

Hong Kong Alzheimer's Disease Association
香港認知障礙症協會

Executive Committee's Report
and
Audited Financial Statements
for the year ended 31 March 2025

Hong Kong Alzheimer's Disease Association
香港認知障礙症協會

Contents

	Page
Executive Committee's Report	1 - 3
Independent Auditor's Report	4 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Funds	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 28

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Executive Committee's Report

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

Principal Activities

The principal activities of Hong Kong Alzheimer's Disease Association (the "Association") are providing services and arranging courses and activities on a non-profit making basis to the public and to persons with Alzheimer's disease and their families.

Business Review

Key Services

The Hong Kong Alzheimer's Disease Association was established as a society under Societies Ordinance in 1995 and became the limited company in Hong Kong since 2006. The Association provides specialized services for people with dementia and their caregivers in Hong Kong, which include Early Detection Service, Day Centre and In-home Service, in conjunction with different educational programmes and designated projects, the Association aims to promote quality dementia care and advocate appropriate management of the disease in Hong Kong.

Financial Performance for the Year

In view of service expansion and overall new development of the Association, the revenue and expenditure of 2024/25 financial year are HKD26,690,496 and HKD26,720,626 respectively.

About 78% of revenue was generated from services and sponsorship to service related projects. At the same time, about 88% of expenditure was spent on service operation, different service projects for people with dementia and their families and educational programmes.

The net assets was HKD21,876,139 as at March 2025 with 0.4% growth compared to HKD21,798,359 of March 2024.

Key Relationships with Employees, Service Users and other Stakeholders

As professional organization in dementia care, retaining experienced and quality staff is the key to success in promoting quality dementia care and advocating appropriate management of the disease in the community. Decentralized management structure empowered team leaders in decision making and promoted a learning culture, which would further cultivate ownership mindset. Opportunities and financial support in staff training for both professional and frontline staff to facilitate ongoing self-development. The Association will continue to engage family caregivers in service development and mobilize volunteers and cooperates to build a dementia friendly community.

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Executive Committee's Report (continued)

Business Review (continued)

Corporate Governance

The annual plan and financial budget of each center and team are prepared by team managers every January. The Executive Director then conducts a review, to compile a consolidated budget based on the annual plan and upcoming development plans. The annual plan and financial budget will be submitted to Executive Committee for approval before a new financial year starts. The target achievement and the actual I&E situation will be reviewed quarterly by the Executive Director. Whether it is a project or financial variance; determining the variance threshold is critical. Variances of any type would be re-evaluated. Appropriate measures would be taken to ensure the concept of prudence is observed; then will put refined management plans into practice.

Challenges and Strategies

Providers for dementia services continue to increase, which means service demand for our Association's specialized dementia service may dwindle. In view of the situation, efficient use of resources is of great importance; as such, the Association would develop new services which focus on prevention and early detection to meet contemporary needs.

Executive Committee Members

The Executive Committee members who held office during the year and up to the date of this report were as follows:

Chairman	Dr. WU Yee Ming
Vice Chairman (Internal Affairs)	Dr. TAM Kui Fu, Stanley
Vice Chairman (External Affairs)	Dr. DAI Lok Kwan, David, MH, JP
Hon Treasurer	Dr. SHIE Wai Hung, Henry, MH
Hon Secretary	Dr. MA Hon Ming
Members	Ms. CHAN Chiu Ling, Ophelia, BBS
	Ms. CHAN Yuen Man, Marina
	Mr. NG Siu Ping
	Prof. TSIEN WONG Bik Kwan, Teresa
	Dr. WONG Hoi Yan, Gloria
	Dr. Cheung Sze Ki
	Ms. Sezto Ngai Wah, Helen

In accordance with articles 45 and 48 of the Association's Articles of Association, Executive Committee members who have served a term of 2 years shall retire from office at the forthcoming annual general meeting and may offer themselves for re-election if they have not served for more than 3 consecutive terms.

Hong Kong Alzheimer's Disease Association
香港認知障礙症協會

Executive Committee's Report (continued)

Permitted Indemnity Provision

At no time during the year and up to date of this report, there was or is, any permitted indemnity provision being in force for the benefit of any of the Executive Committee members of the Association.

Auditor

Baker Tilly Hong Kong Limited retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Baker Tilly Hong Kong Limited as auditor of the Association is to be proposed at the forthcoming annual general meeting.

On behalf of the Executive Committee



Wu Yee Ming
Chairman

Hong Kong, 14 NOV 2025.

Independent Auditor's Report to the Members of Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Hong Kong Alzheimer's Disease Association (the "Association") set out on pages 7 to 28, which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, 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 Accounting Standards as 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.

Other Information

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

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

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

Independent Auditor's Report to the Members of Hong Kong Alzheimer's Disease Association (continued)

香港認知障礙症協會

(Incorporated in Hong Kong and limited by guarantee)

Responsibilities of the Executive Committee members and Those Charged with Governance for the financial statements

The Executive Committee members of the Association are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Executive 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 Executive 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 Executive 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 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 HKSA's 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 HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report to the Members of Hong Kong Alzheimer's Disease Association (continued)

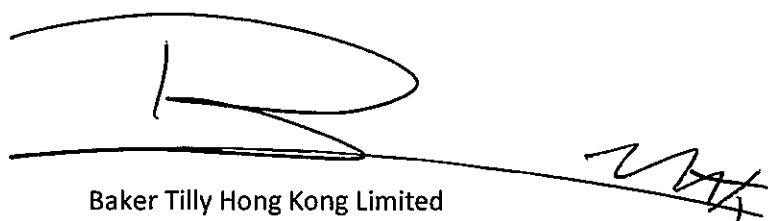
香港認知障礙症協會

(Incorporated in Hong Kong and limited by guarantee)

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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee members.
- Conclude on the appropriateness of the executive 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.



Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 14 NOV 2025.

Ng Tsz Man

Practising certificate number P07892

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Statement of Comprehensive Income

for the year ended 31 March 2025

(Expressed in Hong Kong dollars)

	Note	2025 HKD	2024 HKD
Revenue 收入	5		
Donation 捐款		2,664,499	2,925,758
Specific Sponsorship 專項贊助		3,293,483	6,582,456
Fund Raising Activities 籌款活動		1,083,594	764,527
Services and Subscriptions 服務及會費收入		17,439,885	15,779,452
Education Activities 教育活動收入		1,234,978	978,088
Income from Book Sales 售賣書籍收入		5,328	3,934
Bank Interest 利息收入		601,658	218,252
Sundry Income 其他收入		<u>467,071</u>	<u>181,464</u>
		<u>26,790,496</u>	<u>27,433,931</u>
Less : Expenditure 支出	6		
Service Expenses 服務開支		22,473,121	19,701,540
Education Activities and Research 教育活動及研究支出		903,533	265,697
Special Projects and Programmes 特別項目及計劃開支		17,278	995,676
Headquarters Expenses 總部開支		2,459,916	2,459,769
Depreciation 折舊		677,456	946,743
Publicity and Fund Raising Activities 宣傳及籌款活動		36,230	25,727
Publications 出版開支		-	11,280
Other Operating Expenses 其他營運開支		<u>153,092</u>	<u>161,579</u>
		<u>26,720,626</u>	<u>24,568,011</u>
Surplus for the year 本年盈餘		69,870	2,865,920
Other comprehensive income for the year 其他綜合收益			
Item that will not be classified to Income and Expenditure: 不會重新分類至收入和支出項目：			
- Remeasurement of provision for long service payment, net of nil tax 重新估算長期服務金撥備，扣除零稅		<u>107,910</u>	<u>-</u>
Total comprehensive income for the year 全面收益總額		<u>177,780</u>	<u>2,865,920</u>

The notes on pages 11 to 28 form part of these financial statements.

Hong Kong Alzheimer's Disease Association

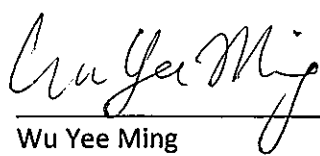
香港認知障礙症協會

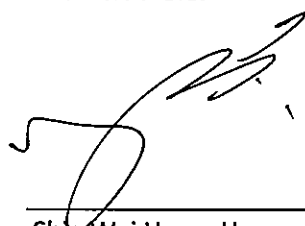
Statement of Financial Position as at 31 March 2025

(Expressed in Hong Kong dollars)

	Note	2025 HKD	2024 HKD
Non-current Assets 非流動資產			
Property, Plant and Equipment 固定資產	7	1,161,882	1,839,338
Right-of-use Assets 使用權資產	8	<u>1,582,445</u>	<u>526,248</u>
		<u>2,744,327</u>	<u>2,365,586</u>
Current Assets 流動資產			
Accounts Receivable 應收帳款		2,026,660	1,148,521
Deposits 按金		416,780	399,482
Sundry Debtors and Prepayments 其他應收帳款及預支費用		402,429	219,417
Cash and Cash Equivalents 現金及現金等價物	9	<u>23,263,515</u>	<u>24,248,686</u>
		<u>26,109,384</u>	<u>26,016,106</u>
Current Liabilities 流動負債			
Accrued Expenses 應付未付款項		875,554	1,276,149
Receipts in Advance 預收款項	10	3,019,111	3,464,114
Lease Liabilities 租賃負債	11	<u>572,512</u>	<u>552,713</u>
		<u>4,467,177</u>	<u>5,292,976</u>
Net Current Assets 流動資產淨值		<u>21,642,207</u>	<u>20,723,130</u>
Total Assets less Current Liabilities 總資產減流動負債		<u>24,386,534</u>	<u>23,088,716</u>
Non-current Liabilities 非流動負債			
Lease Liabilities 租賃負債	11	980,380	-
Provision for Long Service Payment 長期服務金儲備	12	<u>1,430,015</u>	<u>1,290,357</u>
		<u>2,410,395</u>	<u>1,290,357</u>
Net Assets 淨資產		<u>21,976,139</u>	<u>21,798,359</u>
Represented by:			
Designated Reserve 專項儲備	13(b)	21,798,714	21,468,514
Accumulated Funds 累積結餘	13(c)	<u>177,425</u>	<u>329,845</u>
		<u>21,976,139</u>	<u>21,798,359</u>

Approved by the Executive Committee on 14 NOV 2025.


Wu Yee Ming
Chairman


Shie Wai Hung, Henry
Hon Treasurer

The notes on pages 11 to 28 form part of these financial statements.

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Statement of Changes in Funds for the year ended 31 March 2025

(Expressed in Hong Kong dollars)

	Note	Designated Reserve HKD	Accumulated Funds HKD	Total HKD
Balance at 1 April 2023		19,851,097	(918,658)	18,932,439
Surplus and Total Comprehensive Income for the year		-	2,865,920	2,865,920
Transferred to Designated Reserve	13(b)	<u>1,617,417</u>	<u>(1,617,417)</u>	<u>-</u>
Balance at 31 March 2024		21,468,514	329,845	21,798,359
Surplus for the year		-	69,870	69,870
Other comprehensive income: Remeasurement of provision for long service payments, net of nil tax		<u>-</u>	<u>107,910</u>	<u>107,910</u>
Total Comprehensive Income for the year		<u>-</u>	<u>177,780</u>	<u>177,780</u>
Transferred to Designated Reserve	13(b)	<u>330,200</u>	<u>(330,200)</u>	<u>-</u>
Balance at 31 March 2025		<u>21,798,714</u>	<u>177,425</u>	<u>21,976,139</u>

The notes on pages 11 to 28 form part of these financial statements.

Hong Kong Alzheimer's Disease Association
香港認知障礙症協會

Statement of Cash Flows
for the year ended 31 March 2025

(Expressed in Hong Kong dollars)

	Note	2025 HKD	2024 HKD
Operating Activities			
Surplus for the year		69,870	2,865,920
Adjustments for:			
- Bank interest income	5	(601,658)	(218,252)
- Depreciation	6	677,456	946,743
- Depreciation on Right-of-Use Assets	6	879,630	834,547
- Interest on Lease Liabilities	6	55,872	47,509
- Provision for Long Service Payment	6	<u>266,517</u>	<u>262,296</u>
Operating surplus before changes in working capital		1,347,687	4,738,763
(Increase)/decrease in Accounts Receivable		(826,769)	1,345,357
Increase in Deposits		(17,298)	-
Increase in Sundry Debtors and Prepayments		(183,012)	(19,891)
(Decrease)/increase in Accrued Expenses		(400,595)	362,074
Decrease in Receipts in Advance		(445,003)	(230,448)
Decrease in Provision for Long Service Payment		<u>(18,949)</u>	<u>-</u>
Net cash (used in)/generated from operating activities		(543,939)	<u>6,195,855</u>
Investing Activities			
Payments for Purchase of Property, Plant And Equipment		-	(24,906)
Interest Received		<u>550,288</u>	<u>218,252</u>
Net cash generated from investing activities		<u>550,288</u>	<u>193,346</u>
Financing Activities			
Payment of Capital Element of Lease Liabilities	15	(935,648)	(875,531)
Payment of Interest Element of Lease Liabilities		<u>(55,872)</u>	<u>(47,509)</u>
Net cash used in financing activities		(991,520)	(923,040)
Net (decrease)/increase in Cash and Cash Equivalents		(985,171)	5,466,161
Cash and Cash Equivalents at 1 April		<u>24,248,686</u>	<u>18,782,525</u>
Cash and Cash Equivalents at 31 March	9	<u>23,263,515</u>	<u>24,248,686</u>

The notes on pages 11 to 28 form part of these financial statements.

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements

(Expressed in Hong Kong dollars)

1 General and Legal Status

Hong Kong Alzheimer's Disease Association (the "Association") is incorporated and domiciled in Hong Kong. The Association is limited by guarantee.

The registered office of the Association is Ground Floor, Wang Yip House, Wang Tau Hom Estate, Kowloon, Hong Kong.

2 Material Accounting Policies

(a) Statement of Compliance

These financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. A summary of the material accounting policies adopted by the Association is set out below.

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Association. There have been no significant changes to the accounting policies applied to these financial statements for the year presented as a result of these developments.

The Association has not applied any new or revised HKFRS Accounting Standards that is not yet effective for the current accounting period (see note 16).

(b) Basis of Preparation of the Financial Statements

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

2 Material Accounting Policies (continued)

(c) Property, Plant and Equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses (see note 2(e)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as the following annual rates:

Furniture and Fixtures	20%
Leasehold Improvements	20% or over the lease terms
Computer Equipment	20%
Office Equipment	20%
Motor Vehicles	20%

The useful life of an asset and its residual value, if any, are reviewed annually.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in income and expenditure on the date of retirement or disposal.

(d) Leased Assets

At inception of a contract, the Association assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

At the lease commencement date, the Association recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Association enters into a lease in respect of a low-value asset, the Association decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a straight-line basis over the lease term.

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

2 Material Accounting Policies (continued)

(d) Leased Assets

Where the leases is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to income and expenditure in the accounting period in which they are incurred.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Association's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Association will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in income and expenditure if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 2 (e)). Depreciation is calculated to write off the cost of right-of-use assets using the straight line method over the lease term.

(e) Impairment of Non-Current Assets

The carrying amounts of property, plant and equipment, and right-of-use assets are reviewed for indications of impairment at each reporting period. An impairment loss is recognised to the extent that the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The recoverable amount of an asset, or of the cash-generating unit to which it belongs, is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the assets. An impairment loss is reversed if there has been a favourable change in estimates used to determine the recoverable amount.

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

2 Material Accounting Policies (continued)

(f) Accounts and Other Receivables

A receivable is recognised when the Association has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. Receivables are stated at amortised cost using the effective interest method less allowance for expected credit losses.

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Association in accordance with the contract and the cash flows that the Association expects to receive), discounted at the original effective interest rate, where the effect of discounting is material.

(g) Accounts and Other Payables

Accounts and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(h) 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. Cash and cash equivalents are assessed for expected credit losses (see note 2(f)).

(i) Employee Benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

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.

The Association operates a defined contribution Mandatory Provident Fund ("MPF") Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to income and expenditure as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Association in an independently administered fund. The Association's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

2 Material Accounting Policies (continued)

(i) Employee Benefits (continued)

(ii) Long service payment ("LSP") under the Hong Kong Employment Ordinance

The Association's net obligation in respect of LSP is calculated by estimating the amount of future benefit that employees have earned in the current and prior years and discounting that amount. The estimated amount of future benefits is determined after deducting the negative service cost arising from the accrued benefits derived from the Association's MPF contributions that have been vested with employees, which is deemed to be contribution from the relevant employees.

Remeasurements of LSP obligation are recognised immediately in other comprehensive income. Net interest expense for the year is determined by applying the discount rate used to measure the LSP obligations at the beginning of the reporting period to the then LSP liability, taking into account any changes in the net LSP liability during the year. Net interest expense and other expenses related to LSP obligation are recognised in income and expenditure.

(j) Revenue Recognition

Revenue is recognised when control over goods or service is transferred to the customer at the amount of promised consideration to which the Association is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue is recognised in income and expenditure as follows:

- (i) Donations, members' subscriptions and contributions are brought into account upon receipt of funds.
- (ii) Service income is recognised over time when services are provided and an invoice is issued to client.
- (iii) Income from book sales is recognised when the customer takes possession of and accepts the goods which is taken to be the point in time when the goods are delivered.
- (iv) Bank interest income is recognised as it accrues using the effective interest method.

(k) Provision and Contingent Liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Association has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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, whose existence 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.

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

2 Material Accounting Policies (continued)

(l) Translation of Foreign Currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in the income and expenditure.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

(m) Related Parties

(a) 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 of the Association;
- (ii) has significant influence over the Association; or
- (iii) is a member of the key management personnel of the Association.

(b) An entity is related to the Association if any of the following conditions applies:

- (i) The entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association.
- (ii) The entity is controlled or jointly controlled by a person identified in (a).
- (iii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity.
- (iv) The entity provides key management personnel services to the Association.

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.

3 Remuneration of Executive Committee Members

No executive committee members received, or will receive, any fees or emoluments in respect of services to the Association during both the current and prior years.

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

4 Taxation

The Association is a charitable organisation within the meaning of Section 88, Chapter 112 of the Inland Revenue Ordinance and accordingly, it is exempt from Hong Kong taxation.

5 Revenue

The principal activities of the Association are providing services and arranging courses and activities on a non-profit making basis to the public and to persons with Alzheimer's disease and their families.

The amount of each significant category of revenue, recognised during the year is as follows:

	2025 HKD	2024 HKD
Donations 捐款		
General Donations 一般捐款	2,621,589	2,839,538
護腦月捐計劃	<u>42,910</u>	<u>86,220</u>
	<u>2,664,499</u>	<u>2,925,758</u>
Specific Sponsorship 專項贊助		
Lotteries Fund 獎券基金	-	956,997
The Community Chest of Hong Kong 香港公益金	1,099,800	1,055,760
Healing Arts for Dementia – The Community Chest of Hong Kong 腦動藝術 – 香港公益金	243,065	-
Memory Clinic – The Community Chest of Hong Kong 記憶診所 – 香港公益金	359,213	-
Shih Wing Ching Foundation 施永青基金	-	211,276
BOCHK Centenary Charity Programme Open Call for Project Proposals – Mobile Dementia Clinic 中銀香港百華誕慈善計劃公開徵集項目 – 認知障礙症流動醫療中心	1,521,476	4,064,023
Ip Chi Shing Charitable Foundation Limited 葉志成慈善基金有限公司	-	294,400
The opportunities for the elderly project – Social Welfare Department ("SWD") 老有所為活動計畫 – 社會福利署	<u>69,929</u>	<u>-</u>
	<u>3,293,483</u>	<u>6,582,456</u>
Fund Raising Activities 籌款活動收入		
Flag Day Income 賣旗籌款收入		
- on 18.1.2025	1,073,649	-
- on 13.5.2023	-	764,527
General Charitable Fund-raising Activities 一般慈善籌款收入	<u>9,945</u>	<u>-</u>
	<u>1,083,594</u>	<u>764,527</u>

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

5 Revenue (continued)

	2025 HKD	2024 HKD
Services and Subscriptions 服務及會費收入		
Day Centre 日間中心服務	4,246,986	4,109,049
CCSV (Co-payment by Service Users) 長者社區照顧服務券試驗計劃(服務使用者支付部份)	2,028,547	1,813,601
CCSV (Co-payment by SWD) 長者社區照顧服務券試驗計劃(社署支付部份)	10,267,855	9,206,103
In-home Service 到戶訓練服務	386,451	321,261
Early Detection Service 早期檢測服務	233,480	198,260
Memory Clinic 記憶診所	276,566	129,178
Consultancy Service & Others 顧問服務及其他	-	2,000
	<u>17,439,885</u>	<u>15,779,452</u>
Education Activities 教育活動收入		
Courses and Workshops 課程及工作坊	1,234,978	978,088
Income from Book Sales 售賣書籍收入	5,328	3,934
Bank Interest 利息收入	601,658	218,252
Sundry Income 其他收入	<u>467,071</u>	<u>181,464</u>
Total Revenue 總收入	<u>26,790,496</u>	<u>27,433,931</u>

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

6 Expenditure

The amount of each significant category of expenditure recognised during the year is as follows:

	2025 HKD	2024 HKD
Service Expenses 服務開支		
Operations 營運開支		
Staff Cost 員工薪酬 [#]	15,331,545	14,296,419
Service Operation 運作開支	951,724	743,314
Project Operation 專項開支	<u>1,641,153</u>	<u>824,016</u>
	<u>17,924,422</u>	<u>15,863,749</u>
Premises 物業開支		
Depreciation of Right-of-use Assets 使用權資產折舊	879,630	834,547
Interest on Lease Liabilities 租賃負債利息	55,872	47,509
Management Fee 管理費	1,410,704	1,374,320
Office Supplies 辦公室雜費	387,868	167,722
Rent and Rates 租金及差餉 [*]	937,975	594,273
Utilities 水電費	<u>124,294</u>	<u>138,831</u>
	<u>3,796,343</u>	<u>3,157,202</u>
Transportation 交通運輸		
Rehabus Expenses 復康巴士開支	<u>752,356</u>	<u>680,589</u>
Total Service Expenses 總服務開支	<u>22,473,121</u>	<u>19,701,540</u>
Education Activities and Research 教育活動及研究開支		
Other Education Activities and Research Operation 其他運作開支	<u>903,533</u>	<u>265,697</u>
Projects and Programmes 項目及計劃開支		
Staff Cost 員工薪酬	-	906,891
Other Projects and Programme Operation 其他運作開支	<u>17,278</u>	<u>88,785</u>
	<u>17,278</u>	<u>995,676</u>

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

6 Expenditure (continued)

	2025 HKD	2024 HKD
Head Office Expenses 總辦事處開支		
Staff Cost 員工薪酬	1,739,260	1,857,543
Expenses recognised in respect of Long Service Payment 有關長期服務金的費用	266,517	262,296
Staff Development & Benefits 員工發展及福利	33,527	29,490
Staff Recruitment 招聘開支	23,345	32,376
Computer Expenses 電腦開支	54,395	63,017
Insurance 保險費用	75,567	69,072
Postage and Courier 郵費及速遞	4,683	7,707
Printing and Stationery 印刷及文具費用	46,858	45,368
Telephone, Fax and Internet 電話、傳真及互聯網	52,042	53,489
Sundry Expenses 雜項開支	115,311	17,355
Travelling Allowances 交通費	22,176	22,056
Overseas conference expenses 海外會議支出	<u>26,235</u>	<u>-</u>
	<u>2,459,916</u>	<u>2,459,769</u>
Depreciation 折舊	<u>677,456</u>	<u>946,743</u>
Publicity and Fund Raising Activities 宣傳及籌款活動	<u>36,230</u>	<u>25,727</u>
Publications 出版開支		
Annual Report 出版年報	<u>-</u>	<u>11,280</u>
Other Operating Expenses 其他營運費用		
Auditor's Remuneration 審計費用	65,150	62,000
Bank Charges 銀行手續費	23,027	22,382
Legal and Professional Fees 專業費用	-	10,579
Subscriptions Fees 會費支出	<u>64,915</u>	<u>66,618</u>
	<u>153,092</u>	<u>161,579</u>
Total Expenditure 總支出	<u>26,720,626</u>	<u>24,568,011</u>

* Rent and Rates include expenses relating to short term leases of HKD746,640 (2024: HKD411,750).

During the year, staff cost of HKD1,047,364 were funded by income generated from Flag day and General Charitable Fund-raising Activities.

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

7 Property, Plant and Equipment

	Furniture and Fixtures HKD	Leasehold Improvements HKD	Computer Equipment HKD	Office Equipment HKD	Motor Vehicles HKD	Total HKD
Cost:						
At 1 April 2023	1,790,854	11,422,025	1,772,038	1,995,567	5,349,252	22,329,736
Additions	-	-	-	24,906	-	24,906
At 31 March 2024, 1 April 2025 and 31 March 2025	<u>1,790,854</u>	<u>11,422,025</u>	<u>1,772,038</u>	<u>2,020,473</u>	<u>5,349,252</u>	<u>22,354,642</u>
Accumulated Depreciation:						
At 1 April 2023	1,790,854	11,422,024	1,506,255	1,290,128	3,559,300	19,568,561
Charge for the year	-	-	109,893	265,983	570,867	946,743
At 31 March 2024	1,790,854	11,422,024	1,616,148	1,556,111	4,130,167	20,515,304
Charge for the year	-	-	51,258	192,194	434,004	677,456
At 31 March 2025	<u>1,790,854</u>	<u>11,422,024</u>	<u>1,667,406</u>	<u>1,748,305</u>	<u>4,564,171</u>	<u>21,192,760</u>
Carrying Value:						
At 31 March 2025	-	1	104,632	272,168	785,081	1,161,882
At 31 March 2024	-	1	155,890	464,362	1,219,085	1,839,338

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

8 Right-of-use Assets

HKD

Cost:

At 1 April 2023, 31 March 2024 and 1 April 2024	4,559,905
Lease modifications	<u>1,935,827</u>
At 31 March 2025	<u>6,495,732</u>

Accumulated Depreciation:

At 1 April 2023	3,199,110
Charge for the year	<u>834,547</u>
At 31 March 2024	4,033,657
Charge for the year	<u>879,630</u>
At 31 March 2025	<u>4,913,287</u>

Carrying Value:

At 31 March 2025	<u>1,582,445</u>
At 31 March 2024	<u>526,248</u>

The Association has obtained the right to properties as its headquarter and service centres through lease agreements. The leases run for a period of three year and do not include variables lease payments.

9 Cash and Cash Equivalents

	2025 HKD	2024 HKD
Cash at bank and on hand	8,263,515	9,248,686
Time deposits	<u>15,000,000</u>	<u>15,000,000</u>
	<u>23,263,515</u>	<u>24,248,686</u>

As at 31 March 2025, the time deposits carry fixed interest rate ranging from 3.40% to 3.60% (2024: 4.20% to 4.50%) per annum.

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

10 Receipts in Advance

	2025 HKD	2024 HKD
A Circle Limited	68,000	68,000
Afrikon Industrial Co., Limited	450,000	200,000
BOCHK Centenary Charity Programme Open Call for Project Proposals - Mobile Dementia Clinic	1,521,476	1,521,476
The Community Chest Medical Assistance Fund – Community Memory Clinic for People with Dementia	798,115	-
Hong Kong Police College	-	1,505,232
Reni Shaw (Hong Kong) Limited	67,000	67,000
Yau Shing Land Investment Company Limited	100,000	100,000
Others	<u>14,520</u>	<u>2,406</u>
	<u>3,019,111</u>	<u>3,464,114</u>

11 Lease Liabilities

The following table shows the remaining contractual maturities of the Association's lease liabilities at 31 March 2025:

	2025		2024	
	Present Value of the Lease Payments HKD	Total Lease Payments HKD	Present Value of the Lease Payments HKD	Total Lease Payments HKD
Within 1 year	572,512	635,261	552,713	565,440
After 1 year but within 5 years	<u>980,380</u>	<u>1,018,032</u>	-	-
	<u>1,552,892</u>	1,653,293	<u>552,713</u>	565,440
Less: Total Future Interest Expenses		(100,401)		(12,727)
Present Value of Lease Liabilities		<u>1,552,892</u>		<u>552,713</u>

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

12 Provision for Long Service Payment

The Association is obligated to make LSP to qualifying employees in Hong Kong with a minimum of 5 years' employment period upon retirement or termination of employment under certain circumstances, in accordance with the Hong Kong Employment Ordinance (the "Employment Ordinance"). LSP is determined with reference to the employee's last monthly salary (capped at HKD22,500) and the years of service, reduced by the amount of any accrued benefits derived from the company's contributions to MPF Scheme, with an overall cap of HKD390,000 per employee subject to the company's discretion. There are provisions under the Employment Ordinance permitting employers to offset employees' LSP against the accrued benefits attributable to employers' contributions to the MPF Scheme.

The Association can no longer use accrued benefits arising from MPF mandatory employer contributions to offset employees' LSP accrued as from the transition date (i.e., 1 May 2025). Except for the statutory right to offset as described above, the LSP benefits are unfunded. The net LSP obligations are exposed to interest rate risk, the risk arising from changes in employees' average longevity at retirement or termination of employment, expected rate of future salary increase and market risk associated with investment returns of employees' MPF Scheme.

Movements in provision for LSP during the year are as follows:

	2025 HKD	2024 HKD
At 1 April	1,290,357	1,028,061
Expenses recognised in Income and Expenditure:		
- Current Service Cost	240,033	241,079
- Interest Cost	26,484	21,217
	<u>266,517</u>	<u>262,296</u>
LSP paid during the year	<u>(18,949)</u>	<u>-</u>
Remeasurement recognised in other comprehensive income:		
- Actuarial gains arising from changes in financial assumptions	<u>(107,910)</u>	<u>-</u>
At 31 March	<u>1,430,015</u>	<u>1,290,357</u>

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

12 Provision for Long Service Payment (continued)

The weighted average duration of the defined benefit obligation is 18.90 years (2024: 18.17 years).

Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:

	2025	2024
Discount rate	4%	3%
Expected rate of salary increases	4%	4%
Expected investment return on offsettable MPF accrued benefits	3%	3%

At 31 March 2025 and 2024, it is estimated that the effect on the defined benefit obligation would not be material for an increase/decrease of 1% in the significant actuarial assumptions based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

13 Capital and Reserves

(a) Capital

The Association is limited by guarantee and does not have a share capital. In accordance with the provision 7 of the Association's Memorandum of Association, every member shall, in the event of the Association being wound up, contribute such amount as may be required to meet the liabilities, but not exceeding HKD10 each.

(b) Designated Reserves

	Health Centres HKD	Development Fund# HKD	Capital Fund* HKD	Total HKD
Balance brought forward as at 1 April 2023	-	17,950,000	1,901,097	19,851,097
Additions to Property, Plant and Equipment	(956,997)	-	956,997	-
Transfer from/(to) Accumulated Funds	<u>956,997</u>	<u>1,600,000</u>	<u>(939,580)</u>	<u>1,617,417</u>
Balance carried forward as at 31 March 2024	-	19,550,000	1,918,514	21,468,514
Transfer from/(to) Accumulated Funds	<u>-</u>	<u>1,000,000</u>	<u>(669,800)</u>	<u>330,200</u>
Balance carried forward as at 31 March 2025	<u>-</u>	<u>20,550,000</u>	<u>1,248,714</u>	<u>21,798,714</u>

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

13 Capital and Reserves (continued)

(b) Designated Reserves (continued)

Development Fund is for the purposes:

- (i) Funding unsupported items and events for various service activities
- (ii) Subsidising staff training
- (iii) Supporting any other items with development nature for strengthening long term sustainability of the Association.

* Capital fund is a temporary fund account for the utilisation of property, plant and equipment from designated reserves fund. Upon addition to property, plant and equipment, the cost is credit to capital fund and then utilised in accordance to basis of depreciation.

(c) Accumulated Funds

In accordance with the provision 5(b) of the Association's Memorandum of Association, no portion of the income and property of the Association shall be paid or transferred directly or indirectly, by way of dividend, bonus, or otherwise howsoever, to the members of the Association.

14 Financial Instruments

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Association's business. These risks are limited by the Association's financial management policies and practices described below.

(a) Credit Risk

The Association's credit risk is primarily attributable to cash and cash equivalents held with financial institutions, which are leading and reputable and are assessed as having low credit risk. The Executive Committee considers that the Association has limited credit risk and does not expect any significant loss arising from non-performance by these entities.

At the reporting date, the Association has a certain concentration of credit risk as 68% (2024: 62%) of cash and cash equivalents and time deposits was held by one financial institution.

The Association assessed that there is no significant credit loss allowance recognised in accordance with HKFRS 9 as at 31 March 2025.

(b) Liquidity Risk

The Association regularly monitors current and expected liquidity requirements to ensure that sufficient liquid assets exist to meet its liquidity requirements in the short and longer term.

The maximum exposure to liquidity risk is represented by the carrying amount of the liabilities on the statement of financial position.

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

14 Financial Instruments (continued)

(c) Interest Rate Risk

The Association's interest rate risk arises primarily from time deposits and lease liabilities, which are at fixed rate and expose the Association to fair value interest rate risk.

The Associate's interest rate profile as monitored by management is set out below:

	<u>2025</u>		<u>2024</u>	
	Effective interest rate %	Carrying amount HKD	Effective interest rate %	Carrying amount HKD
Fixed rate instruments:				
Time deposits	3.40 – 3.60	15,000,000	4.20 – 4.50	15,000,000
Lease liabilities	5	(1,552,892)	5	(552,713)
		<u>13,447,108</u>		<u>14,447,287</u>

At 31 March 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would decrease/increase the Association's deficit for the year and increase/decrease the Association's accumulated funds by approximately HKD134,000 (2024: increase/decrease the Association's surplus for the year and accumulated funds by approximately HKD144,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of next annual reporting period.

(d) Foreign Currency Risk

The Association is not exposed to any significant foreign currency risk as its revenue and expenses are predominately in Hong Kong dollars.

(e) Fair Values

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2025 and 2024.

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

Notes to the Financial Statements (continued)

(Expressed in Hong Kong dollars)

15 Cash Flow Information

Reconciliation of liabilities arising from financing activities:

	Lease Liabilities (Note 11) HKD
At 1 April 2023	1,428,244
Capital element of lease rentals paid	(875,531)
At 31 March 2024	552,713
Increase in lease liabilities as a result of lease modifications	1,935,827
Capital element of lease rentals paid	(935,648)
At 31 March 2025	<u>1,552,892</u>

16 Possible impact of Amendments, New Standards and Interpretations issued but not yet effective for the year ended 31 March 2025

Up to the date of issue of these financial statements, the HKICPA has issued certain amendments to HKFRS Accounting Standards, which are not yet effective for the year ended 31 March 2025 and have not been adopted in these financial statements.

The Association is assessing what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them will not have a significant impact on the Association's financial statements.