18,215,738)	(11,090,139)
NET SURPLUS	5	10,650,545	6,005,600

Note: The depreciation charge and loss on disposal of property, plant and equipment of HK$314,687 (2023: HK$282,400) and HK$Nil (2023: HK$nil) respectively, are included in unrecognised expenses in the income and expenditure account for Holiday Centre.

DETAILED OPERATING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Lok Fu	Lai Yiu	F S B
	HK$	HK$	HK$
CAPITAL INCOME			
SWD - Block Grant	655,308	170,371	537,394
Community Chest Capital Project	-	-	-
Others	22,000	49,520	109,100
TOTAL CAPITAL INCOME	677,308	219,891	646,494
RECURRENT INCOME			
Community Chest Allocation			
- Homes	288,205	288,205	745,790
- O.T. & P.T. unit	115,716	115,716	249,924
Donation for running costs	532,325	494,248	1,141,600
Interest income	-	-	-
Lump Sum Grant	15,842,664	13,677,047	35,096,386
Meal income	1,295,063	1,491,567	4,229,071
Meal income from staff	92,726	86,664	279,411
Rental income	279,807	322,263	913,719
Sundry income	150,149	318,866	580,311
SWD subvention for homes	1,047,140	2,625,076	9,362,902
SWD others (note)	68,670	55,190	115,352
TOTAL RECURRENT INCOME	19,712,465	19,474,842	52,714,466
Running costs			
Audit fee	-	-	-
Advertising	14,935	4,949.	13,497
Bank charges	4,536	4,845	11,469
Cleaning	151,144	76,513	278,137
Depreciation			
- owned property, plant and equipment	471,003	598,619	650,578
- right of use asset	930,727	902,955	-
Food	1,077,511	1,106,967	3,298,482
Function expenses			
- Subsidised by Helping Hand - Activities	36,094	12,525	115,349
- Subsidised by outsiders	74,838	83,396	97,714
Fixed assets written off	2,683	-	1,313
Gas	198,529	161,768	414,025
General expenses	10,079	3,625	40,125
Government charge	-	-	-
Insurance	208,711	175,596	378,519
Life insurance	4,541	5,070	3,598
Lucky money	6,400	7,500	20,700

APPENDIX I
(FOR MANAGEMENT PURPOSES ONLY)
(Page 1 of 2)

Chuk Yuen	Po Lam	Siu Sai Wan	Zhaoqing	2024	2023
HK$	HK$	HK$	HK$	HK$	HK$
-	-	-	-	1,363,073	645,487
-	-	-	-	-	680,000
74,800	367,439	7,998	-	630,857	1,050,631
74,800	367,439	7,998	-	1,993,930	2,376,118
291,017	291,017	291,016	-	2,195,250	2,195,250
148,092	148,092	148,110	-	925,650	925,650
385,330	461,786	260,088	518,183	3,793,560	3,742,860
-	-	-	23,698	23,698	24,127
-	-	-	-	64,616,097	61,892,622
-	-	-	-	7,015,701	6,604,059
-	-	-	-	458,801	490,693
3,636,740	3,436,698	1,485,990	6,136,072	16,211,289	15,906,255
30,475	16,358	19,490	781,582	1,897,231	1,633,359
-	-	-	-	13,035,118	13,016,940
-	-	-	-	239,212	5,597,513
4,491,654	4,353,951	2,204,694	7,459,535	110,411,607	112,029,328
-	-	-	9,824	9,824	14,301
150	7,726	1,545	5,037	47,839	64,614
8,536	7,076	4,441	260	41,163	51,962
21,893	38,458	17,896	75,644	659,684	886,530
593,790	341,340	316,710	2,034,918	5,006,958	6,224,154
-	-	-	100,442	1,934,124	1,938,992
26,420	39,235	6,677	746,426	6,301,718	6,259,737
21,636	109,805	23,552	-	318,961	205,049
176,917	198,196	76,541	27,742	735,344	458,609
-	-	-	1,553	5,549	14,297
19,006	14,964	7,542	-	815,834	821,163
1,752	4,947	7,484	148,498	216,510	321,967
-	-	-	31,830	31,830	9,559
37,210	42,082	16,725	30,563	889,406	1,067,535
46	46	46	-	13,347	18,879
12,400	11,600	6,000	-	64,600	62,800

DETAILED OPERATING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Lok Fu	Lai Yiu	F S B
	HK$	HK$	HK$
Running costs (Continued)			
Medical expenses	332,408	376,083	792,321
Newspaper & magazine	8,520	12,750	20,814
O.T. & P.T. unit expenditure	98,359	98,358	212,453
Other tax	-	-	-
Postage	559	1,138	1,274
Printing & stationery	32,825	32,229	50,681
Provident fund	765,126	763,655	1,308,312
Provision/(reversal of provision) for long service payment	(38,882)	20,399	1,060
Provision/(reversal of provision) for untaken annual leave	34,853	36,834	12,661
Rent & rates	170,091	125,295	362,800
Repair & maintenance	257,358	406,106	1,381,389
Salaries	17,206,061	16,555,138	43,668,714
Souvenir	13,750	7,165	25,075
Staff training	15,476	11,492	30,384
Staff welfare	14,652	14,457	33,696
Sundry expenses	-	-	-
Telephone and cable	16,449	13,853	21,762
Training	-	-	-
Transportation expenses	74,487	78,976	170,729
Uniforms	729	65	723
Utensil	6,186	21,399	13,276
Water and electricity	514,378	549,690	1,908,482
TOTAL RECURRENT EXPENDITURE	22,715,116	22,269,410	55,340,112
OPERATING (DEFICIT)/SURPLUS	(3,002,651)	(2,794,568)	(2,625,646)
FINANCE COST			
Interest on lease liabilities	(98,115)	(95,188)	-
NET (DEFICIT)/SURPLUS	(2,423,458)	(2,669,865)	(1,979,152)

Note: "Special anti-pandemic allowance for RCH staff" Scheme is subvented by the Social Welfare Department (the "SWD"). During the year ended 31 March 2024, subventions received amounted to HK$Nil (2023: HK$1,650,000), of which HK$Nil (2023: HK$1,650,000), is recognised as income in the year and expenses incurred amounted to HK$Nil (2023: HK$1,650,000), in the year.

"Extra allowance for RCH staff under on-site quarantine/isolation" Scheme is subvented by the SWD. During the year ended 31 March 2024, subventions received amounted to HK$Nil (2023: HK$Nil). Of the subsidies received in the previous year, HK$Nil (2023: HK$2,706,000) is recognised as income in the year and expenses incurred amounted to HK$Nil (2023: HK$2,706,000) in the year. The remaining balance of HK$Nil (2023: HK$6,551,500 has been returned to the SWD during the year ended 31 March 2024.

"Additional special allowance for RCHs under on-site quarantine/isolation" Scheme is subvented by the SWD. During the year ended 31 March 2024, subventions received amounted to HK$Nil (2023: HK$Nil). Of the subsidies received in the previous year, HK$Nil (2023: HK$144,335) is recognised as income in the year and expenses incurred amounted to HK$Nil (2023: HK$144,683) in the year ended 31 March 2024.

APPENDIX I
(FOR MANAGEMENT PURPOSES ONLY)
(Page 2 of 2)

Chuk Yuen	Po Lam	Siu Sai Wan	Zhaoqing	2024	2023
HK$	HK$	HK$	HK$	HK$	HK$
15,400	20,956	6,680	151,511	1,695,359	2,157,555
6,552	6,926	-	-	55,562	53,471
125,898	125,898	125,898	-	786,864	927,708
-	-	-	3,359	3,359	3,940
-	528	44	-	3,543	4,898
9,157	22,099	8,796	8,837	164,624	153,639
190,850	94,719	75,655	563,911	3,762,228	3,784,445
(3,237)	(53,168)	48,581	-	(25,247)	(64,284)
7,056	(1,167)	1,675	-	91,912	(102,889)
1,605,808	1,247,488	822,352	-	4,333,834	4,234,104
72,509	120,542	80,965	132,376	2,451,245	2,033,951
2,498,832	2,069,179	1,813,386	4,805,455	88,616,765	84,028,030
36	1,040	1,238	-	48,304	38,590
2,317	2,063	1,746	286	63,764	30,498
3,455	2,928	3,718	-	72,906	154,888
-	-	-	193,955	193,955	138,987
99,824	96,273	60,552	56,833	365,546	377,563
-	-	-	2,080	2,080	-
2,502	2,933	2,499	219,078	551,204	441,134
-	228	180	5,011	6,936	15,317
-	510	8,118	-	49,489	48,192
83,155	47,203	46,290	599,055	3,748,253	3,315,375
5,639,870	4,622,653	3,593,532	9,954,484	124,135,177	120,195,260
(1,148,216)	(268,702)	(1,388,838)	(2,494,949)	(13,723,570)	(8,165,932)
-	-	-	-	(193,303)	(277,644)
(1,073,416)	98,737	(1,380,840)	(2,494,949)	(11,922,943)	(6,067,458)

APPENDIX II
(FOR MANAGEMENT PURPOSES ONLY)

DETAILED ADMINISTRATIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024	2023
		HK$	HK$
INCOME			
Community Chest allocation	20(a)	449,000	449,000
Gain on disposal of property, plant and equipment		-	2,000
Fair value loss on financial assets at fair value through profit or loss		(1,717,213)	(368,049)
General donations	20(b)	970,808	3,186,567
Donation for running cost	20(b)	167,333	-
Donation for capital costs	20(b)	10,745,417	-
Interest income		1,930,702	957,011
Lump sum grant		7,257,201	6,879,998
Membership fee and sponsoring membership		15,960	14,360
Sundry income		35,485	221,966
Exchange (loss)/gain		(19,024)	21,680
SWD - Lotteries Funds		20,720	217,304
SWD - Others		-	3,807
Total administrative income		19,856,389	11,585,644
EXPENDITURE			
Advertising		14,160	27,726
Audit fee		371,295	304,860
Bank charges		30,370	18,362
Cleaning		19,500	11,570
Depreciation		15,858,554	4,504,017
Gas		1,600	2,600
General expenses		8,544	20,288
Insurance		151,935	118,572
Life insurance		1,152	1,298
Medical expenses		3,900	1,070
Membership fee		8,435	7,880
Motor vehicle expenses		7,155	3,601
Newspaper and magazine		-	10
Postage		7,323	6,209
Printing and stationery		57,667	36,127
Provident fund		263,596	446,340
Provision/(reversal of provision) for long services payment		14,022	(5,910)
Provision/(reversal of provision) for untaken annual leave		67,865	(76,360)
Publication		27,500	27,200
Rent and rates		11,200	2,600
Repairs and maintenance		93,331	88,162
Salaries		6,772,655	6,400,045
Souvenir		10,250	9,200
Staff welfare		14,295	17,125
Telephone and cable		48,485	56,063
Training		37,010	6,617
Transportation expenses		2,240	8,087
Water and electricity		66,572	62,084
		(23,970,611)	(12,105,443)
NET ADMINISTRATIVE DEFICIT		(4,114,222)	(519,799)

APPENDIX III
(FOR MANAGEMENT PURPOSES ONLY)

COOKIE CAMPAIGN - INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	HK$	HK$
INCOME (Note)	3,581,440	2,290,591
EXPENDITURE	(910,273)	(727,244)
SURPLUS FROM "COOKIE CAMPAIGN"	2,671,167	1,563,347

Note: (1) Included in the income of the Cookie Campaign for the year ended 31 March 2024, there is HK$2,450,673 (2023: HK$1,915,436) being donations and sponsorship income.

(2) The net proceeds from the fund raising activities approved in the "Public Subscription Permit No. 2023/048/1 during the period from 13 May 2023 to 14 May 2023 is HK$6,979 with the income of HK$19,231 net off the expenditure of HK$12,252. The usage of funds is to support residence, nursing, rehabilitation, community support and other servies to meet our senior citizens' needs.

APPENDIX IV
(FOR MANAGEMENT PURPOSES ONLY)

OTHER FUND RAISING EVENTS - INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	HK$	HK$
INCOME (Note)	411,459	1,999,075
EXPENDITURE	(270,760)	(40,716)
SURPLUS FROM OTHER FUND RAISING EVENTS	140,699	1,958,359

Note: (1) Included in the income of other fund raising events for the year ended 31 March 2024, there is HK$308,938 (2023: HK$1,995,975) being donations and sponsorship income.