

HONG KONG GUIDE DOGS ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

HONG KONG GUIDE DOGS ASSOCIATION LIMITED 香港導盲犬協會有限公司

MANAGEMENT BOARD MEMBERS' REPORT

The Management Board Members submit herewith their annual report together with the audited financial statements for the year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The principal activities of the company are to provide well trained guide dogs to visually impaired persons in Hong Kong, to provide guide dogs mobility training to visually impaired persons and other related activities. The company is exempt from Hong Kong profits tax under section 88 of the Inland Revenue Ordinance.

BUSINESS REVIEW

The company falls within reporting exemption for the year. Accordingly, the company is exempted from preparing a business review.

DIVIDENDS

According to the company's Memorandum of Association, no portion of the income and property of the company shall be paid by way of dividend to the members of the company.

MANAGEMENT BOARD MEMBERS

The Management Board Members who held office during the year and up to the date of this report were: -

CHI Tan Ning, Fianna
BARNES John Andrew
LI Kai Wang, Kenneth
LAM Wai Pong
WONG Wai Hung
KO Po Yuk
LIU Kin Sing
TSO, Amy
YIU Oi Ching, Jane
WU Ngoc

KWAN Jacqueline	
CHONG Chan Yau	- appointed on 16 October 2023
CHAN Sinn Kay, Olivia	- appointed on 16 October 2023
CHAN Ka Lai Vanessa	- appointed on 16 October 2023
WONG King Wai, Kirk	- resigned on 25 September 2023
WONG Man Yeung, Ryan	- resigned on 21 September 2023
CHOW Jonathan Edward Chun-Chung	- resigned on 12 October 2023
CHONG Kam Fung	- resigned on 12 October 2023

In accordance with Article 31 of the company's Articles of Association, all remaining Management Board Members retire from office and, being eligible, offer themselves for re-election.

HONG KONG GUIDE DOGS ASSOCIATION LIMITED 香港導盲犬協會有限公司
MANAGEMENT BOARD MEMBERS' REPORT (CONT'D)

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefits of the Management Board Members of the company is currently in force and was in force throughout this year.

EQUITY-LINKED ARRANGEMENTS

During the year, the company entered into no equity-linked agreement.

At the end of the year, the company subsisted of no equity-linked agreement.

AUDITORS

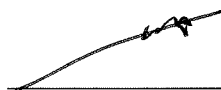
Lee, Au & Co., were first appointed as auditors of the company in March 2024 upon the retirement of T.C. Ng & Co. C.P.A. Limited.

Lee, Au & Co., retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Lee, Au & Co. as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

APPROVAL OF MANAGEMENT BOARD MEMBERS' REPORT

The report was approved by the Management Board Members on 26 JUN 2024

On behalf of the board



Chairman
WU Ngoc
Hong Kong



**Independent Auditor's Report to the Members
of Hong Kong Guide Dogs Association Limited 香港導盲犬協會有限公司**
(Incorporated in Hong Kong limited by guarantee)

Opinion

We have audited the financial statements of Hong Kong Guide Dogs Association Limited 香港導盲犬協會有限公司 set out on pages 6 to 14, which comprise the statement of financial position as at 31 March 2024, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the company are prepared in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) 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 and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company 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.

Other Information

The Management Board Members are responsible for the other information. The other information comprises the information included in the Management Board Members' report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management Board Members and Those Charged with Governance for the Financial Statements

The Management Board Members are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance and for such internal control as the Management Board Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Board Members are responsible for assessing the company'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 Management Board Members either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 Hong Kong Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Hong Kong Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board Members.



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

- Conclude on the appropriateness of the Management Board Members' 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

Lee, Au & Co.
Certified Public Accountants

HONG KONG: 26 JUN 2024

HONG KONG GUIDE DOGS ASSOCIATION LIMITED 香港導盲犬協會有限公司
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024


	<u>Note</u>	<u>2024</u> HK\$	<u>2023</u> HK\$
Revenue	3	3,848,020	5,632,527
Other income	4	1,271,337	536,686
Administrative and operating expenses		(6,649,219)	(8,361,666)
Deficit for the year	5	(1,529,862)	(2,192,453)

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.


HONG KONG GUIDE DOGS ASSOCIATION LIMITED 香港導盲犬協會有限公司
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	2024 HK\$	2023 HK\$
Non-current assets			
Property, plant and equipment	8	1,279,374	1,987,518
Current assets			
Accounts receivable		126,300	-
Other receivables		-	16,000
Amount due from a related company	9	136,135	136,135
Deposits and prepayments		190,053	798,333
Cash and bank balances		1,535,928	1,888,616
		1,988,416	2,839,084
Current liabilities			
Accrued charges		(111,906)	(140,856)
Net current assets		1,876,510	2,698,228
NET ASSETS		3,155,884	4,685,746
FUNDS			
Community chest fund	10	-	1,379,303
Other designated funds	10	1,587,256	1,402,265
General funds	10	329,727	(1,097,414)
Grants received from Hong Kong Jockey Club			
Charities Trust – For renovation purposes	10	1,238,901	3,001,592
		3,155,884	4,685,746

Approved and authorised for issue by the Management Board Members on 26 JUN 2024
and signed on its behalf.



Management Board Member
WU Ngoc



Management Board Member
CHAN Ka Lai Vanessa

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

HONG KONG GUIDE DOGS ASSOCIATION LIMITED 香港導盲犬協會有限公司
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. Reporting entity

Hong Kong Guide Dogs Association Limited is a company incorporated in Hong Kong limited by guarantee. The company's registered office is located at Unit No. 1, Podium Level Carpark Building, Tsui Ping South Estate, Kwun Tong, Kowloon, Hong Kong. The principal activities of the company are to provide well trained guide dogs to visually impaired persons in Hong Kong, to provide guide dogs mobility training to visually impaired persons and other related activities. Under the provision of its Memorandum and Articles of company, every member shall, in the event of the company being wound up, contribute such amount as may be required to meet the liabilities of the company but not exceeding the sum of HK\$1 each.

The reporting currency of the company is Hong Kong dollars, which is the currency of the primary economic environment in which the company operates.

2. Basis of preparation and accounting policies

The company qualifies for the reporting exemption as a small guarantee company under sections 359(1)(a) and 363 of the Hong Kong Companies Ordinance and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS)(Revised) issued by the Hong Kong Institute of Certified Public Accountants .

These financial statements comply with the SME-FRS (Revised) and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(a) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, on the following basis:

- (i) Donation income is recognised when received.
- (ii) Funds received is recognised when received.
- (iii) Membership fee income is recognised when received.
- (iv) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.
- (v) Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the company will comply with the conditions attaching to them. Grants that compensate the company for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

HONG KONG GUIDE DOGS ASSOCIATION LIMITED 香港導盲犬協會有限公司
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Basis of preparation and accounting policies (cont'd)

(b) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the date of the statement of financial position.

Deferred tax is not provided.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Furniture and fixtures	12.15% - 33 1/3%
Equipment	33 1/3%
Computers	33 1/3%
Motor vehicles	33 1/3%

(d) Impairment of assets

An assessment is made at each date of the statement of financial position to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of depreciation), had no impairment losses been recognised for the asset in prior years.

(e) Accounts and other receivables

Accounts and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

HONG KONG GUIDE DOGS ASSOCIATION LIMITED 香港導盲犬協會有限公司
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Basis of preparation and accounting policies (cont'd)

(f) Leases

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

(g) Related parties

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

- (a) A person, or a close member of that person's family, is related to the company if that person:
 - (i) has control or joint control over the company;
 - (ii) has significant influence over the company; or
 - (iii) is a member of the key management personnel of the company or of a parent of the company.
- (b) An entity is related to the company if any of the following conditions applies:
 - (i) The entity and the company 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 entities 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 company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company.
 - (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).

HONG KONG GUIDE DOGS ASSOCIATION LIMITED 香港導盲犬協會有限公司
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

3. Revenue

An analysis of the company's revenue is as follows:

	<u>2024</u>	<u>2023</u>
	HK\$	HK\$
Funds received	2,269,865	3,962,836
Donations income	1,578,155	1,669,691
	<u>3,848,020</u>	<u>5,632,527</u>

4. Other income

	<u>2024</u>	<u>2023</u>
	HK\$	HK\$
Bank interest income	2,441	403
Membership fee income	1,600	1,500
Government grant – Employment Support Scheme	-	304,000
Sundry income	1,267,296	230,783
	<u>1,271,337</u>	<u>536,686</u>

5. Deficit for the year

	<u>2024</u>	<u>2023</u>
	HK\$	HK\$
Deficit for the year is arrived at		
After charging the following items:-		
Auditors' remuneration	1,800	15,000
Depreciation (Note 8)	708,144	825,734
Staff costs	2,660,579	4,027,841
	<u></u>	<u></u>

6. Management Board Members' remuneration

During the years ended 31 March 2023 and 2024, no emolument has been paid or is payable to Management Board Members of the company.

7. Income tax

The company is exempt from Hong Kong profits tax under section 88 of the Inland Revenue Ordinance.

HONG KONG GUIDE DOGS ASSOCIATION LIMITED 香港導盲犬協會有限公司
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

8. Property, plant and equipment

	Furniture and fixtures HK\$	Equipment HK\$	Computer HK\$	Motor vehicles HK\$	Total HK\$
Cost					
At 1 April 2023 and 31 March 2024	5,244,127	948,884	170,509	564,412	6,927,932
Accumulated depreciation					
At 1 April 2023	3,323,295	885,162	167,545	564,412	4,940,414
Charge for the year	641,458	63,722	2,964	-	708,144
At 31 March 2024	3,964,753	948,884	170,509	564,412	5,648,558
Net carrying amount					
At 31 March 2024	1,279,374	-	-	-	1,279,374
At 31 March 2023	1,920,832	63,722	2,964	-	1,987,518

9. Amount due from a related company

Details of amount due from a related company pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:-

Name of related company	Name of connected member	Amount outstanding		Maximum balance outstanding during the year
		2024	2023	
		HK\$	HK\$	HK\$
Hong Kong Guide Dogs Academy Limited	CHI Tan Ning, Fianna BARNES John Andrew LI Kai Wang, Kenneth LAM Wai Pong WONG Wai Hung KO Po Yuk LIU Kin Sing TSO, Amy YIU Oi Ching, Jane WU Ngoc KWAN Jacqueline CHAN Ka Lai Vanessa	136,135	136,135	136,135

The above advance is unsecured, interest-free and repayable on demand.

HONG KONG GUIDE DOGS ASSOCIATION LIMITED 香港導盲犬協會有限公司
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

10. Changes in funds

	Community chest fund	Other designated funds	General funds	Grants received from Hong Kong Jockey Club Charities Trust- For renovation purpose	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
Balance as at 31 March 2023	1,379,303	1,402,265 (1,097,414)	3,001,592	4,685,746
Surplus/(deficit) for the year	(366,069)	387,357 (968,004)	(583,146)	(1,529,862)
Reallocation	(1,013,234)	(202,366)	2,395,145 ((1,179,545)	-
Balance as at 31 March 2024	-	1,587,256	329,727	1,238,901	3,155,884

11. Related party transactions

In addition to the transactions and balances detailed elsewhere in these financial statements, the company had the following transactions with related parties:-

	2024 HK\$	2023 HK\$
Membership fee income receivable from management board members	1,600	1,500

12. Commitments under operating lease

The company had the following total future minimum lease payments payable under non-cancellable operating lease:

	2024 HK\$	2023 HK\$
Not later than one year	633,000	585,525
Later than one year	474,750	1,108,110
	1,107,750	1,693,635

HONG KONG GUIDE DOGS ASSOCIATION LIMITED 香港導盲犬協會有限公司
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

13. Funds from Hong Kong Jockey Club Charities Trust and Link Assets Management Limited

During the year, the company received HK\$Nil (2023: HK\$263,494) from Hong Kong Jockey Club Charities Trust as grants for the renovation, information technology, emergency and operation of Education and Training Centre; HK\$Nil (2023: HK\$454,009) from Link Assets Management Limited for development of guide dogs and public education.

14. Community Chest Fund

	<u>2024</u> HK\$	<u>2023</u> HK\$
Balance b/f	1,379,303	1,611,658
<u>Add:</u> Fundings Received	743,250	743,250
	<u>2,122,553</u>	<u>2,354,908</u>
<u>Less:</u> Expenses	(1,109,319)	(975,605)
Re-allocation to General Fund	(1,013,234)	-
	<u>-</u>	<u>1,379,303</u>
Balance c/f	-	1,379,303

15. The Fund Raising Event Held During the Period From 31 August 2023 to 31 January 2024

Public Subscription Permit No. 2023/082/1

	HK\$
Income	
Donations received	12,712
Expenditure	
Audit fee	1,800
Surplus of income over expenditure	<u>10,912</u>

The purpose of the general charitable fund raising event is guide dog training, support guide dogs which are in service, support retired guide dogs, guide dog daily expenses including medical expenses, care and checkups, dog insurance, and dog food.