

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE COMMITTEE MEMBERS

The committee members have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 March 2025.

Business review

The Hong Kong Down Syndrome Association (“Association”) was registered as a non-profit making organization on October 1987. The Association is committed to serving individuals with Down Syndrome (“DS”), intellectual disabilities or other disabilities and their families through the provision of integrated family support and vocational rehabilitation services. The firm belief that people with these disabilities should enjoy all basic human rights and equal opportunity in our society is upheld. Creation of a supportive and inclusive environment is thus very important

Through the years, the Association has been striving to provide quality and tailored services to improve the quality of life among service users and help them develop their personal growth fully in every aspect of life. After years of effort, we have achieved substantial and positive impact in the society.

We have chosen "Embrace Challenges and Chase Our Dreams" as our theme this year, using diverse and innovative approaches to help our service users showcase their abilities and live fulfilling lives. It is our core belief that despite limitations, individuals with Down syndrome or other disabilities can break through barriers and develop their full potential. As such, we successfully held the Cantonese Opera Charity Show on the World Down Syndrome Day 2025. This event not only gave our Down’s Cantonese Opera Group a chance to shine on stage but also raised over HK\$500,000 for the Association. Moreover, we partnered with local mismatched sock brand Pair Pair Full to launch the “Nothing Less, Something More” series in celebration. The sock series highlighted our members’ creativity and shared the inspiring message of “something more”, emphasizing that everyone has limitless potential and value. Other highlights include the outstanding achievement of the Down’s swimming team in local and Macau swimming competitions, the outstanding performances of other members in table tennis and bowling competitions, the diligence and dedication of trainees in the internship programs, the confident performances of DS ambassadors during carrying out voluntary services, and even the energetic African drum performance by our oldest member with Down syndrome (64 years old) at last year's Annual General Meeting. All these demonstrated unlimited the potential of individuals with disabilities.

To help service users chase their dreams, hardware support is also crucial. Thanks to the generous donation of nearly HK\$17 million from the Hong Kong Jockey Club Charities Trust, our Tiptop Training Centre underwent a comprehensive modernization and renovation this year, including the installation of appropriate equipment and facilities. A two-year project "Jockey Club Health Support Project for Persons with Disabilities" is launched after the renovation,. The project includes a health support program co-organized with the Department of Rehabilitation Sciences of the Hong Kong Polytechnic University, as well as basic and advanced training tailored to the needs of the trainees, support for aging, and more, enabling participants to maximize their potential and lead more fulfilling lives.

Business review (continued)

Thanks again to the support of the Hong Kong Jockey Club Charities Trust, the Jockey Club “DS POWER” Holistic Wellness Support Project approached completion this year. Our research team presented evidence-based strategies and interventions to delay early onset of degeneration in individuals with Down Syndrome. These findings are equipping communities with the knowledge and tools to better support individuals with Down Syndrome, fostering a more inclusive and harmonious society. While the project is concluding, our commitment to supporting individuals with Down Syndrome and other intellectual disabilities will continue, helping them build healthy lifestyles, slow the aging process, and live joyful lives.

The Bradbury Parent Resource Centre, our first funded unit by Social Welfare Department, celebrated its 30th anniversary this year. For 30 years, the Centre has been dedicated to providing support, mutual assistance, and communication opportunities for families of people with disabilities. While reflecting on the past, we also look to the future, keeping pace with changing times and continuing to provide relevant and diverse services to our members and parents. In addition, the launch of the Association's new website, with its more attractive and clear design and faster search functionality, will help increase public awareness of the Association and its service users, bringing us even more opportunities!

In terms of governance, in 2025, we launched a three-year strategic plan focusing on five key areas: establishing a public image as experts on Down Syndrome, brand building, staff development, digital transformation, and new social enterprise initiatives. These strategies will guide our growth and ensure our services remain relevant and impactful.

Staff is our valuable resource to provide quality services. The Association is striving to maintain its competitiveness and attract and retain talent. Following the optimization of its salary structure and salary adjustment mechanism two years ago, the Association introduced family-friendly leave this year to help employees balance work and family responsibilities. It also optimized annual leave for some staff members and added a bonus of full attendance. In addition to enhancing employee benefits, the Association also focused on providing staff training and strengthening the team to enhance their commitment to the Association. Through various human resource strategies, we are pleased to see a significant decrease in employee turnover this year compared to the previous year.

During the year ended 31 March 2025, there were an increase of income in General Fund by 1.66% from HK\$23,221,661 to HK\$23,607,720 and increase of income in Designated Fund by 22.20% from HK\$7,644,702 to HK\$9,342,008 respectively as compared to those during the year ended 31 March 2024.

Looking forward, it is anticipated that there will still be many obstacles and uncertainties ahead but we will continue to uphold the mission of the Association to improve the management and its performance, strengthen and develop our services for enhancing the quality of life of our service users.

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會
YEAR ENDED 31 MARCH 2025

Principal activities

The principal activities of the association are engaged in the provision of services, information and facilities for people with Down Syndrome and other disabilities and their families.

Financial statements

The results of the association for the year ended 31 March 2025 and the state of the association's affairs as at that date are set out in the financial statements on pages 8 to 29.

Committee members

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

Chairperson	Chor Wai Hing
Vice Chairperson	Lee Chi Chiu
Honorary Secretary	Li Kin Yin
Honorary Treasurer	Ma Yuk Kum
Chairperson of Parents Committee	Lee Mei Po Mabel
Committee members	Kwan Ngan Hing Edith
	Lau Yuen Kum Amy
	Ng Wai Tong Sammy
	Tsang Lan See Nancy
	Yeung Kit Shun

In accordance with articles 48 and 49 of the association's Articles of Association, all the present committee members shall retire and, being eligible, offer themselves for re-election.

Committee members' interests in shares or debentures

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

Committee members' interests in transactions, arrangements or contracts

No contract of significance to which the association was a party, in which a committee member of the association had a material interest, subsisted at the end of the year or at any time during the year.

Indemnity of committee members

At no time during the year and at the time of approval of this report, there was or is no permitted indemnity provision in force for the benefit of any of the committee members of the association.

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Auditor

K.W. Tam & Co. retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of K.W. Tam & Co. as auditor of the association is to be proposed at the forthcoming annual general meeting.

By order of the committee



Chor Wai Hing
Director

24 October 2025

**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 and limited by guarantee)

Opinion

We have audited the financial statements of The Hong Kong Down Syndrome Association (“the association”) set out on pages 8 to 29, which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in reserves and 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,

- (i) the financial statements give a true and fair view of the financial position of the association as at 31 March 2025, and of its financial performance and cash flows for the year then ended in accordance with HKFRS for Private Entities Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Companies Ordinance; and
- (ii) the association has complied with the funding requirements as stipulated by Social Welfare Department and Community Care Fund on implementing the Programme(s).

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) as 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
TO THE MEMBERS OF
THE HONG KONG DOWN SYNDROME ASSOCIATION**

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Responsibilities of Committee Members and Those Charged with Governance 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 Accounting Standard as issued by the HKICPA and the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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
TO THE MEMBERS OF
THE HONG KONG DOWN SYNDROME ASSOCIATION**
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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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Tam Kan Wing (practising certificate number: P03464).



K.W. Tam & Co.
Certified Public Accountants (Practising)
Unit 2002, 20th Floor,
Millennium City 3,
370 Kwun Tong Road,
Kowloon, Hong Kong

24 October 2025

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 HK\$	2024 HK\$
GENERAL FUNDS			
Income	3	23,607,720	23,221,661
Expenditure	4	(<u>22,190,335</u>)	(<u>21,805,260</u>)
Surplus for the year		<u>1,417,385</u>	<u>1,416,401</u>
DESIGNATED FUNDS			
Income	5	9,342,008	7,644,702
Expenditure	6	(<u>8,319,531</u>)	(<u>6,581,920</u>)
Surplus for the year		<u>1,022,477</u>	<u>1,062,782</u>
Net surplus before tax	7	2,439,862	2,479,183
Income tax expense	9	<u>--</u>	<u>--</u>
Net surplus for the year		2,439,862	2,479,183
Other comprehensive surplus for the year		<u>--</u>	<u>--</u>
Total comprehensive surplus for the year		<u><u>2,439,862</u></u>	<u><u>2,479,183</u></u>


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

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025


STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2025

	Note	2025 HK\$	2025 HK\$	2024 HK\$
Non-current assets				
Property, plant and equipment	10		1,867,880	--
Current assets				
Accounts and other receivables	11	6,428,374		1,013,169
Cash and cash equivalents	12	<u>18,370,067</u>		<u>23,529,338</u>
		24,798,441		24,542,507
Current liabilities				
Other payables	13	(<u>322,081</u>)		(<u>275,274</u>)
Net current assets			24,476,360	24,267,233
Non-current liabilities				
Provision for annual leave entitlement		(280,000)		(280,000)
Provision for long service payment	14	(<u>150,000</u>)		(<u>150,000</u>)
			(430,000)	(430,000)
Net assets			<u>25,914,240</u>	<u>23,837,233</u>
Reserves and funds				
General funds			8,983,585	7,634,889
Designated funds			8,758,355	7,735,878
Social welfare subvention surpluses account			5,852,684	6,171,331
Lump sum grant P.F. surplus reserve			<u>2,319,616</u>	<u>2,295,135</u>
Total reserves and funds			<u>25,914,240</u>	<u>23,837,233</u>

Approved on behalf of the committee members by:



 Chor Wai Hing
 Chairperson



 Ma Yuk Kum
 Honorary Treasurer

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

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF CHANGES IN RESERVES AND FUNDS
FOR THE YEAR ENDED 31 MARCH 2025

	General funds HK\$	Designated funds HK\$	Social welfare subvention surpluses account HK\$	Lump sum grant P.F. surplus reserve HK\$	Total HK\$
At 1 April 2023	5,228,667	7,116,476	6,030,048	2,188,293	20,563,484
Total comprehensive surplus for the year	1,203,312	1,062,782	104,212	108,877	2,479,183
Adjustments as advised by Social Welfare Department	--	890,330	(890,330)	(2,035)	(2,035)
Refunded (to)/from the government	--	(130,800)	927,401	--	796,601
Transfers among reserves and funds	<u>1,202,910</u>	<u>(1,202,910)</u>	<u>--</u>	<u>--</u>	<u>--</u>
At 31 March 2024	<u>7,634,889</u>	<u>7,735,878</u>	<u>6,171,331</u>	<u>2,295,135</u>	<u>23,837,233</u>
At 1 April 2024	7,634,889	7,735,878	6,171,331	2,295,135	23,837,233
Total comprehensive surplus for the year	1,347,693	1,022,477	45,437	24,255	2,439,862
Refunded (to)/from the government	--	--	(363,081)	226	(362,855)
Transfers among reserves and funds	<u>1,003</u>	<u>--</u>	<u>(1,003)</u>	<u>--</u>	<u>--</u>
At 31 March 2025	<u>8,983,585</u>	<u>8,758,355</u>	<u>5,852,684</u>	<u>2,319,616</u>	<u>25,914,240</u>

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

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 HK\$	2024 HK\$
Operating activities			
Net surplus before tax		2,439,862	2,479,183
Adjustments for:			
Depreciation		209,073	--
Bank interest income		(406,855)	(353,310)
Operating surplus before changes in working capital		2,242,080	2,125,873
Increase in accounts and other receivables		(5,415,205)	(169,928)
Increase in other payables		46,807	105,701
Net cash (used in)/generated from operating activities		(3,126,318)	2,061,646
Investing activities			
Payment for purchases of property, plant and equipment		(2,076,953)	--
Bank interest received		406,855	353,310
Net cash (used in)/generated from investing activities		(1,670,098)	353,310
Financing activities			
Net refunded (to)/from the government		(362,855)	794,566
Net cash (used in)/generated from financing activities		(362,855)	794,566
Net (decrease)/increase in cash and cash equivalents		(5,159,271)	3,209,522
Cash and cash equivalents at the beginning of the year		23,529,338	20,319,816
Cash and cash equivalents at the end of the year	12	18,370,067	23,529,338

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

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS

1. General status

The Hong Kong Down Syndrome Association (“the association”) is incorporated and domiciled in Hong Kong and has its registered office and principal place of operation at Rooftop, On Hing House, Hing Wah (2) Estate, Chai Wan, Hong Kong. The principal activities of the association are engaged in the provision of services, information and facilities for people with Down Syndrome and other disabilities and their families.

The association is an approved charitable institution and is exempted from tax under section 88 of the Inland Revenue Ordinance.

2. Significant accounting policies

These financial statements have been prepared in accordance with HKFRS for Private Entities Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Companies Ordinance. They have been prepared under the historical cost convention.

(a) Revenue recognition

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

- (i) Government grants are recognised when there is reasonable assurance that the grants will be received and all attaching conditions will be complied with;
- (ii) Donation income is recognised when the right to receive is established;
- (iii) Subvention income and program income are recognised when the corresponding activities are held;
- (iv) Revenue from sales of goods is recognised when goods are delivered and title to the goods has been passed to customers;
- (v) Service income is recognised when the related services are rendered; and
- (vi) Interest income is recognised on a time apportioned basis on the principal outstanding and the interest applicable.

THE HONG KONG DOWN SYNDROME ASSOCIATION
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Significant accounting policies (continued)

(b) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses [see note 2(g)].

Where the association acquires leasehold land for own use under a finance lease, the prepaid cost included in property, plant and equipment on initial recognition represents the fair value of the leasehold land, or if lower, the present value of the minimum lease payments, determined at the inception of the lease and any initial direct costs of the lessee (incremental costs that are directly attributable to negotiating and arranging a lease).

The other cost of such items of property, plant and equipment comprises the following:

- the purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for them to be capable of operating in the manner intended by management;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. Assets held under finance leases, for which there is no reasonable certainty that the association will obtain ownership at the end of the lease term, are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the terms of the relevant lease. The following annual rates are used for the depreciation of property, plant and equipment:

Computer equipment	33 ¹ / ₃ %
Furniture and fixtures	33 ¹ / ₃ %
Leasehold improvements	33 ¹ / ₃ %
Office equipment	33 ¹ / ₃ %

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

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

(c) Account and other receivables

Account and other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of account and other 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.

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Significant accounting policies (continued)

(d) Other payables

Other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within bank borrowings in current liabilities on the statement of financial position.

(f) Employee benefit obligations

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

(g) Impairment of non-financial assets, other than inventories

At the end of each reporting period, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(h) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the association. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the association at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

2. Significant accounting policies (continued)

(i) 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.

(j) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases using in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. However, the measurement of deferred tax liabilities associated with an investment property measured at fair value does not exceed the amount of tax that would be payable on its sale to an unrelated market participant at fair value at the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

THE HONG KONG DOWN SYNDROME ASSOCIATION
香港唐氏綜合症協會
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Significant accounting policies (continued)

(k) Related parties

(I) A person or a close member of that person's family is related to the association if that person:

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

(II) An entity is related to the association if any of the following conditions applies:

- (i) The entity and the association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the association or an entity related to the association. If the association is itself such a plan, the sponsoring employers are also related to the association.
- (vi) The entity is controlled or jointly controlled by a person identified in (I).
- (vii) A person identified in note (I)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of an association of which it is a part, provides key management personnel services to the association or to the association'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.

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3. Income - General Funds

	2025 HK\$	2024 HK\$
Sales income	343,184	365,917
Long service payment	--	392,876
Allocation from the Community Chest	67,900	67,900
Bank interest income	404,164	349,832
General donations	1,392,369	1,233,741
Insurance compensation income	--	155,722
Membership fee income	13,739	16,498
Program income		
- funded by the Community Chest	17,660	13,775
- others	378,479	424,972
Social Welfare Department (“SWD”) subventions		
- Lump sum grant (excluding provident fund)	18,808,576	18,260,238
- provident fund	953,095	948,340
- rent and rates	780,882	780,882
Sundry income	447,672	210,968
	<u>23,607,720</u>	<u>23,221,661</u>

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4. Expenditure - General Funds

	2025 HK\$	2024 HK\$
Advertisement	32,725	57,047
Auditor's remuneration	41,380	34,560
Bank charges	20,747	22,078
Broadband connection	32,180	26,842
Car inspection fee	--	10,400
Car license fee	2,404	114
Car park expenses	4,045	1,420
Car park rental charges	45,690	43,530
Computer expenses	70,168	53,947
Conference expenses	--	2,100
Electrical appliance	2,385	1,250
Electricity and water	168,878	257,173
Fuel expenses	10,064	4,851
Insurance	386,754	371,002
Long service payment	--	316,469
Minor furniture and fixtures	--	43,250
Minor office equipment	3,823	16,152
MPF and provident fund contributions	942,030	847,409
Newspaper and periodicals	2,255	2,517
Office supplies and cleaning	36,325	79,613
Postage	7,611	10,170
Printing and stationery	84,466	92,367
Program expenses		
- activities	802,444	1,011,684
- DS news	3,813	9,177
- food for service users	2,589	5,775
- funded by the Community Chest	75,616	69,454
- job attachment allowance	36,000	58,929
- job trial allowance	20,117	56,414
- occupational therapy services	155,820	95,520
- resource & toy library	437	--
- trainee incentive allowances	939,214	883,694
Promotion and advertising	--	24,750
Raw materials	494	4,385
Rent and rates	970,908	977,546
Repairs and maintenance	132,646	335,156
Salaries and allowances	16,979,785	15,805,059
Subscription fee	6,823	6,852
Sundry expenses	103,985	83,896
Telephone and fax	36,317	29,581
Tunnel fee	949	69
Travelling and entertainment	28,448	53,058
	<u>22,190,335</u>	<u>21,805,260</u>

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5. Income - Designated Funds

	2025 HK\$	2024 HK\$
Bank interest income	2,691	3,478
Allocation from the Community Chest	272,576	118,066
Membership fee income	20,570	12,210
Programme income		
- funded by the Community Chest	3,320	1,390
- others	633,791	461,880
Sales income	1,394,257	1,468,143
Scout team income	2,665	2,600
Specific donations	622,220	886,810
Subsidies from Hong Kong Jockey Club	4,877,741	3,434,432
Sundry income	69,177	78,773
SWD other subventions		
- Lotteries Fund - Block Grant	302,000	290,000
- ST Project Funding	1,141,000	886,920
	<u>9,342,008</u>	<u>7,644,702</u>

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6. Expenditure - Designated Funds

	2025 HK\$	2024 HK\$
Advertisement	21,811	19,593
Auditor's remuneration	10,000	3,800
Bank charges	1,166	3,355
Broadband connection	14,362	15,168
Computer expenses	74,841	5,701
Conference expenses	1,000	--
Consultancy fee	154,654	167,362
Consumable materials	20,748	1,820
Depreciation	209,073	--
Electrical appliance	32,946	--
Electricity and water	61,581	31,976
Insurance	99,758	87,398
Minor furniture and fixtures	68,157	--
Minor health support equipment	25,436	--
Minor office equipment	6,128	3,240
Minor vocational training equipment	17,742	--
MPF and provident fund contributions	223,067	213,235
Office supplies and cleaning	27,798	18,038
Postage	25,885	25,981
Printing and stationery	48,528	42,309
Professional fee	488,600	139,600
Promotion and advertising	14,500	27,750
Program expenses		
- activities	1,280,436	1,323,266
- food for service users	2,183	577
- trainee incentive allowances	69,955	21,200
- volunteer allowances	10,459	--
Rent and rates	615,910	181,910
Repairs and maintenance	231,647	32,954
Salaries and allowances	4,367,870	4,108,333
Subscription fee	1,350	1,350
Sundry expenses	36,161	56,983
Telephone and fax	18,386	16,188
Travelling and entertainment	37,393	32,833
	<u>8,319,531</u>	<u>6,581,920</u>

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7. Net surplus before tax

Net surplus before tax is arrived at after charging:

	2025 HK\$	2024 HK\$
(a) Staff costs:		
Contributions to defined contribution plan	1,165,097	1,060,644
Salaries and other staff costs	<u>21,816,447</u>	<u>20,386,249</u>
	<u>22,981,544</u>	<u>21,446,893</u>
(b) Other items:		
Auditor's remuneration	51,380	38,360
Depreciation	<u>209,073</u>	<u>--</u>

8. Committee members' remuneration

Committee members' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2025 HK\$	2024 HK\$
Fees	--	--
Contributions to defined contribution plan	--	--
Other emoluments	<u>--</u>	<u>--</u>
	<u>--</u>	<u>--</u>

9. Income tax expense

- (a) No provision for Hong Kong Profits Tax has been made as the association is exempted from tax under section 88 of the Inland Revenue Ordinance for the year (2024: Nil).
- (b) No provision for deferred tax has been made for the year as the association does not have material temporary differences as at 31 March 2025 (2024: Nil).
- (c) Reconciliation between tax expense and accounting surplus at applicable tax rates:

	2025 HK\$	2024 HK\$
Net surplus before tax	<u>2,439,862</u>	<u>2,479,183</u>
Notional tax on net surplus before tax, calculated at the rates applicable to profits in Hong Kong i.e. 16.5% (2024: 16.5%)	402,577	409,065
Tax effect of non-taxable revenue	(5,436,705)	(5,092,950)
Tax effect of non-deductible expenses	<u>5,034,128</u>	<u>4,683,885</u>
	<u>--</u>	<u>--</u>

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10. Property, plant and equipment

	Computer equipment HK\$	Furniture and fixtures HK\$	Leasehold improvements HK\$	Office equipment HK\$	Total HK\$
Cost:					
At 1 April 2023 and at 31 March 2024	1,353,871	261,562	5,208,678	178,072	7,002,183
Accumulated depreciation:					
At 1 April 2023	1,353,871	261,562	5,208,678	178,072	7,002,183
Charge for the year	--	--	--	--	--
At 31 March 2024	1,353,871	261,562	5,208,678	178,072	7,002,183
Net book value:					
At 31 March 2024	--	--	--	--	--
Cost:					
At 1 April 2024	1,353,871	261,562	5,208,678	178,072	7,002,183
Addition	506,070	160,600	--	1,410,283	2,076,953
At 31 March 2025	1,859,941	422,162	5,208,678	1,588,355	9,079,136
Accumulated depreciation:					
At 1 April 2024	1,353,871	261,562	5,208,678	178,072	7,002,183
Charge for the year	54,890	28,804	--	125,379	209,073
At 31 March 2025	1,408,761	290,366	5,208,678	303,451	7,211,256
Net book value:					
At 31 March 2025	451,180	131,796	--	1,284,904	1,867,880

11. Accounts and other receivables

	2025 HK\$	2024 HK\$
Account receivables	705,301	517,485
Prepayments, deposits and other receivables	5,723,073	495,684
	<u>6,428,374</u>	<u>1,013,169</u>

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12. Cash and cash equivalents

	2025 HK\$	2024 HK\$
Cash and cash equivalents in the statement of financial position and in the statement of cash flows	<u>18,370,067</u>	<u>23,529,338</u>

13. Other payables

	2025 HK\$	2024 HK\$
Accruals	295,983	122,838
Receipts in advance	26,077	152,415
Other payables	<u>21</u>	<u>21</u>
	<u>322,081</u>	<u>275,274</u>

14. Provision for long service payment

	2025 HK\$	2024 HK\$
At the beginning and the end of the reporting period	<u>150,000</u>	<u>150,000</u>

Under the Employment Ordinance, the association is required to make long service payment to its employees upon the termination of their employment or retirement when the employee fulfils certain conditions and the termination meets the required circumstances. However, when an employee is simultaneously entitled to a long service payment and to a retirement scheme payment, the amount of long service payment may be reduced by certain benefits arising from the retirement scheme. Based on the association's past experience and the director's knowledge of the business and work force, it is probable that the association will have to make long service payment to some employees on termination of their employment or retirement. As a result, a provision for long service payment is recognised, being the best estimate of the long service payment that are required to be made to the employees of the association in respect of their services up to the end of the reporting period less any amounts that would be expected to be met out of the retirement scheme.

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15. Community Care Fund

During the year, the association has implemented Community Care Fund (“CCF”) assistance programme. According to the requirement of CCF, the association is required to disclose the income and expenditure for the programme in its financial statements.

	2025 HK\$	2024 HK\$
Balance brought forward	1,184,188	1,119,722
Income during the year		
Subsidy from Community Care Fund	--	364,920
Expenditure during the year		
Audit fee	(5,000)	--
Employer’s MPF contributions	--	(18,645)
Insurance	--	(8,968)
Printing and stationery	--	(35)
Salaries	--	(272,806)
	(5,000)	(300,454)
(Deficit)/Surplus for the year	(5,000)	64,466
Balance carried forward	1,179,188	1,184,188

16. Scheme on Living allowance for Low-income Carers of Persons with Disabilities

	2025 HK\$	2024 HK\$
Balance brought forward	163,315	--
Income during the year		
Grants received during the year	792,000	497,000
Expenditure during the year		
Audit fee	(5,000)	--
Administrative expense	(20,229)	--
Personal emoluments	(719,539)	(333,685)
	(744,768)	(338,685)
Surplus for the year	47,232	163,315
Balance carried forward	210,547	163,315

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17. One Off Special Grant to support Organisations for parents of persons with disabilities attached to subvented organisations (2024-2025)

	2025 HK\$	2024 HK\$
Balance brought forward	3,702	(645)
Income during the year		
Grant received during the year	25,000	25,000
Program income received	<u>3,810</u>	<u>2,920</u>
	28,810	27,920
Expenditure during the year		
Program expenditure during the year	(33,162)	(23,573)
(Deficit)/surplus for the year	<u>(4,352)</u>	<u>4,347</u>
Balance carried forward	<u>(650)</u>	<u>3,702</u>

18. Lotteries Fund - Block Grant

	2025 HK\$	2024 HK\$
Balance brought forward	833,300	557,796
Income during the year		
Grants received during the year	302,000	290,000
Interest income received	<u>2,691</u>	<u>3,479</u>
	304,691	293,479
Expenditure during the year		
Computer and equipment	(48,710)	(17,975)
Furniture and equipment	(7,882)	--
Minor Works Projects	<u>(56,400)</u>	<u>--</u>
	(112,992)	(17,975)
Surplus for the year	<u>191,699</u>	<u>275,504</u>
Balance carried forward	<u>1,024,999</u>	<u>833,300</u>

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19. Social Welfare Development Fund - Phase 3

	2025 HK\$	2024 HK\$
Balance brought forward	358,148	358,148
Return of surplus to SWD	(358,148)	--
Balance carried forward	<u> --</u>	<u> 358,148</u>

20. Lotteries Fund - Pilot project on provision of Wi-fi service

This project is funded by the Lotteries Fund, which aims to provide Wi-fi service at social welfare facilities opening to service users and the public for long hours.

	2025 HK\$	2024 HK\$
Balance brought forward	24,423	33,423
Return of surplus to Lotteries Fund	(24,423)	--
Expenditure during the year		
Operating expenses	<u> --</u>	(<u> 9,000</u>)
Deficit for the year	<u> --</u>	(<u> 9,000</u>)
Balance carried forward	<u> --</u>	<u> 24,423</u>

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21. “Train the trainers” Oral Care Programme- The Community Chest

	2025 HK\$	2024 HK\$
Balance brought forward	(272,576)	(118,065)
Income during the year		
Grant received during the year	272,576	118,065
Expenditure during the year		
Activities expenses	--	(33,302)
Advertising for recruitment	--	(2,013)
Employer’s MPF contributions	--	(10,424)
Indirect administration cost	--	(18,602)
Printing and stationery	--	(407)
Salaries	--	(207,144)
Travelling	--	(684)
	--	(272,576)
Surplus/(deficit) for the year	272,576	(154,511)
Balance carried forward	--	(272,576)

22. Capital commitments

Capital commitments outstanding at 31 March 2025 not provided for in the financial statements were as follows:

	2025 HK\$	2024 HK\$
Contracted for	<u>2,364,025</u>	<u>--</u>

23. Commitments under operating leases

The association had total future minimum lease payments under non-cancellable operating leases in respect of land and buildings:

	2025 HK\$	2024 HK\$
Not later than one year	35,000	634,284
Later than one year	<u>--</u>	<u>--</u>
	<u>35,000</u>	<u>634,284</u>

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24. Material related party transactions

Remuneration of key management personnel, including amounts paid to the association's committee members as disclosed in note 8 to the financial statements, is as follows:

	2025 HK\$	2024 HK\$
Short-term employee benefits	1,019,580	974,960
Post-employment benefits	<u>22,855</u>	<u>18,000</u>
	<u>1,042,465</u>	<u>992,960</u>

Total remuneration is included in "staff costs" [see note 7(a)].

25. Members' liability

The liability of each member to contribute to the assets of the association in the event of its being wound up while he is a member or within one year after he ceases to be a member, is limited to HK\$100.

26. Change in accounting policy as a result of application of the Hong Kong Institute of Certified Public Accountants("HKICPA") guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") - Long Service Payment ("LSP") offsetting mechanism in Hong Kong

The organisation is obliged to pay LSP to Hong Kong employees under certain circumstances. Meanwhile, the association makes MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "Abolition"). The Abolition will officially take effect on 1 May 2025 (the "Transition Date"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP

The policy has been applied prospectively from 1 April 2023 because it was not practicable to estimate the effects of applying the policy either retrospectively, or prospectively from any earlier day. Accordingly, the adoption of the new policy has no effects on prior years.

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27. Key sources of estimation uncertainty

In the opinion of the committee members, there is no material estimation uncertainty in preparing these financial statements that needed to be disclosed.

28. Approval of financial statements

These financial statements were authorised for issue by the committee members on 24 October 2025.