(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 2018



### **DIRECTORS' REPORT**

The directors have pleasure in presenting their annual report together with the audited financial statements of Harmony House Limited (the "Company") for the year ended 31 March 2018.

### PRINCIPAL ACTIVITY

The principal activity of the Company is to provide a rent-free shelter for women and children who are victims of violence. Other activities include community education, crisis intervention, outreaching to schools, counseling and hotlines services.

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 2018 and the financial position of the Company as at that date are set out in the financial statements on pages 6 to 33.

### **DIRECTORS**

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

Ms. Wong Hing Chun

Mrs. Koo Au Cheuk Ming Anna

Mrs. Crosbie-Walsh Penny Soh Peng

Prof. Ng Man Lun

Dr. Kam Chak Wah

Ms. Yu Po Kwan

Mr. Leung Hong Shun Alexander

Dr. Leung Suk Man Grace

Ms. Chui Chi Yan Daisy

Dr. Huen Kwai Fun

(appointed on 16 October 2017)

(resigned on 24 November 2017)

In accordance with Article 42 of the Company's Articles of Association, the following directors retire and being eligible, may offer themselves for re-election for the forthcoming year:

Mrs. Koo Au Cheuk Ming Anna

Dr. Kam Chak Wah

Mrs. Crosbie-Walsh Penny Soh Peng

### **DIRECTORS' REPORT**

### 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 is material interested, 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.

### **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

And the state of t

Ms. Wong Hing Chun

Director

Hong Kong, 12 October 2018



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

(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 6 to 33, which comprise the statement of financial position as at 31 March 2018, 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 a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2018 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 ("HKSAs") 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 only.

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

(和諧之家有限公司)

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

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

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

• identify and assess the risks of material misstatement of the 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

(和諧之家有限公司)

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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, 12 October 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

				Moving Forward	Project HE for Male Victims of					
		Shelter	Shelter	Against Domestic	Domestic	Project Smart	Harmony		2018	2017
	Note	LSG	Others	Violence Project	Violence	Kids	tane	Other Activities	Total	Total
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Іпсоте										
Social Welfare Department ( "SWD" )									٠	
- Lump Sum Grant ("LSG") Subvention		9,443,379	1		•	ı	•		9,443,379	8,040,634
- Lotteries Fund			116,189	,		•	,		116,189	101,171
- In-situ Expansion			116,945			,	•		116,945	
- Others		,	•	247,220	•	·	ı		247,220	266,953
Community Chest - Baseline Allocation		1	696,758	,	•		ď	290,342	987,100	958,300
The Hong Kong Jockey Club Charities Trust				2,330,600	1,638,393	498,000			4,466,993	3,130,705
Hong Kong Bank Foundation		•	•	•	4	,	1	•	•	320,287
Fu Tak Lam Foundation Limited			,	,				ı	,	485,585
Quality Education Fund refunded to SWD		•				•	•	,		(307,093)
Other donations		•	91,240	•		,	341,675	321,624	754,539	912,239
Other income		1,871	4,384		ı	,	40,773	161,944	208,972	198,981
Interest income		20	,	40	ı	•	1	120	210	200
Deferred income brought forward		i	•	584,411	).	,	,	88,256	672,667	1,098,169
Deferred income carried forward		1		(373,585)	•	(498,000)		(109,441)	(981,026)	(672,667)
Accrued income			•	•	879,080	439,918	ş		1,318,998	359,433
Fund for accrued expenses		1	(51,946)	•	(800,105)		ı	ı	(852,051)	(433,502)
Fund for acquisition of assets		•	(13,137)	•	•	(19,017)	•	*	(32,154)	(18,117)
	l	9,445,300	960,433	2,788,686	1,717,368	420,901	382,448	752,845	16,467,981	14,441,278
Transfer from deferred income for capital grants	17	1	59,840	7,924	4,529	4,754	1,875	28,265	107,187	134,214
	!	9,445,300	1,020,273	2,796,610	1,721,897	425,655	384,323	781,110	16,575,168	14,575,492

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

1.5G			Sheiter	Shelter	Moving Forward Against Domestic	Project HE for Male Victims of Domestic	Project Smart	Harmony	;	2018	2017
tyserines 9 83,391 6,943 160,648 12,000 13,370 13,370 14,022			LSG HK\$	Others HK\$	Violence Project HK\$	Violence HK\$	Kids HK\$	Lane HK\$	Other Activities HK\$	Total HK\$	Total HK\$
trs from the first from the first from first from first from subvention from SWD  1,200 6,424 6,909 200 4,754 4,529 4,754 24,723 11,783 11,783 11,783 11,783 11,589 11,599 36,572 11,599 36,572 11,599 36,572 11,599 36,572 11,599 37,74 11,599 37,74 11,599 37,74 11,599 37,74 11,599 37,74 11,599 37,74 11,599 37,74 11,599 37,74 37,000 3,400 3,400 3,400 3,400 3,400 3,400 3,400 3,400 3,600 3,730 3,600 3,730 3,600 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730 3,730	Expenses Administrative expenses	σ.	83.391	6.943	160,648	12,000	13,370	7,183	31,577	315,112	284,337
11,735,098 678,941 1,973,829 4,754 2,724 2,829 2,4754 2,829 2,4354 1,535,098 678,941 1,593,829 1,541,233 316,892 24  11,783 11,783 1,1599 36,572 16,628 1,502 3,754 2,124 1,302 12,992 3,754 2,124 1,302 12,992 3,754 2,124 1,302 12,902 1,1502 146,034 1,841 1,842 1,700 10,175 46,034 1,841 1,842 1,700 10,175 1,897 1,897 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1,841 1	Computer software		1,200	66,424	6,909	200	•	200	480	75,413	69,736
sechold supplies 11,783 . 1,571,5098 678,941 1,973,829 1,541,233 316,892 24  sechold supplies 11,783 . 1,599 36,572 16,628 1,502  s 135,757 11,599 36,572 16,628 1,502  s 2,777 21,401 13,032 12,992 3,754  s 142,121 87,300 249,138 101,075 46,034 66,034  s 80,000 . 247,444 21,700 10,158 . 18,700  s 10,158 4,544 21,700 10,158 . 3,873  s supplus/(deficit) 215,246 1,020,273 2,796,610 1,771,897 4,555 38  s supplus/(deficit) 215,246 . 1,020,273 2,796,610 1,771,897 2,796,653	Depreciation			59,840	7,924	4,529	4,754	1,875	28,265	107,187	134,214
11,783 135,757 11,599 36,572 16,628 11,502 2,777 21,401 13,032 12,992 3,754 46,034 6 142,121 87,300 249,138 101,075 46,034 6 18,700 80,000 80,000 80,000 730,098 45,103 736,610 730,098 730,054 1,020,273 11 215,246 1,020,273 14,020,273 14,020,273 14,020,273 14,020,273 14,020,273 14,020,273 14,020,273 15,246 1,020,273 16,020,273 16,020 17,700 17,700 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 1,020,273 18,464 18,464 18,464 18,464 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,404 18,40	Employee costs	φ	7,735,098	678,941	1,973,829	1,541,233	316,892	244,524	498,911	12,989,428	11,156,034
Int	Food and household supplies		11,783		•	•	•	•	,	11,783	5,459
2,777 21,401 13,032 12,992 3,754 46,034 6 ication	Insurance		135,757	11,599	36,572	16,628	1,502	986'6	9,720	221,764	220,556
ication	Miscellaneous		2,777	21,401	13,032	12,992	3,754	869	18,829	73,654	26,520
80,000 247,220 14,935 14,935 14,935 14,935 1 1 1 269,260 247,220 10,158 1,3873 1 1 269,568 278 4,207 4,407 1,020,273 2,796,610 1,721,897 425,655 36 215,246 215,246 2,796,610 2,796,610 1,721,897 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,246 215,	Programmes		142,121	87,300	249,138	101,075	46,034	64,990	109,225	799,883	765,857
80,000 - 247,220 - 14,935 - 14,935 - 14,935 - 14,935 - 14,935 - 14,935 - 14,935 - 14,935 - 14,935 - 14,935 - 1,700 - 10,158 - 3,873 - 33,605 - 278 + 207 - 18,464 - 1,841 - 1,020,273 - 2,796,610 - 1,721,897 - 425,655 - 36 - 215,246 24,561 - 1,721,897 - 425,655 - 36 - 215,246 24,561 - 2,796,610 - 1,721,897 - 215,246 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,721,897 - 2,796,610 - 1,	Publicity/publication				200	•	18,700	,		19,200	39,400
4,656 42,444 21,700 10,158	Rent and rates		80,000		247,220	•	14,935	14,935		357,090	356,820
10 730,098 45,103 50,370 4,618 3,873 31,605 278 4,207	Staff training and development		4,656	42,444	21,700	10,158	,	7,423	18,915	105,296	67,903
11   269,568   278   4,207   1,841   1,841   1,020,273   24,561   1,721,897   425,655   36   36   36   36   36   36   36	Stores and equipment	10	730,098	45,103	50,370	4,618	3,873	3,143	39,875	877,080	426,311
11     269,568     -     24,561     18,464     1,841       9,230,054     1,020,273     2,796,610     1,721,897     425,655       215,246     -	Travelling		33,605	278	4,207	,	•	2,286	4,161	44,537	35,652
9,230,054 1,020,273 2,796,610 1,721,897 425,655	Utilities	11	269,568	ı	24,561	18,464	1,841	2,772	18,421	335,627	323,348
215,246 -		<b>ι</b> Ι	9,230,054	1,020,273	2,796,610	1,721,897	425,655	360,186	778,379	16,333,054	13,912,147
Auditor's remuneration Surplus of staff provident fund subvention from SWD Deficit of shelter rent and rates reimbursed by SWD	Net operating surplus/(deficit)	11	215,246			4		24,137	2,731	242,114	663,345
Deficit of shelter rent and rates reimbursed by SWD	Auditor's remuneration Surplus of staff provident fund subvention from SWD									(47,000) (100,737)	(46,000)
	Deficit of shelter rent and rates reimbursed by SWD Provision for annual leave								•	6,056	5,336 (42,632)
Net surplus for the year 5	Net surplus for the year	kΩ							. "	100,433	467,402

### STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Notes	2018 HK\$	2017 HK\$
Assets			,
Non-current asset Property, plant and equipment	12	114,607	177,540
Current assets Utility deposits and prepayments Other receivables Amount receivable from Social Welfare Department Cash and bank balances	13	345,104 2,412,440 27,078 10,247,976	269,790 2,326,335 27,334 9,658,108
Total current assets		13,032,598_	12,281,567
Total assets		13,147,205	12,459,107
Liabilities			
Current liabilities  Accounts payable and accruals Staff provident fund balance Donations for specific purposes Cash advance from Jockey Club Lotteries fund balance Deferred income for capital grants	14 15 16 17	1,740,376 1,038,885 4,843,278 871,585 1,226,103 114,608	1,619,302 938,148 4,749,981 584,411 1,035,181 177,541
Total liabilities		9,834,835	9,104,564
NET ASSETS		3,312,370	3,354,543
Represented by: Capital Specific funds Lump sum grant reserve Accumulated funds  TOTAL FUNDS	18 19 20 21	354,911 650,501 2,081,454 225,504 3,312,370	354,911 680,429 2,102,767 216,436
TOTAL FUNDS		3,312,370	3,331,313

On behalf of the directors

Ms. Wong Hing Chun Director Mrs. Crosbie-Walsh Penny Soh Peng Director

### STATEMENT OF CHANGES IN TOTAL FUNDS FOR THE YEAR ENDED 31 MARCH 2018

	Capital HK\$	Specific funds HK\$	Lump sum grant reserve HK\$	Accumulated funds HK\$	Total HK\$
At 1 April 2016	354,911	768,112	1,587,553	264,248	2,974,824
Net surplus for the year	-	-	-	467,402	467,402
Transfers (note 20)	-	-	515,214	(515,214)	-
Fund utilised (note 19)		(87,683)			(87,683)
At 1 April 2017	354,911	680,429	2,102,767	216,436	3,354,543
Net surplus for the year	-	-	ŭ	100,433	100,433
Transfers (note 20)	-	-	91,365	(91,365)	-
Clawback refunded to SWD (note 20)			(112,678)		(112,678)
Fund utilised (note 19)		(29,928)			(29,928)
At 31 March 2018	354,911	650,501	2,081,454	225,504	3,312,370

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	2018 НК\$	2017 HK\$
Cash flows from operating activities  Net surplus for the year	100,433	467,402
Adjustments for: Depreciation of property, plant and equipment Capital grants recognised as income Interest income	107,187 (107,187) (210)	134,214 (134,214) (200)
Operating profit before working capital changes Increase in utility deposits and prepayments Increase in other receivables Increase in accounts payable and accruals	100,223 (75,314) (86,105) 121,074	467,202 (15,003) (755,125) 9,916
Decrease/(increase) in amount receivable from Social Welfare Department Increase in staff provident fund balance Increase/(decrease) in donation for specific purposes Increase in cash advance from Jockey Club	256 100,737 93,297 287,174	(5,336) 112,647 (1,013,682) 253,158 (22,734)
Increase/(decrease) in Lotteries fund balance Decrease in building maintenance/renovation fund Decrease in staff development fund	190,922 - (29,928)	(49,500) (38,183)
Net cash from/(used in) operating activities	702,336	(1,056,640)
Cash flows from investing activities Purchases of property, plant and equipment Interest received	(44,254) 210	(160,285) 200
Net cash used in investing activities	(44,044)	(160,085)
Cash flows from financing activities Capital grants received Clawback refunded to SWD	44,254 (112,678)	160,285
Net cash (used in)/from financing activities	(68,424)	160,285
Net increase/(decrease) in cash and cash equivalents	589,868	(1,056,440)
Cash and cash equivalents at beginning of year	9,658,108	10,714,548
Cash and cash equivalents at end of year	10,247,976	9,658,108
Analysis of cash and cash equivalents companies: Cash available on demand	10,247,976	9,658,108

(和諧之家有限公司)

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 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 Memorandum and 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 nine members.

The Company is a charitable organisation and provides a rent-free shelter for women and children who are victims of violence. 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/revised HKFRSs - effective 1 April 2017

Amendments to HKAS 7 Disclosure Initiative

Amendments to HKAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of these amendments had no material impact on the Company's financial statements.

### (b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised 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 Company's current intention is to apply these changes on the date they become effective.

HKFRS 9 Financial Instruments<sup>1</sup>

HKFRS 15 Revenue from Contracts with Customers<sup>1</sup>

Amendments to HKFRS 15 Revenue from Contracts with Customers

(Clarifications to HKFRS 15)1

Amendments to HKFRS 9 Prepayment Features with Negative

Compensation<sup>2</sup>

(和諧之家有限公司)

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - Continued

### (b) New/revised HKFRSs that have been issued but are not yet effective - Continued

HKFRS 16

Leases<sup>2</sup>

HK(IFRIC)-Int 23

Uncertainty over Income Tax Treatments<sup>2</sup>

The Company is in the process of making an assessment of the potential impact of these new/revised HKFRSs on their initial adoption.

### 3. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") and the provisions of the Hong Kong Companies Ordinance which concerning the preparation of financial statements.

### (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.

<sup>&</sup>lt;sup>1</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>&</sup>lt;sup>2</sup> Effective for annual periods beginning on or after 1 January 2019

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 4. SIGNIFICANT 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

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.

(和諧之家有限公司)

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 4. SIGNIFICANT ACCOUNTING POLICIES - Continued

### (b) Leasing

Leases that do not transfer substantially all the risks and rewards of ownership to the Company are classified as operating leases. The total rentals payable under the operating leases are recognised to profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

### (c) Financial Instruments

### (i) Financial assets

The Company classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are mainly cash and bank balances, and also incorporate other types of contractual monetary assets. They are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

### (ii) Impairment loss on financial assets

The Company assesses, at the end of each reporting period, whether there is any objective evidence that a financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the counterparty;
- a breach of contract, such as a default or delinquency in interest or principal payments; and
- it becoming probable that the counterparty will enter bankruptcy or other financial reorganisation.

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 4. SIGNIFICANT ACCOUNTING POLICIES - Continued

### (c) Financial Instruments - Continued

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

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of a financial asset is reduced through the use of an allowance account. When any part of a financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

### (iii) Financial liabilities

The Company classifies its financial liabilities depending on the purpose for which the liabilities were acquired. Financial liabilities at amortised cost including other payables and accrued liabilities, which are 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.

### (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.

(和諧之家有限公司)

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 4. SIGNIFICANT ACCOUNTING POLICIES - Continued

### (c) Financial Instruments - Continued

### (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 HKAS 39 "Financial Instrument: Recognition and Measurement".

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.

### (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.

(和諧之家有限公司)

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 4. SIGNIFICANT ACCOUNTING POLICIES - Continued

### (e) Employee benefits

### (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 other assets (other than 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.

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.

Value in use is based on the estimated future cash flows expected to be derived from the asset, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

(和諧之家有限公司)

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 4. SIGNIFICANT ACCOUNTING POLICIES - Continued

### (g) 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.

(和諧之家有限公司)

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 4. SIGNIFICANT ACCOUNTING POLICIES - Continued

### (h) 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.

### 5. NET SURPLUS FOR THE YEAR

Net surplus for the year is stated after charging:

		2018 HK\$	2017 HK\$
	Employee costs (note 6) Depreciation of property, plant and equipment Minimum operating lease payments	12,989,428 107,187 254,760	11,156,034 134,214 226,968
6.	EMPLOYEE COSTS		
		2018 HK\$	2017 HK\$
	Employee costs comprise: Wages and salaries Contributions to defined contributions retirement plan	12,252,313 <u>737,115</u> 12,989,428	10,545,584 610,450 11,156,034

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 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:

	2018 НК\$	2017 НК\$
Fees Other emoluments	<u> </u>	-
	<u> </u>	-

### 8. INCOME TAX EXPENSES

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 (2017: Nil).

## NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

## **ADMINISTRATIVE EXPENSES** ٥.

				Project HE for					
	Shelter	Shelter	Moving Forward Against Domestic	Male Victims of Domestic	Project Smart	Harmony	Other	2018	2017
	LSG	Others	Violence Project	Violence	Kids	Lane	ACTIVITIES	otal	lotal
	HK\$	HK\$	нк\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Admin cost sharing	•		121,011					121,011	98,916
Audit fees	2,560	,	14,500	,	•	•	1,440	18,500	22,200
Bank charges	5,280		240	ı	•		4,211	9,731	9,716
IEPS charges	•	ŧ	i	1		•	1,200	1,200	1,200
Medical expenses	2,960		1,010	330	350	ŧ	700	5,350	5,500
Postage	965		920	370	1	•	ľ	2,260	1,620
Recruitment	15,964		9,150	937	5,317	•	3,564	34,932	41,257
Secretarial service fee	9:6'6	,	•	ı		•	2,484	12,420	11,410
Telephone and facsimile	45,726	6,943	13,817	10,363	7,703	7,183	17,973	109,708	92,518
	83,391	6,943	160,648	12,000	13,370	7,183	31,577	315,112	284,337

## NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

10. STORES AND EQUIPMENT

			Moving Fooward	Project HE for Male Victims of					
	Shelter	Sheiter	Against Domestic	Domestic	Project Smart	Нагтопу		2018	2017
	LSG	Others	Violence Project	Violence	Kids	Lane	Other Activities	Total	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Cleaning charges and materials	114,307		22,176	•		320	20,570	157,373	82,501
Furniture and equipment									
(Minor purchase)	118,271	44,251	•	2,189	3,778	2,673	1,360	172,522	59,418
Newspapers and periodicals	6,189		2,320	į	ì	,	œ.	8,517	8,004
Printing and stationery	15,147	,	10,189	2,429	95	,	2,688	30,548	37,288
Repairs and maintenance	467,724	585	10,013	ì	1	150	6,741	485,213	210,604
Safety and security equipment	8,460	•	3,704	ī	ī	,	5,556	17,720	17,540
Security service	r	,	1,968	ı	ı	,	2,952	4,920	4,920
Toys and books for children	,	267	Wilderstand	-	,	1		267	6,036
	730,098	45,103	50,370	4,618	3,873	3,143	39,875	877,080	426,311

## NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

## 11. UTILITIES

	Shelter LSG HK\$	Shelter Others HK\$	Moving Forward Against Domestic Violence Project HK\$	Project HE for Male Victims of Domestic Violence HK\$	Project Smart Kids HK\$	Harmony Lane HK\$	Other Activities HK\$	2018 Total HK\$	2017 Total HK\$
Electricity	172,418		24,407	18,306	1,841	2,772	18,306	238,050	226,188
Gas	46,389	•	,	•	•			46,389	50,068
Water and Sewage charges	50,761	,	154	158			115	51,188	47,092

323,348

335,627

18,421

2,772

1,841

18,464

24,561

269,568

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 12. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicle HK\$	Furniture and equipment HK\$	Leasehold improvement HK\$	Total HK\$
Cost At 1 April 2017 Additions Disposals	776,902	1,465,807 44,254 (70,203)	12,956,857	15,199,566 44,254 (70,203)
At 31 March 2018	776,902	1,439,858	12,956,857	15,173,617
Accumulated depreciation At 1 April 2017 Depreciation Eliminated on disposal	776,902	1,301,465 100,587 (70,203)	12,943,659 6,600	15,022,026 107,187 (70,203) 15,059,010
At 31 March 2018	776,902	1,331,849	12,950,259	13,039,010
Net book value At 31 March 2018	-	108,009	6,598	114,607
	Motor vehicle HK\$	Furniture and equipment HK\$	Leasehold improvement HK\$	Total HK\$
Cost At 1 April 2016 Additions Disposals	vehicle	and equipment	improvement	
At 1 April 2016 Additions	vehicle HK\$	and equipment HK\$ 1,385,535 140,485	improvement HK\$ 12,937,057	HK\$ 15,099,494 160,285
At 1 April 2016 Additions Disposals At 31 March 2017  Accumulated depreciation At 1 April 2016 Depreciation Eliminated on disposal	vehicle HK\$ 776,902 - - - 776,902 - - -	and equipment HK\$ 1,385,535 140,485 (60,213) 1,465,807 1,247,797 113,881 (60,213)	improvement HK\$ 12,937,057 19,800 - 12,956,857 12,923,326 20,333	HK\$  15,099,494
At 1 April 2016 Additions Disposals At 31 March 2017  Accumulated depreciation At 1 April 2016 Depreciation	vehicle HK\$ 776,902 - - - 776,902	and equipment HK\$ 1,385,535 140,485 (60,213) 1,465,807	improvement HK\$ 12,937,057 19,800 - 12,956,857 12,923,326 20,333	HK\$  15,099,494     160,285     (60,213)  15,199,566  14,948,025     134,214

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 12. PROPERTY, PLANT AND EQUIPMENT - Continued

The motor vehicle is purchased for the purpose of community education and is registered under the Trade Marks Registry Intellectual Property Department in the name of "Harmony Express".

### 13. AMOUNT RECEIVABLE FROM SOCIAL WELFARE DEPARTMENT

	2018 HK\$	2017 HK\$
At 1 April	27,334	21,998
Back payment of rent and rates for prior years	(6,536)	*
Clawback refunded to SWD	224	-
Subsidy received for rent and rates for the year	(73,944)	(74,664)
Rent and rates paid for the year	80,000	80,000
At 31 March	27,078	27,334

### 14. STAFF PROVIDENT FUND BALANCE

The Best Practice Manual issued by the Social Welfare Department which was effective from 1 July 2014 requires the Company to use convenient, effective and timely channels to disseminate information about the staff provident fund reserve to staff members.

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 of service respectively. The contribution rate is reviewed on an annual basis.

### 15. 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 expenditure have been incurred.

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 16. LOTTERIES FUND BALANCE

		2018 HK\$	2017 HK\$
Furniture and Equipment Replenishment and Minor			
Works Block Grant Reserve	(i)	681,510	544,499
IT projects and non-IT projects Social Welfare			
Development Fund (phase I)	(ii)(a)	-	90,910
IT projects and non-IT projects Social Welfare			
Development Fund (phase II)	(ii)(b)	342,933	399,772
IT projects and non-IT projects Social Welfare	<i>a</i> n .	201.112	
Development Fund (phase III)	(ii)(c)	201,660	
	:	1,226,103	1,035,181

(i) The amount represents the Block Grant allocations from the Social Welfare Department for the use of Furniture and Equipment ("F&E") Replenishment and Minor Works.

Movement of the grant is as follows:

		2018 HK\$	2017 HK\$
Block	e as at 1 April grant received during the year st received	544,499 137,000 11	541,544 111,000
		681,510	652,544
Less:	Expenditure during the year: Furniture and equipment Minor works projects		(87,095) (20,950)
			(108,045)
Balanc	e as at 31 March	681,510	544,499

As at 31 March 2018, there is no capital commitment in respect of F&E Replenishment and Minor Works (2017: Nil).

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 16. LOTTERIES FUND BALANCE - Continued

- (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.
  - (a) Movement of the grant (phase I) is as follows:

		2018 HK\$	2017 HK\$
	Balance as at 1 April Interest received	90,910	90,908 2
	-	90,910	90,910
	Less: Clawback of unspent balance	(90,910)	
	Balance as at 31 March	_	90,910
(b)	Movement of the grant (phase II) is as follows:		
		2018 HK\$	2017 HK\$
	Balance as at 1 April Allocation received during the year Interest received	399,772 - 10	425,463 65,000 4
		399,782	490,467
	Less: Expenditure during the year: IT system upgrading project Training and professional development	(56,849)	(53,805)
	program	_	(36,890)
		(56,849)	(90,695)
	Balance as at 31 March	342,933	399,772

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### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 16. LOTTERIES FUND BALANCE - Continued

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

	2018 HK\$	2017 HK\$
Balance as at 1 April	~	•
Allocation received during the year	261,000	-
Interest received	1	-
	261,001	
Less: Expenditure during the year: Training and professional development		-
program	(59,341)	
	(59,341)	
Balance as at 31 March	201,660	

As at 31 March 2018, there is no capital commitment in respect of IT projects and non IT projects (2017: HK\$53,805).

### 17. DEFERRED INCOME FOR CAPITAL GRANTS

	2018 HK\$	2017 HK\$
At 1 April	177,541	151,470
Capital grant received	44,254	160,285
Recognised as income	(107,187)	(134,214)
At 31 March	114,608	177,541

### 18. CAPITAL

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

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## NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

19. SPECIFIC FUNDS

	Community education fund HK\$	Capital development fund HK\$	Service development fund HK\$	Building maintenance/ renovation fund HK\$	Staff development fund HK\$	Totaí HK\$
At 1 April 2016	100,000	62,356	100,000	255,262	250,494	768,112
Utilised during the year	T T	•	1 International Control	(49,500)	(38,183)	(87,683)
At 31 March 2017	100,000	62,356	100,000	205,762	212,311	680,429
Utilised during the year	1	1	- constitution	Chapter of	(29,928)	(29,928)
At 31 March 2018	100,000	62,356	100,000	205,762	182,383	650,501

(和諧之家有限公司)

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 19. 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

### 20. LUMP SUM GRANT RESERVE

The Best Practice Manual issued by the Social Welfare Department ("SWD") which was effective from 1 July 2014 requires the Company to, based on the actual circumstances and its development strategies, decide on its own how the lump sum grant reserve be utilized.

	2018 HK\$	2017 HK\$
At 1 April Transferred from accumulated funds (note 21) Clawback refunded to SWD	2,102,767 91,365 (112,678)	1,587,553 515,214 
At 31 March	2,081,454	2,102,767

During the 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 and strengthen the supervisory support at the shelter.

(和諧之家有限公司)

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 21. ACCUMULATED FUNDS

	Accumulated funds HK\$
At 1 April 2016	264,248
Net surplus for the year	467,402
Transfer to lump sum grant reserve (note 20)	(515,214)
At 31 March 2017	216,436
Net surplus for the year	100,433
Transfer to lump sum grant reserve (note 20)	(91,365)
At 31 March 2018	225,504

### 22. OPERATING LEASES

The Company leases office premises under operating leases. The leases run for three years and do not include any contingent rentals.

At the reporting date, the total future minimum lease payments payable by the Company under the non-cancellable operating lease are as follows:

	2018 HK\$	2017 HK\$
Within one year	254,760	254,760
Later than one year and not later than five years		254,760
	254,760	509,520

(和諧之家有限公司)

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 23. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 March 2018 and 31 March 2017 are as follows:

	2018	2017
	HK\$	HK\$
Financial assets		
Loans and receivables:		
- Utility deposits	196,522	95,756
- Other receivables	2,412,440	2,326,336
- Amount receivable from Social Welfare Department	27,078	27,334
- Cash and bank balances	10,247,976	9,658,108
	12,884,016	12,107,534
Financial liabilities		
Financial liabilities measured at amortised cost:		
- Accounts payable and accruals	433,486	312,412
- Staff provident fund balance	1,038,885	938,148
- Donations for specific purposes	4,843,278	4,749,981
- Cash advance from Jockey Club	871,585	584,411
- Lotteries fund balance	1,226,103	1,035,181
	8,413,337	7,620,133

### 24. 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.

(和諧之家有限公司)

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2018

### 24. FINANCIAL RISK MANAGEMENT - Continued

### (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. The contractual maturities of all financial liabilities of HK\$8,413,337 (2017: HK\$7,620,133) 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 loan and receivables and bank balances. The Company has adopted a credit policy to monitor and mitigate credit risk arising from the counterparty. Credit limit is regularly reviewed. The Company assesses credit risk based on the counterparty's past due record, financial condition or credit rating.

All the bank balances are deposited with reputable banks, which have high international credit rating. It is considered unlikely that any of these banks will fail to meet their obligations.

The maximum exposure to credit risk on loan and receivables is the carrying amount of these assets as shown on the face of the statement of financial position.

### 25. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the directors on 12 October 2018.

