

**HARMONY HOUSE LIMITED**  
**(和諧之家有限公司)**  
(incorporated in Hong Kong as a company limited by guarantee)

**Directors' Report and Financial Statements**  
**For the year ended 31 March 2024**

**HARMONY HOUSE LIMITED**  
**(和諧之家有限公司)**

**DIRECTORS' REPORT**

The directors have the pleasure of presenting their annual report together with the audited financial statements of Harmony House Limited (the "Company") for the year ended 31 March 2024.

**PRINCIPAL ACTIVITY**

The principal activity of the Company is to provide comprehensive services to individuals and families affected by domestic violence including a rent free shelter for abused women and children. Over the years, we have expanded our work to include therapeutic and preventative services that aim to help domestic violence victims of all genders and races with the goal of promoting harmonious family relationships. In addition, our activities also include community education, school outreach, crisis intervention, case counselling, supportive group therapy, hotline services, training to multi-disciplinary professionals, and advocacy for policies and legislations changes on behalf of victims of violence, their families and communities.

The shelter premises are provided by the Government of the Hong Kong Special Administrative Region.

**FINANCIAL STATEMENTS**

The financial performance of the Company for the year ended 31 March 2024 and the financial position of the Company as at that date are set out in the financial statements on pages 10 to 44.

**DIRECTORS**

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

Dr. Kam Chak Wah (Chairperson)	
Ms. Chui Chi Yan Daisy (Vice - Chairperson)	
Ms. Chan Ching Lan Jean	(resigned on 12 September 2024)
Dr. Chan Tak Mau	(resigned on 3 June 2023)
Dr. Chui Wing Ho William	
Mrs. Crosbie-Walsh Penny Soh Peng	
Dr. Ho Choi Wa	(appointed on 3 June 2023)
Mrs. Koo Au Cheuk Ming Anna	
Prof. Lam Ching Man	(appointed on 3 June 2023)
Mr. Leung Hong Shun Alexander	
Ms. Leung Ka Lo Caroline	
Mr. Ng Shan Yung	(appointed on 24 September 2024)
Ms. Wong Hing Chun	(retired on 24 November 2023)
Ms. Wong Wai Man Deanna	
Ms. Wong Wai Yee Louisa	
Prof. Wong Yuen Ha	
Ms. Yu Suk Wai	(appointed on 4 June 2024)

**HARMONY HOUSE LIMITED**  
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**DIRECTORS' REPORT**

In accordance with Article 43 of the Company's Articles of Association for Rotation of Directors, the following director shall retire and being eligible, may offer themselves for re-election for the forthcoming year:

Ms. Chui Chi Yan Daisy  
Mrs. Crosbie-Walsh Penny Soh Peng  
Mrs. Koo Au Cheuk Ming Anna  
Mr. Leung Hong Shun Alexander

In accordance with Article 36 of the Company's Articles of Association for Directors, the following directors shall retire and being eligible, may offer themselves for re-election for the forthcoming year:

Mr. Ng Shan Yung  
Ms. Yu Suk Wai

**MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

No transactions, arrangements or contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company or an entity connected with a director had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

**ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES**

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

**HARMONY HOUSE LIMITED**  
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**DIRECTORS' REPORT**

**BUSINESS REVIEW**

Established in 1985, Harmony House (“HH” or the “Agency”) is a social service organization that is committed to eradicate domestic violence and promote harmonious and healthy family relationships. The Agency provides services and assistance to individuals and families that have encountered domestic violence and helps to raise community awareness on the importance of prevention, in our four service centres (one of which is a shelter), via three hotlines and through one mobile vehicle.

- The Shelter offers 73 beds (accommodation) and “after care” support, after departure from the Shelter, to battered women and their children, and girls from at-risk families.
- The Jockey Club Harmony Link Domestic Violence Prevention Centre provides therapeutic services to victims, batterers, children witnessing domestic violence, and other services such as arrangement of short-term accommodation for men facing family crisis, community education, training to multi-disciplinary professionals, and advocacy for polices and legislation changes that provides better support to victims of domestic violence.
- Harmony Lane Centre and the education “mobile truck” conduct outreach activities and programmes in schools for early identification of suspected child abuse victims and to promote child protection through parenting education.
- Family Harmony Space Centre promotes non-violent communication to improve family harmony for conflictual families of diverse cultural background and locals in Yuen Long.
- A 24-hour Woman Hotline, a Man Hotline and a Children Hotline offer crisis counselling and emotional support to those in need.

In the past year, HH has served 183,800 person-times through various services and projects offered to the different communities. The Shelter received over 8,400 calls and accommodated 330 abused women and children. The 24-hour Woman Hotline continues to provide immediate emotional support to those in need, and when abused victims check into the Shelter, they will also receive other supports such as contingency safety plan, vital information and relevant community resources. Victims with children also receive childcare support at the Shelter.

The Jockey Club “Harmony Bubbles” project launched in October 2023, with child protection service in mind, has reached out to over 4,600 school students on emotion education and approximately 2,500 of these students have participated in the risk assessment of domestic violence. Project 40 Minutes @ Harmony Space promotes and conducts non-violent communication education, provides trauma support work to individuals who had adverse childhood experiences and supportive service to men, with over 7,000 individuals benefited from the inspiring programmes and case counselling sessions. Our community education service and training for professionals have made significant impact to cover over 300 organizations including kindergartens, schools, government departments, NGOs and corporations on anti-domestic violence prevention. Another Jockey Club funded program, Project Stride, since commencing in October 2022 continued to help adults recover from their childhood traumatic domestic violence experience. The “Family Channel” in this project which is an online platform that delivers 24 sessions of family life education, had reached viewership of over 3,146.

**HARMONY HOUSE LIMITED**  
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**DIRECTORS' REPORT**

**BUSINESS REVIEW - Continued**

*Financial Performance*

HH's primary source of funds for the year was the subvention from the Social Welfare Department ("SWD"). Other ongoing funders included the Hong Kong Jockey Club Charities Trust ("HKJC"), which is one of the Agency's major funders, the Community Chest of Hong Kong, Bank of China (Hong Kong) Limited, Zonta Club of Kowloon, Help for Children, other corporate donors and individuals.

During the year, HKJC approved an additional \$16.18 million of funding to sponsor a new 3-year service, Project Harmony Bubbles which aims at child protection. The Zonta Club of Kowloon also donated \$160,000 to fund a 2-year project that provides support to new admission at the shelter.

*Corporate Governance*

The Agency has complied with all the requirements stipulated in the Social Welfare Department's Lump Sum Grant Manual, Lotteries Fund Manual, 16 Service Quality Standards (SQS) and Funding Service Agreement. Our Board of Directors (the "Board"), comprised of professionals from different disciplines and experiences, works closely with the senior management team to ensure that HH follows and applies the relevant legal obligations, including the Employment Ordinance and Personal Data (Privacy) Ordinance, in the operation of all its service units.

The five Board Committees, namely Staffing Committee, Finance Committee, Governance Committee, Service Development Management Committee and Renovation Committee have been delegated with the roles and responsibilities to improve HH's service provision, risk management, corporate governance, financial accountability and environmental safety.

*Key relationships*

(i) Service users

Our service users are mainly from abused families and at-risk families with conflicts. We serve all races and religions. Our service targets are abused women and their children, male and female batterers, male victims, abused elders, children witnessing domestic violence, parents facing parenting difficulties, abused children and the general public that would benefit from learning about domestic violence prevention and promotion of family harmony.

(ii) Community stakeholders

The support of other community professionals is crucial to combating domestic violence. Ongoing collaboration with police, lawyers, medical practitioners, nurses, social workers, counsellors, teachers and academia are important work that the Agency engages in to enable us to better help abused families.

(iii) Staff

As of 31 March 2024, we have a solid workforce of over 50 staff, comprising of Social Workers, Counsellors, Counselling Psychologists, Accounting and Information Technology professionals, and administrative and support staff to help deliver quality services and maintain efficiency in operating and running the Agency.

**HARMONY HOUSE LIMITED**  
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**DIRECTORS' REPORT**

**BUSINESS REVIEW - Continued**

(iv) Funders and external parties

The Agency works closely with government departments, funders and strategic partners to provide services to benefit those affected by domestic violence and the community as a whole. Throughout the year, our management and service unit supervisors joined a number of committees and working groups of different nature, run by the Social Welfare Department and Hong Kong Council of Social Service, to advocate for policies and service development relating to domestic violence issues. With these dedications, HH is continuous visioning in building a harmonious community without violence.

*Principal challenges and uncertainties*

Over the years, the Agency has strived to increase services that provide more supportive and preventative measures and these are non-subvented projects which require ongoing funding. Sourcing and obtaining such fundings present uncertainties and challenges on service planning and sustainability. Project 40 Minutes @ Harmony Space sponsored by the Bank of China (HK) Charitable Foundation will come to an end in December 2024. The Agency must actively seek new funding to sustain the centre and the services that are provided to Yuen Long and surrounding communities so that service users can continue to benefit from non-violent communication techniques.

The implementation of new approach to the apportionment of central administrative costs for non-subvented services starting from April 2024 will pose pressure on HH to source more unrestricted funding. We will need to use different approaches and strategies to secure more stable ongoing funding and also impart on funders the importance of their support to central administrative costs with increase to the amounts allocated to those expenses.

Manpower shortage continued to hit hard on the Agency's operation last year. We are grateful for the concerted efforts of our staff who did their best to maintain the quality of services and proactively partnered with various community collaborators. The retention of a quality and stable workforce will continue to be challenging under a labour market of imbalance supply of social workers in the coming years. The Board, Staffing Committee and senior management will continue to work closely on providing and adopting a working environment that attracts and retains talents, provides good staff training, and plan for transferring of knowledge and experience across the different service units.

*Future Focus*

Child abuse cases continue to emerge during the year in alarming numbers and warrants HH's attention. With the imminent implementation of mandatory reporting of suspected child abuse in early 2026, HH plans to strengthen staff's knowledge and skills for early detection of suspected child abuse and be prepared to be able to provide timely assistance to children who are at risk of violence. We will explore more resources and expand our school screening services on children and parenting education to support the needy families, school personnel, community organizations and the general public to protect our young generations from all forms of harm.

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**DIRECTORS' REPORT**

**BUSINESS REVIEW - Continued**

The supportive service for men is also our paramount concern. The 3-year HKJC sponsored Project Ocean launched at the end of 2023, through collaboration with different community partners, has successfully outreached to this important target group in high risks districts of Tin Shui Wai, Sham Shui Po and Kwun Tong. We hope to be able to establish connection with them so that they will seek immediate help at times of crisis, and to boost their resilience and general well-being to decrease the risk of domestic abuse.

Raising community awareness on identifying abusive relationships is crucial to protect individuals and families from tragedies. We plan to put out an enhanced and more user-friendly "intimate partner violence risk self-assessment" on the Agency's website which will hopefully encourage more of the public to practice self-protection and help seeking behavior. The data collected will also help HH to pace the need and develop more effective domestic violence prevention services.

**AUDITOR**

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint the auditor, BDO Limited.

On behalf of the directors



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Dr. Kam Chak Wah  
Director

Hong Kong, 24 September 2024

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF HARMONY HOUSE LIMITED  
(和諧之家有限公司)**

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(incorporated in Hong Kong as a company limited by guarantee)

## Opinion

We have audited the financial statements of Harmony House Limited (the "Company") set out on pages 10 to 44, which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in total funds and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2024 and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

## Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We 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 directors are responsible for the other information. The other information comprises the information included in the directors' report.

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.





**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF HARMONY HOUSE LIMITED  
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**Directors' Responsibilities for the Financial Statements**

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

In preparing the financial statements, the directors 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 HKSAAs 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 HKSAAs, we exercise professional judgment 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.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF HARMONY HOUSE LIMITED  
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**Auditor's Responsibilities for the Audit of the Financial Statements - Continued**

- 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 directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

BDO Limited  
Certified Public Accountants  
Law Fung Ha  
Practising Certificate Number P03958

Hong Kong, 24 September 2024

**HARMONY HOUSE LIMITED**  
(和諧之家有限公司)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2024**

Note	Shelter LSG HK\$	Shelter Others HK\$	Community Chest Baseline HK\$	Project Moving Forward HK\$	Project Stride HK\$	Project Ocean HK\$	Project Smart Kids HK\$	Project Harmony Bubbles HK\$	Project @Harmony Space HK\$	Other Activities HK\$	2024 Total HK\$	2023 Total HK\$
<b>Income</b>												
Social Welfare Department ( "SWD" )												
- Lump Sum Grant ("LSG") Subvention	11,907,958	-	-	-	-	-	-	-	-	-	11,907,958	11,405,601
- Lotteries Fund/SWD Fund	-	22,316	-	-	-	-	-	-	-	-	22,316	34,852
- Special Grant	-	-	-	-	-	-	-	-	-	-	-	242,443
- Rent and rates subsidy	-	-	-	280,648	-	-	-	-	-	-	280,648	268,648
Community Chest - Baseline Allocation	-	-	1,186,790	-	-	-	-	-	-	-	1,186,790	1,078,900
The Hong Kong Jockey Club Charities Trust ("HKJC")	-	-	-	3,246,000	2,197,534	1,221,000	1,582,457	2,450,500	-	-	10,697,491	9,952,049
Bank of China (Hong Kong) Limited ("BOCHK")	-	-	-	-	-	-	-	-	3,003,955	-	3,003,955	1,501,814
Other donations	-	163,305	-	-	-	-	-	-	-	189,260	352,565	471,552
Other income	2,881	32,500	-	-	-	-	-	-	-	42,274	77,655	146,091
Interest income	25,096	-	-	25,800	-	-	-	-	6,207	75,675	132,778	30,439
Deferred income brought forward	-	-	103,332	1,085,336	1,366,000	-	1,662,000	-	169,160	-	4,385,828	4,401,248
Deferred income carried forward	-	-	(66,288)	(1,327,405)	(1,366,000)	(1,221,000)	(183,086)	(184,954)	(333,429)	-	(4,682,162)	(4,521,913)
Accrued income	-	-	-	-	1,307,441	505,193	1,069,397	-	-	-	2,882,031	4,339,628
Fund for accrued expenses	-	-	-	-	(1,003,168)	-	(2,296,188)	-	-	-	(3,299,356)	(4,627,068)
Fund for acquisition of assets	-	-	-	-	-	(31,795)	-	(237,625)	-	-	(269,420)	(49,100)
	11,935,935	218,121	1,223,834	3,310,379	2,501,807	473,398	1,834,580	2,027,921	2,845,893	307,209	26,679,077	24,675,184
Transfer from deferred income for capital grants	19	-	-	10,425	7,275	7,949	369,118	75,131	329,942	21,087	853,589	758,253
	11,935,935	250,783	1,223,834	3,320,804	2,509,082	481,347	2,203,698	2,103,052	3,175,835	328,296	27,532,666	25,433,437

**HARMONY HOUSE LIMITED**  
(和諧之家有限公司)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	Shelter LSG HK\$	Shelter Others HK\$	Community Chest Baseline HK\$	Project Moving Forward HK\$	Project Stride HK\$	Project Ocean HK\$	Project Smart Kids HK\$	Project Harmony Bubbles HK\$	Project @Harmony Space HK\$	Other Activities HK\$	2024 Total HK\$	2023 Total HK\$
<b>Expenses</b>													
Administrative expenses	9	136,604	17,442	2,612	279,241	132,921	38,209	97,624	122,199	162,685	34,253	1,023,790	883,080
Computer software		6,719	-	-	1,892	8,906	-	1,206	3,000	1,267	2,799	25,789	71,624
Depreciation of property, plant and equipment	12	-	32,662	-	10,425	7,275	7,949	369,118	75,131	329,942	21,087	853,589	758,253
Depreciation of right-of-use assets	13	-	-	-	235,633	-	-	14,969	64,186	296,285	-	611,073	552,047
Employee costs	6	10,097,788	-	1,174,651	2,229,299	2,131,967	409,185	1,160,885	1,631,595	2,027,631	466,020	21,329,021	19,063,234
Food and household supplies		4,507	-	-	-	-	-	-	-	-	-	4,507	19,326
Insurance		147,253	976	16,244	39,924	28,828	2,523	17,072	18,655	29,270	18,155	318,900	338,539
Interest expense on lease liabilities		-	-	-	18,815	-	-	1,399	6,440	7,755	-	34,409	53,737
Miscellaneous		18,671	-	-	340	34	89	460	7,564	2,146	714	30,018	59,656
Programmes		133,796	195,734	24,832	356,745	117,983	-	525,314	141,891	129,946	114,179	1,740,420	1,807,511
Publicity/publication		36,660	-	-	-	31,022	-	-	-	71,659	9,267	148,608	134,906
Rates		75,400	-	-	26,200	-	-	-	2,685	63,040	-	167,325	134,326
Staff training and development		26,276	-	3,861	7,418	6,678	1,892	1,691	11,087	18,906	34,614	112,423	116,983
Stores and equipment	10	661,705	3,562	180	77,110	15,433	16,554	6,881	12,793	20,150	141,914	956,282	634,089
Travelling		20,882	-	1,454	2,745	1,772	684	2,054	1,441	4,293	565	35,890	28,696
Utilities	11	356,491	-	-	35,017	26,263	4,262	5,025	4,385	10,860	22,001	464,304	379,680
Overhead costs recovery	20	-	-	-	-	-	-	-	-	-	(683,540)	(683,540)	(585,457)
		<u>11,722,752</u>	<u>250,376</u>	<u>1,223,834</u>	<u>3,320,804</u>	<u>2,509,082</u>	<u>481,347</u>	<u>2,203,698</u>	<u>2,103,052</u>	<u>3,175,835</u>	<u>182,028</u>	<u>27,172,808</u>	<u>24,450,230</u>
<b>Net operating surplus</b>		<u>213,183</u>	<u>407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,268</u>	<u>359,858</u>	<u>983,207</u>
<b>Auditor's remuneration</b>												(100,000)	(63,000)
<b>Surplus of staff provident fund subvention from SWD</b>												(54,946)	(89,279)
<b>Surplus of shelter rent and rates reimbursed by SWD</b>	14											(4,064)	(16,064)
<b>Net surplus for the year</b>	5											<u>200,848</u>	<u>814,864</u>

**HARMONY HOUSE LIMITED**  
(和諧之家有限公司)

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2024**

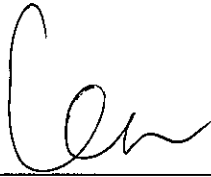
	Notes	2024 HK\$	2023 HK\$
<b>Non-current assets</b>			
Property, plant and equipment	12	724,572	1,170,898
Right-of-use assets	13	<u>956,163</u>	<u>841,789</u>
Total non-current assets		<u>1,680,735</u>	<u>2,012,687</u>
<b>Current assets</b>			
Utility deposits and prepayments		589,859	544,456
Other receivables		4,163,109	5,614,704
Cash and bank balances		<u>16,828,745</u>	<u>13,641,628</u>
Total current assets		<u>21,581,713</u>	<u>19,800,788</u>
<b>Total assets</b>		<u>23,262,448</u>	<u>21,813,475</u>
<b>Current liabilities</b>			
Accounts payable and accruals		2,112,773	1,630,161
Amount payable to Social Welfare Department	14	4,064	16,064
Lease liabilities	15	705,213	562,234
Staff provident fund balance	16	1,362,342	1,306,641
Donations for specific purposes	17	7,755,428	6,954,759
Cash advance from HKJC		4,282,445	4,249,421
Cash advance from BOCHK		333,429	169,160
Lotteries fund balance	18	1,642,867	1,582,320
Deferred income for capital grants	19	<u>724,572</u>	<u>1,170,898</u>
Total current liabilities		<u>18,923,133</u>	<u>17,641,658</u>
<b>Net current assets</b>		<u>2,658,580</u>	<u>2,159,130</u>
<b>Non-current liability</b>			
Lease liabilities	15	<u>250,950</u>	<u>279,555</u>
<b>Total liabilities</b>		<u>19,174,083</u>	<u>17,921,213</u>
<b>NET ASSETS</b>		<u>4,088,365</u>	<u>3,892,262</u>

HARMONY HOUSE LIMITED  
(和諧之家有限公司)

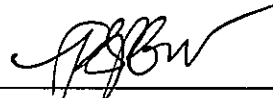
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2024

	Notes	2024 HK\$	2023 HK\$
Represented by:			
Capital	21	354,911	354,911
Specific funds	22	426,064	430,809
Lump sum grant reserve	23	2,645,111	2,533,338
Accumulated funds	24	<u>662,279</u>	<u>573,204</u>
<b>TOTAL FUNDS</b>		<u><b>4,088,365</b></u>	<u><b>3,892,262</b></u>

On behalf of the directors



Dr. Kam Chak Wah  
Director



Mrs. Crosbie-Walsh Penny Soh Peng  
Director

**HARMONY HOUSE LIMITED**  
(和諧之家有限公司)

**STATEMENT OF CHANGES IN TOTAL FUNDS  
FOR THE YEAR ENDED 31 MARCH 2024**

	Capital HK\$	Specific funds HK\$	Lump sum grant reserve HK\$	Accumulated funds HK\$	Total HK\$
At 1 April 2022	354,911	464,239	1,787,098	504,580	3,110,828
Net surplus for the year	-	-	-	814,864	814,864
Transfers (note 23 & 24)	-	-	746,240	(746,240)	-
Fund utilised (note 22)	<u>-</u>	<u>(33,430)</u>	<u>-</u>	<u>-</u>	<u>(33,430)</u>
At 1 April 2023	354,911	430,809	2,533,338	573,204	3,892,262
Net surplus for the year	-	-	-	200,848	200,848
Transfers (note 23 & 24)	-	-	111,773	(111,773)	-
Fund utilised (note 22)	<u>-</u>	<u>(4,745)</u>	<u>-</u>	<u>-</u>	<u>(4,745)</u>
At 31 March 2024	<u>354,911</u>	<u>426,064</u>	<u>2,645,111</u>	<u>662,279</u>	<u>4,088,365</u>

**HARMONY HOUSE LIMITED**  
(和諧之家有限公司)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

	2024 HK\$	2023 HK\$
<b>Cash flows from operating activities</b>		
Net surplus for the year	200,848	814,864
Adjustments for:		
Depreciation of property, plant and equipment	853,589	758,253
Depreciation of right-of-use assets	611,073	552,047
Interest expense on lease liabilities	34,409	53,737
Capital grants recognised as income	(853,589)	(758,253)
Interest income	(132,778)	(30,439)
<b>Operating profit before working capital changes</b>	713,552	1,390,209
(Increase)/decrease in utility deposits and prepayments	(45,403)	85,166
Decrease in other receivables	1,451,595	24,389
Increase in accounts payable and accruals	482,612	70,525
Increase in amount payable to Social Welfare Department	4,064	16,064
Increase in staff provident fund balance	55,701	89,643
Increase in donations for specific purposes	800,669	658,156
Increase in cash advance from HKJC	33,024	1,513,357
Increase/(decrease) in cash advance from BOCHK	164,269	(1,287,745)
Increase in lotteries fund balance	60,547	155,267
Decrease in staff development fund	(4,745)	(33,430)
<b>Net cash from operating activities</b>	3,715,885	2,681,601
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(407,263)	(86,992)
Interest received	132,778	30,439
<b>Net cash used in investing activities</b>	(274,485)	(56,553)
<b>Cash flows from financing activities</b>		
Capital grants received	407,263	86,992
Clawback by SWD	(16,064)	(16,064)
Repayment of principal portion of the lease liabilities	(611,073)	(552,047)
Interest paid on lease liabilities	(34,409)	(53,737)
<b>Net cash used in financing activities</b>	(254,283)	(534,856)



**HARMONY HOUSE LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

	<b>2024</b> <b>HK\$</b>	<b>2023</b> <b>HK\$</b>
Net increase in cash and cash equivalents	3,187,117	2,090,192
Cash and cash equivalents at beginning of year	<u>13,641,628</u>	<u>11,551,436</u>
Cash and cash equivalents at end of year	<u>16,828,745</u>	<u>13,641,628</u>
Analysis of cash and cash equivalents:		
Cash available on demand	<u>16,828,745</u>	<u>13,641,628</u>

**HARMONY HOUSE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2024**

**1. LEGAL STATUS AND OPERATIONS**

Harmony House Limited (the “Company”) was incorporated in Hong Kong under the Hong Kong Companies Ordinance (“Company Ordinance”) on 2 April 1986 as a Company limited by guarantee.

Under the provisions of the Company’s Articles of Association, every member shall, in the event of the Company being wound up, contribute to the assets of the Company to the extent of HK\$100. At the end of reporting period, the Company had eighteen members.

The principal activity of the Company is to provide comprehensive services to individuals and families affected by domestic violence including a rent free shelter for abused women and children. Over the years, we have expanded our work to include therapeutic and preventative services that aim to help domestic violence victims of all genders and races with the goal of promoting harmonious family relationships. In addition, our activities also include community education, school outreach, crisis intervention, case counselling, supportive group therapy, hotline services, training to multi-disciplinary professionals, and advocacy for policies and legislations changes on behalf of victims of violence, their families and communities. Its registered office and principal place of business is at G/F, Wing B, On Wah House, Lok Wah (South) Estate, Kwun Tong, Kowloon, Hong Kong.

**2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**

**(a) Adoption of new or amended HKFRSs - effective 1 April 2023**

The Hong Kong Institute of Certified Public Accountants has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Company:

- 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

None of these new or amended HKFRSs has a material impact on the Company’s results and financial position for the current or prior period. The Company has not early applied any new and amended HKFRSs that is not yet effective for the current accounting period.

**HARMONY HOUSE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2024**

**2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) - Continued**

**(b) New or amended HKFRSs that have been issued but not yet effective**

The following new or amended HKFRSs, potentially relevant to the Company’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Company.

The following amendments are effective for the period beginning 1 January 2024:

- Amendments to HKFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to HKAS 1, Classification of Liabilities as Current or Non-current
- Amendments to HKAS 1, Non-current Liabilities with Covenants
- Amendments to Hong Kong Interpretation 5 (Revised), Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
- Amendments to HKAS 7 and HKFRS 7, Supplier Finance Arrangements

The following amendments are effective for the period beginning 1 January 2025:

- Amendments to HKAS 21, Lack of Exchangeability

The Company is in the process of making an assessment of the potential impact of these new or amended HKFRSs and the directors do not anticipate that the application of these new or amended HKFRSs will have a material impact on the Company’s financial statements.

**3. BASIS OF PREPARATION**

**(a) Statement of compliance**

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) issued by the HKICPA and the provisions of the Hong Kong Companies Ordinance which concern the preparation of financial statements.

**HARMONY HOUSE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2024**

**3. BASIS OF PREPARATION - Continued**

**(b) Basis of measurement**

The financial statements have been prepared under the historical cost basis.

**(c) Functional and presentation currency**

The financial statements are presented in Hong Kong dollars ("HK\$") which is the functional currency of the Company.

**4. MATERIAL ACCOUNTING POLICIES**

**(a) Property, plant and equipment**

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

The cost of property, plant and equipment includes its purchase price and the costs 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 Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expenses in profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Motor vehicle	4 years
Furniture and equipment	4 years
Leasehold improvements	Over the remaining life of the leases but not exceeding 5 years

**HARMONY HOUSE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2024**

**4. MATERIAL ACCOUNTING POLICIES - Continued**

**(a) Property, plant and equipment - Continued**

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the term of the relevant lease.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

Capital grants and donations received for the purchase of property, plant and equipment are recorded as deferred income in the statement of financial position and amortised in profit or loss over the useful life of the relevant assets.

**(b) Leases**

All leases are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low value. The Company has elected not to recognise right-of-use assets and lease liabilities for low value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

**Right-of-use asset**

The right-of-use asset should be recognised at cost and would comprise:

- (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability);
- (ii) any lease payments made at or before the commencement date, less any lease incentives received;
- (iii) any initial direct costs incurred by the lessee; and
- (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2024**

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**4. MATERIAL ACCOUNTING POLICIES - Continued**

**(b) Leases - Continued**

**Right-of-use asset - Continued**

Under the cost model, the Company measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

The right-of-use asset arising from the properties under tenancy agreements are carried at depreciated cost.

**Lease liability**

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the Company's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments:

- (i) fixed payments less any lease incentives receivable;
- (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date;
- (iii) amounts expected to be payable by the lessee under residual value guarantees;
- (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Company measures the lease liability by:

- (i) increasing the carrying amount to reflect interest on the lease liability;
- (ii) reducing the carrying amount to reflect the lease payments made; and
- (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2024**

**4. MATERIAL ACCOUNTING POLICIES - Continued**

**(b) Leases - Continued**

**Lease liability - Continued**

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the Company renegotiates the contractual terms of a lease with the lessor, if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease, in all other cases, where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount. If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date and the right-of-use asset is adjusted by the same amount.

**(c) Financial Instruments**

**(i) Financial assets**

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2024**

**4. MATERIAL ACCOUNTING POLICIES - Continued**

**(c) Financial Instruments - Continued**

**(i) Financial assets - Continued**

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments as amortised cost.

Assets measured at amortised cost that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

**(ii) Impairment loss on financial assets**

The Company recognises loss allowances for expected credit loss ("ECL") on trade receivables, contract assets, financial assets measured at amortised cost and debt investments measured at FVOCI. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. MATERIAL ACCOUNTING POLICIES - Continued**

**(c) Financial Instruments - Continued**

**(ii) Impairment loss on financial assets - Continued**

The ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual 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.

The Company considers a financial asset to be credit-impaired when:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or being more than 150 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2024**

**4. MATERIAL ACCOUNTING POLICIES - Continued**

**(c) Financial Instruments - Continued**

**(ii) Impairment loss on financial assets - Continued**

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non-credit-impaired financial assets interest income is calculated based on the gross carrying amount.

**(iii) Financial liabilities**

The Company classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred. The Company classifies its financial liabilities as financial liabilities at amortised cost.

Financial liabilities at amortised cost including trade and other payables and other short-term monetary liabilities. They initially measured at fair value, net of directly attributable costs incurred, and are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2024**

**4. MATERIAL ACCOUNTING POLICIES - Continued**

**(c) Financial Instruments - Continued**

**(iv) Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

**(v) Equity instruments**

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

**(vi) Derecognition**

The Company derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

**(d) Revenue recognition**

Grants received for the purchase of property, plant and equipment, which are recorded as deferred income in the statement of financial position and amortised over the useful life of the asset.

Subvention from Social Welfare Department and allocations and grants from other charitable organisations are recognised in accordance with the approved applications.

Donations for specific purposes are recognised in accordance with the approved applications.

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2024**

**4. MATERIAL ACCOUNTING POLICIES - Continued**

**(e) Employee benefits**

**(i) Short term employee benefits**

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

**(ii) Defined contribution retirement plan**

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

**(iii) Termination benefits**

Termination benefits are recognised on the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises restructuring costs involving the payment of termination benefits.

**(f) Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

At the end of each reporting period, the Company reviews the carrying amounts of property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2024**

**4. MATERIAL ACCOUNTING POLICIES - Continued**

**(f) Impairment of non-financial assets - Continued**

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

**(g) Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

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, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2024**

**4. MATERIAL ACCOUNTING POLICIES - Continued**

**(h) Related parties**

- (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 key management personnel of the Company.
- (b) An entity is related to the Company if any of the following conditions apply:
  - (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 the employees of the Company or an entity 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 key management personnel 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 and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2024**

**5. NET SURPLUS FOR THE YEAR**

Net surplus for the year is stated after charging:

	2024 HK\$	2023 HK\$
Employee costs (note 6)	21,329,021	19,063,234
Depreciation charge		
- Property, plant and equipment (note 12)	853,589	758,253
- Right-of-use assets (note 13)	<u>611,073</u>	<u>552,047</u>

**6. EMPLOYEE COSTS**

	2024 HK\$	2023 HK\$
Employee costs comprise:		
Wages and salaries	20,013,925	17,935,316
Contributions to defined contributions retirement plan	<u>1,315,096</u>	<u>1,127,918</u>
	<u>21,329,021</u>	<u>19,063,234</u>

**7. DIRECTORS' EMOLUMENTS**

Directors' emoluments disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance (Cap.622) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap.622G) are as follows:

	2024 HK\$	2023 HK\$
Fees	-	-
Other emoluments	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

**8. INCOME TAX**

The Company is exempt from tax under Section 88 of the Hong Kong Inland Revenue Ordinance from any tax by reason of being a charitable institution or trust of a public character (2023: Nil).

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**NOTES TO THE FINANCIAL STATEMENTS**

**31 MARCH 2024**

**9. ADMINISTRATIVE EXPENSES**

	Shelter LSG HK\$	Shelter Others HK\$	Community Chest Baseline HK\$	Project Moving Forward HK\$	Project Stride HK\$	Project Ocean HK\$	Project Smart Kids HK\$	Project Harmony Bubbles HK\$	Project 40 Min @Harmony Space HK\$	Other Activities HK\$	2024 Total HK\$	2023 Total HK\$
Admin support cost	-	-	-	224,407	119,134	21,954	87,361	95,165	135,519	-	683,540	585,457
Audit fees	4,480	-	-	21,500	-	-	-	-	10,500	2,120	38,600	16,100
Bank charges	6,341	-	-	240	-	-	-	-	600	14,027	21,208	20,961
Recruitment	61,517	-	2,612	16,229	1,803	12,803	-	14,196	440	1,515	111,115	99,082
Secretarial service fee	23,200	-	-	-	-	-	-	-	-	5,800	29,000	20,900
Communication expense	41,066	17,442	-	16,865	11,984	3,452	10,263	12,838	15,626	10,791	140,327	140,580
	<u>136,604</u>	<u>17,442</u>	<u>2,612</u>	<u>279,241</u>	<u>132,921</u>	<u>38,209</u>	<u>97,624</u>	<u>122,199</u>	<u>162,685</u>	<u>34,253</u>	<u>1,023,790</u>	<u>883,080</u>



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**10. STORES AND EQUIPMENT**

	Shelter LSG HK\$	Shelter Others HK\$	Community Chest Baseline HK\$	Project Moving Forward HK\$	Project Stride HK\$	Project Ocean HK\$	Project Smart Kids HK\$	Project Harmony Bubbles HK\$	Project 40 Min @Harmony Space HK\$	Other Activities HK\$	2024 Total HK\$	2023 Total HK\$
Cleaning charges and materials	209,666	-	-	16,723	5,396	-	4,819	8,914	6,648	5,395	257,561	216,728
Furniture and equipment (Minor purchase)	10,837	3,562	-	-	-	12,365	-	499	3,542	-	30,805	53,649
Newspapers and periodicals	-	-	-	2,880	-	-	-	-	-	-	2,880	2,910
Printing and stationery	22,663	-	180	18,990	1,232	1,944	2,062	2,180	6,326	1,000	56,577	43,255
Repairs and maintenance	323,139	-	-	30,627	7,050	1,075	-	1,200	3,634	105,188	471,913	288,344
Safety and security equipment	9,720	-	-	5,712	1,339	892	-	-	-	6,337	24,000	24,075
Security service	-	-	-	2,178	416	278	-	-	-	2,574	5,446	5,128
Business system upgrade	85,680	-	-	-	-	-	-	-	-	21,420	107,100	-
	<u>661,705</u>	<u>3,562</u>	<u>180</u>	<u>77,110</u>	<u>15,433</u>	<u>16,554</u>	<u>6,881</u>	<u>12,793</u>	<u>20,150</u>	<u>141,914</u>	<u>956,282</u>	<u>634,089</u>

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**11. UTILITIES**

	Shelter LSG	Shelter Others	Community Chest Baseline	Project Moving Forward	Project Stride	Project Ocean	Project Smart Kids	Project Harmony Bubbles	Project 40 Min @Harmony Space	Other Activities	2024 Total	2023 Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Electricity	236,647	-	-	34,780	26,085	4,223	4,096	3,405	10,860	21,862	341,958	322,064
Gas	40,981	-	-	-	-	-	-	-	-	-	40,981	50,406
Water and sewage charges	78,863	-	-	237	178	39	929	980	-	139	81,365	7,210
	356,491	-	-	35,017	26,263	4,262	5,025	4,385	10,860	22,001	464,304	379,680

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**12. PROPERTY, PLANT AND EQUIPMENT**

	Motor vehicle HK\$	Furniture and equipment HK\$	Leasehold improvements HK\$	Total HK\$
<b>Cost</b>				
At 1 April 2023	1,151,795	1,667,461	14,356,356	17,175,612
Additions	-	218,578	188,685	407,263
Disposals	-	(61,043)	(19,800)	(80,843)
At 31 March 2024	<u>1,151,795</u>	<u>1,824,996</u>	<u>14,525,241</u>	<u>17,502,032</u>
<b>Accumulated depreciation</b>				
At 1 April 2023	570,898	1,383,926	14,049,890	16,004,714
Depreciation	287,949	196,279	369,361	853,589
Eliminated on disposal	-	(61,043)	(19,800)	(80,843)
At 31 March 2024	<u>858,847</u>	<u>1,519,162</u>	<u>14,399,451</u>	<u>16,777,460</u>
<b>Net book value</b>				
At 31 March 2024	<u>292,948</u>	<u>305,834</u>	<u>125,790</u>	<u>724,572</u>
	Motor vehicle HK\$	Furniture and equipment HK\$	Leasehold improvements HK\$	Total HK\$
<b>Cost</b>				
At 1 April 2022	1,131,795	1,644,991	14,356,356	17,133,142
Additions	20,000	66,992	-	86,992
Disposals	-	(44,522)	-	(44,522)
At 31 March 2023	<u>1,151,795</u>	<u>1,667,461</u>	<u>14,356,356</u>	<u>17,175,612</u>
<b>Accumulated depreciation</b>				
At 1 April 2022	282,949	1,264,609	13,743,425	15,290,983
Depreciation	287,949	163,839	306,465	758,253
Eliminated on disposal	-	(44,522)	-	(44,522)
At 31 March 2023	<u>570,898</u>	<u>1,383,926</u>	<u>14,049,890</u>	<u>16,004,714</u>
<b>Net book value</b>				
At 31 March 2023	<u>580,897</u>	<u>283,535</u>	<u>306,466</u>	<u>1,170,898</u>

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**13. RIGHT-OF-USE ASSETS**

	Land and buildings HK\$
<b>Cost</b>	
At 1 April 2023	2,438,294
Addition	456,952
Effect of lease modification	<u>268,495</u>
At 31 March 2024	<u>3,163,741</u>
<b>Accumulated depreciation</b>	
At 1 April 2023	1,596,505
Charge for the year	<u>611,073</u>
At 31 March 2024	<u>2,207,578</u>
<b>Net book value</b>	
At 31 March 2024	<u><u>956,163</u></u>
	Land and buildings HK\$
<b>Cost</b>	
At 1 April 2022	1,636,459
Effect of lease modification	<u>801,835</u>
At 31 March 2023	<u>2,438,294</u>
<b>Accumulated depreciation</b>	
At 1 April 2022	1,044,458
Charge for the year	<u>552,047</u>
At 31 March 2023	<u>1,596,505</u>
<b>Net book value</b>	
At 31 March 2023	<u><u>841,789</u></u>

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**14. AMOUNT PAYABLE TO SOCIAL WELFARE DEPARTMENT**

	2024 HK\$	2023 HK\$
At 1 April	16,064	16,064
Claw back of rent and rates for prior years	(16,064)	(16,064)
Rent and rates		
- Subsidy received for the year	79,464	79,464
- Rent and rates paid for the year	(75,400)	(63,400)
At 31 March	<u>4,064</u>	<u>16,064</u>

**15. LEASE LIABILITIES**

	Land and Buildings HK\$
At 1 April 2022	592,001
Effect of lease modification	801,835
Interest expense	53,737
Lease payments	<u>(605,784)</u>
At 31 March 2023 and 1 April 2023	841,789
Addition	456,952
Effect of lease modification	268,495
Interest expense	34,409
Lease payments	<u>(645,482)</u>
At 31 March 2024	<u>956,163</u>

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**15. LEASE LIABILITIES - Continued**

Future lease payments are due as follows:

	Minimum lease payments HK\$	Interest HK\$	Present Value HK\$
<b>At 31 March 2024</b>			
Not later than one year	734,974	29,761	705,213
Later than one year and not later than five years	<u>262,152</u>	<u>11,202</u>	<u>250,950</u>
	<u><u>997,126</u></u>	<u><u>40,963</u></u>	<u><u>956,163</u></u>
<b>At 31 March 2023</b>			
Not later than one year	591,224	28,990	562,234
Later than one year and not later than five years	<u>287,184</u>	<u>7,629</u>	<u>279,555</u>
	<u><u>878,408</u></u>	<u><u>36,619</u></u>	<u><u>841,789</u></u>

The present value of future lease payments are analysed as:

	2024 HK\$	2023 HK\$
Current liabilities	705,213	562,234
Non-current liabilities	<u>250,950</u>	<u>279,555</u>
	<u><u>956,163</u></u>	<u><u>841,789</u></u>

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**16. STAFF PROVIDENT FUND BALANCE**

The employer's contribution rate to staff provident fund is 5%, 6.8% and 8% for full-time staff who have completed less than 3 years, 3 years and 7 years and above of service respectively. The contribution rate is reviewed on an annual basis.

**17. DONATIONS FOR SPECIFIC PURPOSES**

Where donations are for specific purposes as defined by the donors, the unspent amounts are carried forward in the statement of financial position until the related expenditures have been incurred.

**18. LOTTERIES FUND BALANCE**

		2024 HK\$	2023 HK\$
Furniture and Equipment Replenishment and Minor Works Block Grant Reserve	(i)	1,474,576	1,398,349
IT projects and non-IT projects Social Welfare Development Fund (phase III)	(ii)	102,830	101,712
Wi-Fi project	(iii)	<u>65,461</u>	<u>82,259</u>
		<u>1,642,867</u>	<u>1,582,320</u>

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**18. LOTTERIES FUND BALANCE - Continued**

- (i) The amount represents the Block Grant allocations from the Social Welfare Department for the use of furniture and equipment replenishment and minor works.

Movement of the grant is as follows:

	2024 HK\$	2023 HK\$
At 1 April	1,398,349	1,262,118
Block grant received during the year	172,000	168,000
Interest received	11,125	2,639
	<u>1,581,474</u>	<u>1,432,757</u>
Less: expenditure during the year - Furniture and equipment	<u>(106,898)</u>	<u>(34,408)</u>
At 31 March	<u><u>1,474,576</u></u>	<u><u>1,398,349</u></u>

As at 31 March 2024, there is no capital commitment in respect of furniture and equipment replenishment and minor works (2023: Nil).

- (ii) The amount represents the Social Welfare Development Fund allocations from the Social Welfare Department for the use of IT projects and non IT projects.

Movement of the grant (phase III) is as follows:

	2024 HK\$	2023 HK\$
At 1 April	101,712	99,113
Allocation received during the year	-	2,460
Interest received	1,118	139
At 31 March	<u><u>102,830</u></u>	<u><u>101,712</u></u>

As at 31 March 2024, there is no capital commitment in respect of IT projects and non IT projects (2023: Nil).



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**18. LOTTERIES FUND BALANCE - Continued**

- (iii) The amount represents the Lotteries Fund allocations from the Social Welfare Department for the provision of Wi-Fi service under the Pilot Project.

Movement of the grant is as follows:

	2024 HK\$	2023 HK\$
At 1 April	82,259	65,823
Allocation received during the year	-	39,600
Interest received	<u>644</u>	<u>92</u>
	82,903	105,515
Less: expenditure during the year - Operating expenses	<u>(17,442)</u>	<u>(23,256)</u>
At 31 March	<u><u>65,461</u></u>	<u><u>82,259</u></u>

As at 31 March 2024, there is no capital commitment in respect of Wi-Fi project (2023: Nil).

**19. DEFERRED INCOME FOR CAPITAL GRANTS**

	2024 HK\$	2023 HK\$
At 1 April	1,170,898	1,842,159
Capital grant	407,263	86,992
Recognised as income	<u>(853,589)</u>	<u>(758,253)</u>
At 31 March	<u><u>724,572</u></u>	<u><u>1,170,898</u></u>

**20. OVERHEAD COSTS RECOVERY**

A portion of the Company's overhead costs are covered by certain funders, which amounted to HK\$683,540 (2023: HK\$585,457).

**21. CAPITAL**

Capital represents cash contributed to the Company by The Hong Kong Council of Women as initial working capital.

NOTES TO THE FINANCIAL STATEMENTS  
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22. SPECIFIC FUNDS

	Community education fund HK\$	Capital development fund HK\$	Service development fund HK\$	Building maintenance/ renovation fund HK\$	Staff development fund HK\$	Total HK\$
At 1 April 2022	100,000	62,356	100,000	121,162	80,721	464,239
Utilised during the year	-	-	-	-	(33,430)	(33,430)
At 31 March 2023	100,000	62,356	100,000	121,162	47,291	430,809
Utilised during the year	-	-	-	-	(4,745)	(4,745)
At 31 March 2024	100,000	62,356	100,000	121,162	42,546	426,064

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**22. SPECIFIC FUNDS - Continued**

Name	Designated purpose
Community education fund	Support community education programmes
Capital development fund	Purchase of furniture/equipment and installation of facilities at service units
Service development fund	For service expansion of the agency
Building maintenance/ renovation fund	For maintenance and renovation of service units
Staff development fund	For staff development and training, recognition of staff performance and enhancement of staff relationship

**23. LUMP SUM GRANT RESERVE**

	2024 HK\$	2023 HK\$
At 1 April	2,533,338	1,787,098
Transferred from accumulated funds (note 24)	<u>111,773</u>	<u>746,240</u>
At 31 March	<u><u>2,645,111</u></u>	<u><u>2,533,338</u></u>

During the financial year, the fund was used to provide manpower and operational support to the shelter, as and when needed. The Company plans to use the fund to enhance the service delivery.

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**24. ACCUMULATED FUNDS**

	HK\$
At 1 April 2022	504,580
Net surplus for the year	814,864
Transfer to lump sum grant reserve (note 23)	<u>(746,240)</u>
At 31 March 2023	573,204
Net surplus for the year	200,848
Transfer to lump sum grant reserve (note 23)	<u>(111,773)</u>
At 31 March 2024	<u><u>662,279</u></u>

**25. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY**

The carrying amounts of each of the categories of financial instruments as at 31 March 2024 and 31 March 2023 are as follows:

	2024 HK\$	2023 HK\$
<b>Financial assets</b>		
Financial assets measured at amortised cost:		
- Utility deposits	411,005	368,287
- Other receivables	4,163,109	5,614,704
- Cash and bank balances	<u>16,828,745</u>	<u>13,641,628</u>
	<u><u>21,402,859</u></u>	<u><u>19,624,619</u></u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost:		
- Accounts payable and accruals	805,884	323,272
- Amount payable to Social Welfare Department	4,064	16,064
- Lease liabilities	956,163	841,789
- Staff provident fund balance	1,362,342	1,306,641
- Donations for specific purposes	7,755,428	6,954,759
- Cash advance from HKJC	4,282,445	4,249,421
- Cash advance from BOCHK	333,429	169,160
- Lotteries fund balance	<u>1,642,867</u>	<u>1,582,320</u>
	<u><u>17,142,622</u></u>	<u><u>15,443,426</u></u>

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**26. FINANCIAL RISK MANAGEMENT**

The Company is exposed through its operations to the following risks from its use of financial instruments:

- Interest rate risk
- Liquidity risk
- Credit risk

The policy of each of the above risks is described in more detail below:

**(a) Interest rate risk**

The Company is not exposed to material interest rate risk as it does not have material interest bearing financial instrument at the end of reporting period.

**(b) Liquidity risk**

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. In the opinion of the directors, the Company does not have significant liquidity risk exposure. Financial liabilities total HK\$17,142,622 (2023: HK\$15,443,426) of which the contractual maturities of financial liabilities of HK\$16,891,672 (2023: HK\$15,163,871) are due in less than one year.

**(c) Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from other receivables and bank balances.

The Company's outstanding other receivable do not have a significant increase in credit risk since initial recognition and risk of default is insignificant, therefore the ECL for these financial assets were based on 12-months ECL. The Company takes into account the historical credit loss experience, adjusted for forwarding-looking factors and the economic environment, as appropriate, and concludes that ECLs are insignificant.

The credit risk on liquid funds is limited because the counterparties are banks with high credit rating assigned by international credit rating agencies.

**27. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the directors on 24 September 2024.