

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2017

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THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會

REPORT OF THE COMMITTEE MEMBERS

The committee members submit herewith their report together with the audited financial statements of THE HONG KONG DOWN SYNDROME ASSOCIATION (the "Association") for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Association is the provision of services, information and facilities for people with Down Syndrome and other disabilities and their families. There is no significant change compared with the activity conducted in previous year.

FINANCIAL STATEMENTS

The result of the Association for the year ended 31 March 2017 and the Association's financial position as at that date are exhibited in the annexed audited financial statements.

FUNDS

Details of movements in funds during the year are set out in the statement of changes in funds on page 8.

SHARE CAPITAL

The Association is limited by guarantee and does not have share capital. The liability of each of its members is limited to the extent of an amount not exceeding HK\$100.

COMMITTEE MEMBERS

The committee members during the year and up to the date of this report were:-

LEUNG Kin Man, Michael	Chairperson
KONG MA Yuk Kum	Vice Chairperson
TONG HUI Sim Kiu, Heidi	Vice Chairperson
LAW Ming Fai, Ben	Honorary Secretary
YIP Wai Ming, Patrick	Honorary Treasurer
CHOR Wai Hing, Keith	
FUNG Yat Sang, Patrick	(Resigned on 24 November 2016)
IM Fung Kiu, Betty	
Junko SOMMERAU	
LAU SO King Shun	
LEE Siu Chun, Daisy	
LEE Chi Chiu	
LI Kin Yin, Mark	
WONG Hing Hing, Frazer	
YEUNG Ying Mui, Maggie	
YIU Wing Fai, Kenneth	(Appointed on 24 November 2016)

In accordance with article 48 of the Association's Articles of Association, the committee members shall hold office until the second general meeting following the annual general meeting in which he/she elected. No committee member shall stand election for four consecutive occasions.

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會

REPORT OF THE COMMITTEE MEMBERS (Continued)

REPORTING EXEMPTION

Since the Association falls within reporting exemption for the financial year in accordance with the Companies Ordinance, it has been exempted from certain disclosures in the report of the committee members and in the financial statements.

AUDITOR

The financial statements for the year were audited by Messrs. CHENG & CHENG LIMITED who retire and, being eligible, offer themselves for re-appointment.

During the year, the Association changed the auditors from K.W. Tam & Co. to CHENG & CHENG LIMITED. A resolution for the re-appointment of CHENG & CHENG LIMITED as auditors of the Association will be proposed at the forthcoming annual general meeting.

On behalf of the Committee



LEUNG Kin Man, Michael
Chairman

Hong Kong, 21 OCT 2017



CHENG & CHENG LIMITED

CERTIFIED PUBLIC ACCOUNTANTS 鄭鄭會計師事務所有限公司

Andrew H. K. Cheng – FCCA, FTIHK, CTA (HK), FCPA (Practising) 鄭康祺 – 香港執業資深會計師 Ivan K. F. Yu – MBA, SQ (Insolvency), FTIHK, CTA (HK), CPA (Practising) 余廣發 – 香港執業會計師
Francis H. C. Cheng – BBA, FCCA, FTIHK, CTA (HK), CPA (Practising) 鄭康祥 – 香港執業會計師 Gabriel S. C. Chan – BA, MA, FCCA, ATIHK, CTA (HK), CPA (Practising) 陳碩智 – 香港執業會計師
Alice Y. Y. Li – B. Bus., ATIHK, CTA (HK), CPA (Aust.), CPA (Practising) 李遠瑜 – 香港執業會計師 David C. Y. Yeung – BBA, ATIHK, CTA (HK), CPA (Practising) 楊振宇 – 香港執業會計師
Tong Yat Hung – FCCA, CPA (Practising) 湯日烘 – 香港執業會計師 Sammy H. N. Lam – BA, CPA, CA, CMA, CPA (Practising) 林鶴年 – 香港執業會計師

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE HONG KONG DOWN SYNDROME ASSOCIATION

香港唐氏綜合症協會

(Incorporated in Hong Kong with liability limited by guarantee)

Opinion

We have audited the financial statements of THE HONG KONG DOWN SYNDROME ASSOCIATION (the "Association") set out on pages 6 to 23, which comprise the statement of financial position as at 31 March 2017, and the statement of income and expenditure, statement of changes in funds and 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 Association as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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 Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The committee members are responsible for the other information. The other information comprises the information included in the report of the committee members, but does not include the financial statements and our auditor's report thereon.

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

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



INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE MEMBERS OF THE HONG KONG DOWN SYNDROME ASSOCIATION

香港唐氏綜合症協會

(Incorporated in Hong Kong with liability limited by guarantee)

Responsibilities of committee members for the financial statements

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

In preparing the financial statements, the committee members are responsible for assessing the Association'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 committee members either intend to liquidate the Association 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. 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.
- 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.



INDEPENDENT AUDITOR'S REPORT (Continued)

**TO THE MEMBERS OF
THE HONG KONG DOWN SYNDROME ASSOCIATION**

香港唐氏綜合症協會

(Incorporated in Hong Kong with liability limited by guarantee)

Auditor's responsibilities for the audit of the financial statements (Continued)

- Conclude on the appropriateness of the committee members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association'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 Association 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 committee members 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.



CHENG & CHENG LIMITED
Certified Public Accountants

Hong Kong, 21 OCT 2017

Cheng Hong Kei
Practising Certificate number P01806

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會

STATEMENT OF FINANCIAL POSITION 財務狀況表

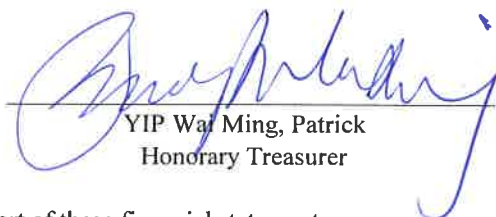
As at 31 March 2017 於二零一七年三月三十一日

	Note	2017 HK\$	2016 HK\$
Non-current assets 非流動資產			
Plant and equipment 機器及設備	4	-	-
Current assets 流動資產			
Trade debtors 應收帳款		574,056	509,182
Other receivables 其他應收款		382,175	458,882
Cash at bank and on hand 銀行存款及現金		11,884,941	14,218,485
		12,841,172	15,186,549
Current liabilities 流動負債			
Other payables 其他應付款		611,782	160,504
Net current assets 流動資產淨值		12,229,390	15,026,045
Funds 基金			
General Fund 一般基金		1,931,009	1,588,914
Designated Funds 指定基金		4,198,855	7,729,016
Lump Sum Grant Reserve 整筆撥款儲備		4,023,530	3,980,229
Provident Fund Reserve 公積金儲備		1,745,996	1,397,886
		11,899,390	14,696,045
Non-current liabilities 非流動負債			
Provisions for long service and annual leave payments 長期服務金及年假撥備	11	330,000	330,000
		12,229,390	15,026,045

Signed on behalf of the Board of Committee by:-



LEUNG Kin Man, Michael
Chairman



YIP Wai Ming, Patrick
Honorary Treasurer

The attached notes form an integral part of these financial statements.

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會

STATEMENT OF INCOME AND EXPENDITURE 收入及支出表

For the year ended 31 March 2017 截至二零一七年三月三十一日止年度

	Note	2017 HK\$	2016 HK\$
General fund 一般基金			
Income 收入	6	16,685,753	15,583,372
Expenditure 支出	7	<u>(15,440,313)</u>	<u>(14,248,877)</u>
Surplus for the year 本年度盈餘		<u>1,245,440</u>	<u>1,334,495</u>
Designated funds 指定基金			
Income 收入	8	6,589,191	7,973,456
Expenditure 支出	8	<u>(10,632,699)</u>	<u>(9,447,445)</u>
Deficit for the year 本年度赤字		<u>(4,043,508)</u>	<u>(1,473,989)</u>
Net deficit for the year 本年度赤字淨值	12	<u>(2,798,068)</u>	<u>(139,494)</u>

The attached notes form an integral part of these financial statements.

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會

STATEMENT OF CHANGES IN FUNDS

For the year ended 31 March 2017

	General Fund HK\$	Designated Funds HK\$	Lump Sum Grant Reserve HK\$	Provident Fund Reserve HK\$	Total HK\$
Balance at 1 April 2015	1,173,080	9,059,668	3,278,701	1,326,995	14,838,444
Surplus/(deficit) for the year	1,334,495	(1,473,989)	-	-	(139,494)
Refund from/(to) HKSAR government	127,897	-	(67,001)	(63,801)	(2,905)
Transfer net deficit from designated fund to general fund	(143,337)	143,337	-	-	-
Transfer from general fund to social welfare subvention surpluses account	(768,529)	-	768,529	-	-
Transfer from general fund to lump sum grant P.F. surplus reserve	(134,692)	-	-	134,692	-
Balance at 31 March 2016 and 1 April 2016	1,588,914	7,729,016	3,980,229	1,397,886	14,696,045
Surplus/(deficit) for the year	1,245,440	(4,043,508)	-	-	(2,798,068)
Reclassification of funds	-	-	(248,381)	248,381	-
Refund from/(to) HKSAR government	-	-	(1,574)	21,918	20,344
Transfer net deficit from designated funds to general fund	(513,347)	513,347	-	-	-
Long Service Payment (excess portion) absorbed by General Fund	(18,931)	-	-	-	(18,931)
Transfer from general fund to social welfare subvention surpluses account	(293,256)	-	293,256	-	-
Transfer from general fund to lump sum grant P.F. surplus reserve	(77,811)	-	-	77,811	-
Balance at 31 March 2017	<u>1,931,009</u>	<u>4,198,855</u>	<u>4,023,530</u>	<u>1,745,996</u>	<u>11,899,390</u>

The attached notes form an integral part of these financial statements.

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會

STATEMENT OF CASH FLOWS

For the year ended 31 March 2017

	Note	2017 HK\$	2016 HK\$
Operating activities			
Deficit before taxation		(2,798,068)	(139,494)
Adjustments for:			
Interest income		<u>(77,770)</u>	<u>(71,325)</u>
Operating deficit before working capital changes		(2,875,838)	(210,819)
(Increase)/decrease in trade debtors		(64,874)	80,387
Decrease in other receivables		76,707	62,093
Increase/(decrease) in other payables		451,278	(9,728)
Refund received from/(paid to) government		20,344	(2,905)
Refund of long service payment		<u>(18,931)</u>	<u>-</u>
Cash used in operations		(2,411,314)	(80,972)
Interest received		<u>77,770</u>	<u>71,325</u>
Net cash used in operating activities		(2,333,544)	(9,647)
Net cash from investing activities		-	-
Net cash from financing activities		-	-
Decrease in cash and cash equivalents		(2,333,544)	(9,647)
Cash and cash equivalents at the beginning of the year		<u>14,218,485</u>	<u>14,228,132</u>
Cash and cash equivalents at the end of the year	13	<u>11,884,941</u>	<u>14,218,485</u>

The attached notes form an integral part of these financial statements.

THE HONG KONG DOWN SYNDROME ASSOCIATION

香港唐氏綜合症協會

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

1. CORPORATE INFORMATION

THE HONG KONG DOWN SYNDROME ASSOCIATION (the "Association") is an association limited by guarantee, incorporated and domiciled in Hong Kong. The address of its registered office and principal place of business is Room 103-106, G/F., Wing Shui House, Lek Yuen Estate, Shatin, New Territories, Hong Kong.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention. These financial statements are presented in Hong Kong Dollars and all values are rounded to the nearest dollar unless otherwise stated.

The preparation of financial statements in conformity with the HKFRS for Private Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies.

(b) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized on the Association's statement of financial position when the Association becomes a party to the contractual provisions of the instrument. The following financial instruments are classified according to the management's intention on acquisition:-

Receivables

Receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables.

Payables

Payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) PLANT AND EQUIPMENT

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Association adds to the carrying amount of an item of plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Association. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

- Furniture and fixtures	3 years
- Office equipment	3 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

(d) LEASES

Operating lease charges

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(e) IMPAIRMENT OF ASSETS

Impairment of financial instruments

For instruments measured at amortized cost (for example, trade accounts and notes receivable), the impairment loss is the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) IMPAIRMENT OF ASSETS (Continued)

Impairment of non-financial assets

Assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(g) EMPLOYEE BENEFITS

Pension obligations

A defined contribution plan is a pension plan under which the Association pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Association pays contributions to publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognized as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognized as an asset.

(h) INCOME TAX

No provision for Hong Kong Profits Tax has been made as the Association is fully exempted from Profits Tax under Section 88 of the Inland Revenue Ordinance.

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) PROVISIONS

Provisions for long service and annual leave are recognized when: the Association has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(j) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognized in profit or loss provided it is probable that the economic benefits will flow to the Association and the revenue and costs, if applicable, can be measured reliably, as follows:

(i) Sale of goods

Sales of goods are recognized when reward and control of product are passed to the customer.

(ii) Rendering of services

Service income is recognized whenever the services are completed. When the services are partly completed, the Association only recognizes the revenue to the extent of amount representing the proportion of services completed or equals to the amount received, whichever is lower.

(iii) Interest income

Interest income is recognized as it accrues using the effective interest method.

(iv) Government grants

Government grants are recognized in the statement of financial position initially as deferred income when there is reasonable assurance that they will be received and that the Association will comply with the conditions attaching to them. Grants that compensate the Association for expenses incurred are recognized as revenue in income and expenditure on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Association for the cost of an asset are recognized in income and expenditure as revenue on a systematic basis over the useful life of the asset.

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) REVENUE RECOGNITION (Continued)

(v) Other income

Donations, subventions, members' subscriptions and program income are recognised as income upon receipt or when the corresponding projects or activities are held.

Any other income not mentioned above is recognized whenever it is received or receivable.

(k) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Association are measured by using the currency of the primary economic environment in which the Association operates (the functional currency). The financial statements are presented in Hong Kong Dollars ("HK\$"), which is the functional and presentation currency.

(l) GOVERNMENT GRANTS

Grants from the government are recognized at their fair value in income and expenditure where there is a reasonable assurance that the grant will be received and the Association has complied with all attached conditions. Grants received where the Association has yet to comply with all attached conditions are recognized as a liability (and included in deferred income within trade and other payables) and released to income when all attached conditions have been complied with.

3. TRANSITION TO THE HKFRS FOR PRIVATE ENTITIES

(a) BASIS OF TRANSITION TO THE HKFRS FOR PRIVATE ENTITIES

Application of the HKFRS for Private Entities

The Association's financial statements for the year ended 31 March 2017 are its first annual financial statements prepared under accounting policies that comply with the HKFRS for Private Entities.

The date of transition of the Association is 1 April 2016. The Association prepared its opening HKFRS for Private Entities statement of financial position at that date.

(b) RECONCILIATION

No reconciliation statement has been prepared as there is no effect on:-

- (i) the funds of the Association at 1 April 2015 and 31 March 2016 and;
- (ii) the financial performance of the Association for the year ended 31 March 2016

in respect of the transition of the Association from financial statements prepared under its previously adopted accounting framework to the HKFRS for Private Entities.

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

4. PLANT AND EQUIPMENT

	Furniture and fixtures HK\$	Office equipment HK\$	Total HK\$
Cost			
At 1 April 2016 and 31 March 2017	31,806	178,072	209,878
Deduct: Accumulated depreciation			
At 1 April 2016 and 31 March 2017	31,806	178,072	209,878
Net book values			
At 31 March 2017	-	-	-
At 31 March 2016	-	-	-

5. BENEFITS AND INTERESTS OF COMMITTEE MEMBERS

None of the committee members received any fees or emoluments (2016: HK\$Nil).

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

6. GENERAL FUND - INCOME

	Association HK\$	Bradbury Parents Resource Centre HK\$	Employment Service Centre HK\$	WEP- Tip Top Training Centre HK\$	Tiptop Training Centre HK\$	Sunnyway On the Job Training Programme HK\$	On the Job Training Programme HK\$	2017 HK\$	2016 HK\$
Bank interest income	77,756	-	-	-	-	-	-	77,756	71,282
Donation received - allocation from the Community Chest	60,100	-	-	-	-	-	-	60,100	78,300
Membership fee	10,150	4,246	-	-	-	-	-	14,396	17,428
Other donation	1,449,497	-	-	-	-	-	-	1,449,497	1,307,436
Program income	23,220	300,278	75,272	-	64,564	-	-	463,334	365,581
Program income - Community Chest	79,489	-	-	-	-	-	-	79,489	113,583
Social welfare subvention	1,719,217	3,987,759	1,991,482	-	6,003,697	371,440	453,983	14,527,578	13,614,449
Other income	5,536	-	8,067	-	-	-	-	13,603	15,313
	<u>3,424,965</u>	<u>4,292,283</u>	<u>2,074,821</u>	<u>-</u>	<u>6,068,261</u>	<u>371,440</u>	<u>453,983</u>	<u>16,685,753</u>	<u>15,583,372</u>

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

7. GENERAL FUND - EXPENDITURE

	Association HK\$	Bradbury Parents Resource Centre HK\$	Employment Service Centre HK\$	WEP- Tip Top Training Centre HK\$	Tiptop Training Centre HK\$	Sunnyway On the Job Training Programme HK\$	On the Job Training Programme HK\$	2017 HK\$	2016 HK\$
Advertising	17,324	9,713	-	-	7,838	-	-	34,875	19,852
Audit fee	30,630	-	-	-	-	-	-	30,630	1,830
Bank charges and interest	15,814	-	-	-	-	100	-	15,914	12,326
Broadband connection	-	5,976	5,976	-	8,497	-	-	20,449	16,328
Car park rental charges	-	-	-	-	32,150	-	-	32,150	30,630
Computer expenses	32,665	4,959	-	-	2,167	-	-	39,791	113,006
Conference and staff development	7,077	3,240	500	-	5,300	-	-	16,117	1,982
Consultancy fee	57,000	-	-	-	4,990	-	-	61,990	-
DS News	37,392	-	-	-	-	-	-	37,392	34,227
Electrical appliance	4,300	-	808	-	1,036	-	-	6,144	54,584
Electricity and water	216	29,621	29,534	-	119,534	-	-	178,905	185,037
Food for service user	-	-	-	1,578	-	-	-	1,578	1,781
Furniture and fixtures	19,383	2,940	8,050	-	7,090	-	-	37,463	38,819
Insurance	26,742	34,117	29,286	-	56,060	3,303	1,918	151,426	159,626
Job attachment allowance	-	-	-	-	-	6,000	8,000	14,000	16,000
Job trial allowance	-	-	-	-	-	35,918	6,895	42,813	26,971
Leasehold improvement	-	-	-	-	-	-	-	-	134,702
Meeting	5,585	-	195	-	-	-	-	5,780	5,002
MPF and P-fund contribution	79,773	195,925	92,267	-	231,343	12,886	20,038	632,232	531,045
Newspaper and periodicals	-	2,031	1,447	-	-	-	-	3,478	3,636
Occupational therapy service	-	-	-	-	-	-	-	-	17,460
Balance c/f	333,901	288,522	168,063	1,578	476,005	58,207	36,851	1,363,127	1,404,844

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

7. GENERAL FUND - EXPENDITURE (Continued)

	Association HK\$	Bradbury Parents Resource Centre HK\$	Employment Service Centre HK\$	WEP- Tip Top Training Centre HK\$	Tiptop Training Centre HK\$	Sunnyway On the Job Training Programme HK\$	On the Job Training Programme HK\$	2017 HK\$	2016 HK\$
Balance b/f	333,901	288,522	168,063	1,578	476,005	58,207	36,851	1,363,127	1,404,844
Office supplies and cleaning	15,478	5,119	9,131	-	52,353	-	-	82,081	74,251
Other office equipment	90,609	2,126	3,502	-	15,440	-	-	111,677	63,999
Postage and shipping	3,945	14,686	1,782	-	566	-	-	20,979	21,571
Printing and stationery	14,166	32,121	18,398	789	28,913	-	-	94,387	101,085
Processing charges	-	596	-	-	-	-	-	596	-
Program expenses - Community Chest	147,484	-	-	-	-	-	-	147,484	194,308
Program expenses	259,838	433,587	99,878	-	120,987	-	-	914,290	854,377
Promotion and advertising	18,720	-	-	-	-	-	-	18,720	71,464
Raw material	-	-	-	-	-	-	-	-	330
Rent and rates	137,381	137,216	66,591	-	471,800	-	-	812,988	726,516
Repair and maintenance	81,808	18,978	22,576	-	63,655	-	-	187,017	258,022
Resource & Toy Library	-	1,283	-	-	-	-	-	1,283	510
Salaries	1,966,708	3,010,066	1,780,494	-	3,705,966	257,712	346,463	11,067,409	9,908,563
Souvenir	53,995	-	-	-	192	-	-	54,187	57,750
Subscriptions fee	9,292	-	-	-	-	-	-	9,292	9,234
Sundry expense	37,118	10,850	300	-	-	-	-	48,268	4,448
Telephone and fax	1,450	5,388	6,384	-	11,718	-	-	24,940	28,546
Trainee incentive allowance	-	-	-	28,390	430,676	-	-	459,066	430,854
Training program materials	-	-	-	-	-	-	-	-	12,435
Travel and entertainment	5,741	1,704	11,962	-	2,715	-	-	22,122	24,894
Volunteers allowance	-	400	-	-	-	-	-	400	876
	3,177,634	3,962,642	2,189,061	30,757	5,380,986	315,919	383,314	15,440,313	14,248,877

THE HONG KONG DOWN SYNDROME ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

8. DESIGNATED FUNDS

The Designated Funds consist of those resources which are designated by donors or approved by the committee as to the purposes for which they may be expected. Movements of Designated Funds during the year are shown below:-

	Note	Balance brought forward HK\$	Income HK\$	Expenditure HK\$	Transfer from/(to) General fund HK\$	Balance carried forward HK\$
Adult Education		32,076	93,875	(97,952)	-	27,999
Ageing Services to people with Down Syndrome		933,611	-	-	-	933,611
AI Centre		-	15,309	(602,256)	-	(586,947)
Arts Development Fund		693,886	1,000	(163,144)	-	531,742
Community Care Fund		-	29,500	-	-	29,500
Downs Dancing Team		37,842	72,900	(90,384)	-	20,358
Downs Football School		520,677	15,105	(34,222)	-	501,560
Dr. Brian Stratford Research & Development Fund		289,334	1,500	(110,034)	-	180,800
DS Centre		543,722	552,535	(1,565,842)	-	(469,585)
English Speaking Group		8,951	22,430	(16,140)	-	15,241
IP Project		237,887	9,255	(758,085)	510,943	-
One off Grant	8.1	4,420	36,150	(31,800)	-	8,770
Rover Group - 84th Kowloon Scout		6,385	34,630	(35,975)	-	5,040
Scout Group - 84th Kowloon Scout Group		26,087	5,850	(1,954)	-	29,983
Smart and Fit DS Kids		-	346,500	(272,673)	-	73,827
Social Welfare Development Fund ("SWDF") Phase 2	8.2	217,045	11	(212,359)	-	4,697
Stevie Memorial Fund		99,235	-	-	-	99,235
Support Group for Parents of Children with Mental Handicap		(1,501)	-	-	-	(1,501)
Social Welfare Department Lotteries Fund - Block Grant	8.3	2,498	212,003	(206,979)	-	7,522
Social Welfare Department Lotteries Fund - Block Grant (Truck)		-	254,131	(256,535)	2,404	-
SweetieLand - Community Chest		-	327,009	(591,895)	-	(264,886)
Swimming Team Special		75,297	440,883	(523,359)	-	(7,179)
The Down's Cantonese Opera		27,161	14,460	(19,348)	-	22,273
The Hong Kong Jockey Club Charities Trust - Share Project		24,721	720,258	(778,765)	-	(33,786)
Trainee Allowance Fund		3,926,866	3,330,526	(4,210,512)	-	3,046,880
Venture Group of 84th Kowloon Scout Group		18,483	52,421	(52,083)	-	18,821
Volunteer Pioneer Group		4,333	950	(403)	-	4,880
		<u>7,729,016</u>	<u>6,589,191</u>	<u>(10,632,699)</u>	<u>513,347</u>	<u>4,198,855</u>

THE HONG KONG DOWN SYNDROME ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

8.1. ONE OFF GRANT

	2017 HK\$	2016 HK\$
Balance of One off grant brought forward from the previous year	4,420	-
One off grant received from Social Welfare Department ("SWD") during the year	34,750	34,750
Program income received	1,400	2,670
	40,570	37,420
Program expenditure during the year	(31,800)	(33,000)
Balance carried forward to the next financial year	8,770	4,420

8.2. SOCIAL WELFARE DEVELOPMENT FUND ("SWDF") PHASE 2

	HK\$	HK\$
Balance of SWDF brought forward from the previous financial year		217,045
Allocation from SWDF during the year		-
Interest received		11
Expenditure during the year		
Expenditure for projects under scope A (i)	68,452	
Expenditure for projects under scope B (Non-IT) (ii)	-	
Expenditure for projects under scope B (IT) (ii)	-	
Expenditure for projects under scope C (iii)	143,907	
Expenditure for administrative support	-	
Total expenditure during the year		(212,359)
Balance carried forward to the next financial year		4,697

(i) Scope A - Training and professional development programmes

(ii) Scope B - Business system upgrading projects

(iii) Scope C - Studies

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

8.3. SOCIAL WELFARE DEPARTMENT LOTTERIES FUND - BLOCK GRANT

	HK\$	HK\$
Balance of Block Grant Reserve brought forward from the previous financial year		2,498
Block Grant received during the year	212,000	
Interest income received	<u>3</u>	
		212,003
Expenditure during the year		
Minor Works Projects	128,859	
Furniture and Equipment	<u>78,120</u>	
		<u>(206,979)</u>
Balance of Block Grant Reserve carried forward to the next financial year		<u><u>7,522</u></u>

9. LUMP SUM GRANT RESERVE

Social welfare subvention surpluses are the cumulative surpluses from Funding and Service Agreement ("FSA") activities which are funded by the Social Welfare Department under the Lump Sum Grant Subvention System. Movements of Lump Sum Grant Reserve during the year are shown below:-

	Balance brought forward HK\$	Income HK\$	Expenditure HK\$	Reclassification to Provident Fund Reserve HK\$	Refund to HKSAR Government HK\$	Inter-transfers HK\$	Balance carried forward HK\$
Central items	224,164	-	-	-	(1,574)	(2,090)	220,500
Interest received	215,624	11,548	-	-	-	-	227,172
Lump sum grant	3,543,262	13,532,727	(13,245,397)	(248,381)	-	-	3,582,211
Rent and rates	(2,821)	702,135	(707,757)	-	-	2,090	(6,353)
	<u>3,980,229</u>	<u>14,246,410</u>	<u>(13,953,154)</u>	<u>(248,381)</u>	<u>(1,574)</u>	<u>-</u>	<u>4,023,530</u>
			(*)			(*)	

(*) Reclassifications were made in pursuant to Social Welfare Department's requirement on the amendment on classifications of income and expenditures.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

10. PROVIDENT FUND RESERVE

Any surplus on provident fund expenditure from FSA activities under Lump Sum Grant are reflected in the Provident Fund Reserve. Movements of Provident Fund Reserve during the year are shown below:-

	HK\$
Balance brought forward	1,397,886
Income	703,485
Expenditure	(625,674)
Reclassification from Lump Sum Grant Reserve (*)	248,381
Refund from HKSAR Government	21,918
	<u>21,918</u>
Balance carried forward	<u>1,745,996</u>

(*) Reclassifications were made in pursuant to Social Welfare Department's requirement on the amendment on classifications of income and expenditures.

11. PROVISIONS FOR LONG SERVICE AND ANNUAL LEAVE PAYMENTS

	2017 HK\$	2016 HK\$
At the beginning and end of the year	<u>330,000</u>	<u>330,000</u>

12. NET DEFICIT FOR THE YEAR

	2017 HK\$	2016 HK\$
Net deficit is stated after charging:		
Salaries, wages and other benefits	15,874,185	14,819,668
- Defined contribution plans	905,345	803,985
Total employee salaries and benefits expenses	16,779,530	15,623,653

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following items in the statement of financial position:-

	2017 HK\$	2016 HK\$
Cash at bank and on hand	<u>11,884,941</u>	<u>14,218,485</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

14. COMMITMENTS UNDER OPERATING LEASES

AS LESSEES

At the end of the reporting period, the Association as a lessee had total future minimum lease payments payable under non-cancellable operating leases as set out below:-

	2017 HK\$	2016 HK\$
Land and buildings		
- within 1 year	1,242,546	522,287
- in the 2nd to 5th years inclusive	795,785	285,563
	<u>2,038,331</u>	<u>807,850</u>

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Board of Committee on

21 OCT 2017