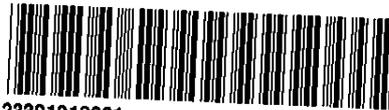


Ref : H267 (annual)

**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 2021**



23301918831  
AC  
12/01/2022

1021857

**CERTIFIED TRUE COPY**

*David*



*Dr. Dai Lok Kwan, David  
Company Secretary*

**"Hong Kong Alzheimer's Disease Association"**

**bakertilly** 0018  
**天職國際**

[www.bakertilly.hk](http://www.bakertilly.hk)

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

**Contents**

	<b>Page</b>
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 - 26

# 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 2021.

#### 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

Hong Kong Alzheimer's Disease Association was established as society under Societies Ordinance in 1995 and became a limited by guarantee organisation 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 addition, accompanied with different educational programs and designated projects, the Association aims to promote quality dementia care and advocate appropriate management of the condition 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 2020/21 financial year is HKD28,959,835 and HKD25,427,311 respectively.

About 68% of revenue was generated from services and sponsorship to service related projects. At the same time, about 81% of expenditure was spent on service operation, different service projects for people with dementia and their families and educational programs.

Because of the unstable social environment throughout the year and pandemic of COVID-19, all the publicity and fundraising activities were forced to cancel. But we have shifted the strategies to online donation appeal. So, there is no expenditure for this purpose while still having HKD2,810,351 donations.

The net assets were HKD17,256,267 as of March 2021 with 26% growth comparable to HKD13,723,743 as of March 2020.

##### Key relationships with employees, service users and other stakeholders

As professional organization in dementia care, experienced and quality staff is the key of success to achieve our mission in promoting quality dementia care and advocating appropriate management of the condition in the community. Decentralized management structure maximized the empowerment of team leaders in decision making and ownership of the teams' achievement. At the same time, different opportunities and financial support in staff training for both professional and frontline staff can facilitate their 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.

0020

# 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 Centre and team will be prepared by team managers in every January. The Executive Director will assess the feasibility and cost-effectiveness, so as to compile the annual plan and financial budget of Association as a whole. The annual plan and financial budget will be submitted to the Executive Committee for approval before a new financial year started. The target achievement and the actual I&E situation will be reviewed quarterly by the Executive Director. If there is variance between planning and actual situation, operational strategies will be adjusted immediately so as to manage the situation timely.

##### Challenges and Strategies

Facing the unstable pandemic of COVID-19, it is foreseeable that revenue will be affected successively due to usage rate fluctuations in upcoming year. Different new service models, such as enlarge the outreach team, provide virtual cognitive stimulating activities to clients, as well as virtual educational programs to workers, etc. are explored and well prepared in order to tackle the upcoming challenges.

#### 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. DAI Lok Kwan, David, JP
Vice Chairman (Internal Affairs)	Dr. WU Yee Ming, Jimmy
Vice Chairman (External Affairs)	Dr. TAM Kui Fu, Stanley
Hon Treasurer	Mr. SHIE Wai Hung, Henry
Hon Secretary	Mr. CHAN Yan Chi, Samuel
Members	Ms. CHAN Chiu Ling, Ophelia, BBS
	Ms. CHAN Yuen Man, Marina
	Dr. MA Hon Ming, Bosco
	Mr. NG Siu Ping, George
	Prof. TSIEN WONG Bik Kwan, Teresa
	Ms. LUK Po Chu, Bella
	Dr. WONG Hoi Yan, Gloria

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)**

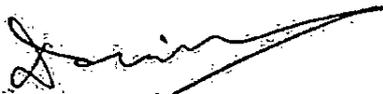
**Permitted indemnity provision**

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



Dai Lok Kwan, David  
Chairman

Hong Kong, 25 OCT 2021

**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 26, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income and the statement of changes in funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31 March 2021, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Basis for opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HSAs") 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 HKFRSs 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional 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.

0022

**Independent auditor's report to the members of  
Hong Kong Alzheimer's Disease Association (continued)**

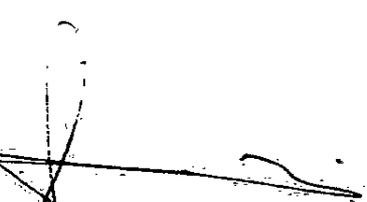
**香港認知障礙症協會**

(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, 25 OCT 2021

Lo Wing See

Practising certificate number P04607

# 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 2021

(Expressed in Hong Kong dollars)

	Note	2021 HKD	2020 HKD
<b>Revenue 收入</b>	5		
Donation 捐款		2,810,351	1,806,932
Specific sponsorship 專項贊助		7,863,526	9,704,847
Fund raising activities 籌款活動收入		999,906	130,920
Services and subscriptions 服務及會費收入		11,965,585	15,305,939
Education activities 教育活動收入		1,848,343	1,151,520
Income from book sales 售賣書籍收入		6,134	22,124
Bank interest 利息收入		53	2,694
Employment support scheme 「保就業」計劃		2,696,668	-
Sundry income 其他收入		<u>769,269</u>	<u>352,728</u>
		<u>28,959,835</u>	<u>28,477,704</u>
<b>Less : Expenditure 支出</b>	6		
Service expenses 服務開支		15,575,706	15,877,523
Education activities and research 教育活動及研究支出		1,182,769	2,124,837
Projects and programmes 項目及計劃開支		3,950,533	5,314,955
Headquarters expenses 總部開支		3,753,253	3,603,989
Depreciation 折舊		811,531	1,096,185
Publicity and fund raising activities 宣傳及籌款開支		29,881	-
Publications 出版開支		30,880	34,532
Other operating expenses 其他營運開支		<u>92,758</u>	<u>159,691</u>
		<u>25,427,311</u>	<u>28,211,712</u>
<b>Surplus and total comprehensive income for the year</b>			
本年盈餘及全面收益總額		<u>3,532,524</u>	<u>265,992</u>

0023

The notes on pages 11 to 26 form part of these financial statements.

Hong Kong Alzheimer's Disease Association

香港認知障礙症協會

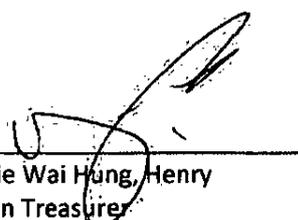
Statement of financial position as at 31 March 2021

(Expressed in Hong Kong dollars)

	Note	2021 HKD	2020 HKD
<b>Non-current assets 非流動資產</b>			
Property, plant and equipment 固定資產	7	2,212,209	2,729,465
Right-of-use assets 使用權資產	8	<u>500,784</u>	<u>1,782,574</u>
		<u>2,712,993</u>	<u>4,512,039</u>
<b>Current assets 流動資產</b>			
Accounts receivable 應收帳款		2,395,355	3,546,467
Deposits 按金		382,682	468,682
Sundry debtors and prepayments 其他應收帳款及預支費用		123,144	462,319
Cash and cash equivalents 現金及現金等價物		<u>17,208,312</u>	<u>12,247,717</u>
		<u>20,109,493</u>	<u>16,725,185</u>
<b>Current liabilities 流動負債</b>			
Accrued expenses 應付未付款項		941,166	1,857,507
Receipts in advance 預收款項	9	4,099,085	3,866,508
Lease liabilities 租賃負債	10	<u>525,968</u>	<u>1,033,260</u>
		<u>5,566,219</u>	<u>6,757,275</u>
<b>Net current assets 流動資產淨值</b>		<u>14,543,274</u>	<u>9,967,910</u>
<b>Total assets less current liabilities 總資產減流動負債</b>		<u>17,256,267</u>	<u>14,479,949</u>
<b>Non-current liabilities 非流動負債</b>			
Lease liabilities 租賃負債	10	<u>-</u>	<u>756,206</u>
<b>Net assets 淨資產</b>		<u>17,256,267</u>	<u>13,723,743</u>
Represented by:			
Designated reserve 專項儲備	11(b)	16,885,645	13,701,669
Accumulated funds 累積結餘	11(c)	<u>370,622</u>	<u>22,074</u>
		<u>17,256,267</u>	<u>13,723,743</u>

Approved by the executive committee on 25 OCT 2021

  
 Dai Lok Kwan, David  
 Chairman

  
 Shie Wai Hung, Henry  
 Hon Treasurer

The notes on pages 11 to 26 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 2021

(Expressed in Hong Kong dollars)

	Note	Designated reserve HKD	Accumulated funds HKD	Total HKD
Balance at 1 April 2019		13,273,924	183,827	13,457,751
Surplus and total comprehensive income for the year		-	265,992	265,992
Transferred to designated reserve	11(b)	<u>427,745</u>	<u>(427,745)</u>	<u>-</u>
Balance at 31 March 2020		13,701,669	22,074	13,723,743
Surplus and total comprehensive income for the year		-	3,532,524	3,532,524
Transferred to designated reserve	11(b)	<u>3,183,976</u>	<u>(3,183,976)</u>	<u>-</u>
Balance at 31 March 2021		<u>16,885,645</u>	<u>370,622</u>	<u>17,256,267</u>

0024

The notes on pages 11 to 26 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 2021

(Expressed in Hong Kong dollars)

	Note	2021 HKD	2020 HKD
<b>Operating activities</b>			
Surplus for the year		3,532,524	265,992
Adjustments for:			
- Bank interest income	5	( 53 )	( 2,694 )
- Gain on disposal of property, plant and equipment		( 8,000 )	-
- Gain on early termination of lease	5	( 14,216 )	-
- Depreciation	6,7	811,531	1,096,185
- Depreciation on right-of-use assets	8	1,065,768	1,065,768
- Interest on lease liabilities		<u>58,820</u>	<u>110,114</u>
<b>Operating surplus before changes in working capital</b>		<b>5,446,374</b>	<b>2,535,365</b>
Decrease/(increase) in accounts receivable		1,151,112	( 1,154,183 )
Decrease/(increase) in deposits		86,000	( 11,742 )
Decrease in sundry debtors and prepayments		339,175	310,547
(Decrease)/increase in accrued expenses		( 916,341 )	927,904
Increase in receipts in advance		<u>232,577</u>	<u>2,507,926</u>
<b>Net cash generated from operating activities</b>		<b><u>6,338,897</u></b>	<b><u>5,115,817</u></b>
<b>Investing activities</b>			
Payments for purchase of property, plant and equipment		( 294,275 )	( 2,528,666 )
Proceed from disposal of property, plant and equipment		8,000	-
Interest received		<u>53</u>	<u>2,694</u>
<b>Net cash used in investing activities</b>		<b><u>( 286,222 )</u></b>	<b><u>( 2,525,972 )</u></b>
<b>Financing activities</b>			
Payment of capital element of lease liabilities	13	( 1,033,260 )	( 1,058,876 )
Payment of interest element of lease liabilities		<u>( 58,820 )</u>	<u>( 110,114 )</u>
<b>Net cash used in financing activities</b>		<b><u>( 1,092,080 )</u></b>	<b><u>( 1,168,990 )</u></b>
<b>Net increase in cash and cash equivalents</b>		<b>4,960,595</b>	<b>1,420,855</b>
<b>Cash and cash equivalents at 1 April</b>		<b><u>12,247,717</u></b>	<b><u>10,826,862</u></b>
<b>Cash and cash equivalents at 31 March</b>		<b><u>17,208,312</u></b>	<b><u>12,247,717</u></b>

The notes on pages 11 to 26 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 Significant accounting policies

##### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), 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 significant accounting policies adopted by the Association is set out below.

The HKICPA has issued certain amendments to HKFRSs 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 that is not yet effective for the current accounting period (see note 14).

##### (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 HKFRSs 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.

0025

## 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 Significant 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, depreciation method 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.

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.

**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 Significant accounting policies (continued)**

**(d) Leased assets (continued)**

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 than 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.

**(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.

0026

## 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 Significant accounting policies (continued)

##### (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

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.

##### (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) Bank interest income is recognised as it accrues using the effective interest method.
- (iv) Government subsidies by Employment Support Scheme that compensate the Association for staff cost incurred are recognised as income in income and expenditure on a systematic basis in the same periods in which the expenses are incurred.

## 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 Significant accounting policies (continued)

##### (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.

##### (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. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the foreign exchange rates ruling at the dates the fair value was determined.

##### (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).

0027

## **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 Significant accounting policies (continued)**

##### **(m) Related parties (continued)**

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

(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.

#### **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.

# 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

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:

	2021 HKD	2020 HKD
<b>Donations 捐款</b>		
General donations 一般捐款	2,709,531	1,709,512
護理月捐計劃	<u>100,820</u>	<u>97,420</u>
	<u>2,810,351</u>	<u>1,806,932</u>
<b>Specific sponsorship 專項贊助</b>		
Innovation and Technology Fund 創新及科技基金	294,275	419,160
Lotteries Fund 獎券基金	-	1,625,006
Project e+: Dementia Community Support Service – Home Affairs Department 醫家行動: 認知障礙症社區支援服務 – 民政事務總署	3,576,170	4,481,862
Rent and rates subsidy – Social Welfare Department 租金及差餉津貼 – 社會福利署	684,359	714,656
Ronald and Rita Mcanlay Foundation	1,270,029	1,120,563
The Board of Management of the Chinese Permanent Cemeteries 華人永遠墳場管理委員會	-	489,500
The Community Chest of Hong Kong 香港公益金	1,055,760	854,100
BOCHK Centenary Charity Programme (Allocation via CCHK) 中銀香港百華誕慈善計劃 (經香港公益金安排撥款)	882,933	-
Contempo Charity Foundation Limited 金寶慈善基金有限公司	<u>100,000</u>	<u>-</u>
	<u>7,863,526</u>	<u>9,704,847</u>
<b>Fund raising activities 籌款活動收入</b>		
Flag Day income 7.4.2019, net 賣旗籌款淨收入	657,709	-
Chinese New Year Red Packet fund raising 新年紅包籌款收入	-	130,920
Charity towel fund raising 慈善毛巾籌款收入	<u>342,197</u>	<u>-</u>
	<u>999,906</u>	<u>130,920</u>

0028

# 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)

	2021 HKD	2020 HKD
<b>Services and subscriptions 服務及會費收入</b>		
Day centre 日間中心服務	4,562,259	7,792,462
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)	1,166,136	1,142,147
CCSV (co-payment by SWD) 長者社區照顧服務券試驗計劃(社署支付部份)	5,641,059	4,790,940
CCSV (one-off grant) 長者社區照顧服務券試驗計劃(一次性資助)	161,240	798,000
In-home services 到戶訓練服務	260,211	190,340
Early detection services 早期檢測服務	154,980	100,800
Members' subscriptions 會費	-	700
Consultancy service 顧問服務	<u>19,700</u>	<u>490,550</u>
	<b><u>11,965,585</u></b>	<b><u>15,305,939</u></b>
<b>Education activities 教育活動收入</b>		
Courses and workshops 課程及工作坊	1,848,343	1,151,520
<b>Income from book sales 售賣書籍收入</b>	6,134	22,124
<b>Bank interest 利息收入</b>	53	2,694
<b>Employment support scheme 「保就業」計劃<sup>@</sup></b>	2,696,668	-
<b>Sundry income 其他收入<sup>#</sup></b>	<u>769,269</u>	<u>352,728</u>
<b>Total revenue 總收入</b>	<b><u>28,959,835</u></b>	<b><u>28,477,704</u></b>

<sup>@</sup> During the year ended 31 March 2021, the Association received subsidies of HKD2,696,668 from the Employment Support Scheme under Anti-epidemic Fund of the Hong Kong Government.

<sup>#</sup> Sundry income includes gain on early termination of lease of HKD14,216 (2020: HKDnil).

# 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:

	2021 HKD	2020 HKD
<b>Service expenses 服務開支</b>		
<b>Operations 營運開支</b>		
Staff cost 員工薪酬	11,400,427	10,758,871
Service operation 運作開支	442,760	618,768
Project operation 專項開支	<u>728,070</u>	<u>828,275</u>
	<u>12,571,257</u>	<u>12,205,914</u>
<b>Premises 物業開支</b>		
Depreciation of right-of-use assets 使用權資產折舊	777,739	777,739
Interest on lease liabilities 租賃負債利息	40,987	78,479
Management fee 管理費	1,249,248	1,234,387
Offices supplies 辦公室雜費	167,523	102,716
Rent and rates 租金及差餉*	319,594	812,068
Utilities 水電費	<u>52,344</u>	<u>120,747</u>
	<u>2,607,435</u>	<u>3,126,136</u>
<b>Transportation 交通運輸</b>		
Rehabus expenses 復康巴士開支	<u>397,014</u>	<u>545,473</u>
<b>Total service expenses 總服務開支</b>	<u>15,575,706</u>	<u>15,877,523</u>
<b>Education activities and research 教育活動及研究開支</b>		
Staff cost 員工薪酬	945,423	1,832,014
Other education activities and research operation 其他運作開支	<u>237,346</u>	<u>292,823</u>
	<u>1,182,769</u>	<u>2,124,837</u>
<b>Projects and programmes 項目及計劃開支</b>		
Staff cost 員工薪酬	461,801	575,819
Kwai Tsing's District-led Actions Scheme (DAS) Project - Project e+: Dementia Community Support Service 醫家行動 - 認知障礙症社區支援服務	3,432,599	4,631,651
Other projects and programme operation 其他運作開支	<u>56,133</u>	<u>107,485</u>
	<u>3,950,533</u>	<u>5,314,955</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)	2021 HKD	2020 HKD
<b>Head office expenses 總辦事處開支</b>		
Staff cost 員工薪酬	3,344,939	3,106,301
Staff development & benefit 員工發展及福利	30,633	62,012
Staff recruitment 招聘開支	19,255	30,379
Overseas conference expenses 海外會議開支	-	52,074
Computer expenses 電腦開支	57,822	52,070
Insurance 保險費用	127,400	105,305
Postage and courier 郵費及速遞	6,104	16,672
Printing and stationery 印刷及文具費用	69,678	64,859
Telephone, fax and internet 電話、傳真及互聯網	67,728	62,072
Sundry expenses 雜項開支	12,237	32,982
Travelling allowances 交通費	<u>17,457</u>	<u>19,263</u>
	<u>3,753,253</u>	<u>3,603,989</u>
<b>Depreciation 折舊</b>	<u>811,531</u>	<u>1,096,185</u>
<b>Publicity and fund raising activities 宣傳及籌款開支</b>	<u>29,881</u>	-
<b>Publications 出版開支</b>		
Annual report 年報	2,500	17,060
Newsletters 季刊	-	13,600
Publication of book 出版書籍	<u>28,380</u>	<u>3,872</u>
	<u>30,880</u>	<u>34,532</u>
<b>Other operating expenses 其他營運費用</b>		
Auditor's remuneration 審計費用	53,222	55,698
Bank charges 銀行手續費	29,576	18,906
Legal and professional fees 專業費用	-	2,793
Office supplies 辦公室用品	-	28,504
Subscriptions fees 會費支出	<u>9,960</u>	<u>53,790</u>
	<u>92,758</u>	<u>159,691</u>
<b>Total expenditure 總支出</b>	<u>25,427,311</u>	<u>28,211,712</u>

\* Rent and rates include expenses relating to short term leases of HKD173,316 (2020: expenses relating to leases with remaining lease term ending on or before 31 March 2020 of HKD635,492).

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
<b>Cost:</b>						
At 1 April 2019	1,790,854	11,422,025	669,411	690,726	3,817,570	18,420,586
Additions	-	-	1,072,627	429,574	1,026,465	2,528,666
At 31 March 2020	1,790,854	11,422,025	1,772,038	1,120,300	4,844,035	20,949,252
Additions	-	-	-	294,275	-	294,275
Disposal	-	-	-	-	(516,738)	(516,738)
At 31 March 2021	1,790,854	11,422,025	1,772,038	1,414,575	4,327,297	20,726,789
<b>Accumulated depreciation:</b>						
At 1 April 2019	1,699,903	11,110,239	640,389	596,646	3,076,425	17,123,602
Charge for the year	45,895	289,702	196,726	110,156	453,706	1,096,185
At 31 March 2020	1,745,798	11,399,941	837,115	706,802	3,530,131	18,219,787
Charge for the year	17,723	22,083	224,967	152,887	393,871	811,531
Written back on disposal	-	-	-	-	(516,738)	(516,738)
At 31 March 2021	1,763,521	11,422,024	1,062,082	859,689	3,407,264	18,514,580
<b>Net book value:</b>						
At 31 March 2021	27,333	1	709,956	554,886	920,033	2,212,209
At 31 March 2020	45,056	22,084	934,923	413,498	1,313,904	2,729,465

0030

# 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
	<b>Cost:</b>	
	At 31 March 2019	-
	Impact on initial application of HKFRS 16	<u>792,079</u>
	At 1 April 2019	792,079
	Additions	<u>2,056,263</u>
	At 31 March 2020	2,848,342
	Derecognition as a result of early termination of a lease	<u>( 792,079)</u>
	At 31 March 2021	<u>2,056,263</u>
	<b>Accumulated depreciation:</b>	
	At 1 April 2019	-
	Charge for the year	<u>1,065,768</u>
	At 31 March 2020	1,065,768
	Charge for the year	1,065,768
	Derecognition	<u>( 576,057)</u>
	At 31 March 2021	<u>1,555,479</u>
	<b>Carrying value:</b>	
	At 31 March 2021	<u>500,784</u>
	At 31 March 2020	<u>1,782,574</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 two to three years and do not include variables lease payments.

# 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)

#### 9 Receipts in advance

	2021 HKD	2020 HKD
18th CDCP Course	-	144,692
Afrikon Industrial Co., Limited	1,069,034	400,000
AIA Foundation	-	990,221
BOCHK Centenary Charity Programme (Allocation via CCHK)	-	527,760
BOCHK Centenary Charity Programme Open Call for Project Proposals - Mobile Dementia Clinic	2,121,196	-
Full Sky Co. Ltd.	700,000	-
RRMF 4E's Action for Dementia Project	-	1,218,792
The Community Chest of Hong Kong	-	140,000
Sporthouse Limited	150,000	150,000
Zurich Insurance Company Limited	50,000	50,000
Others	<u>8,855</u>	<u>245,043</u>
	<u>4,099,085</u>	<u>3,866,508</u>

#### 10 Lease liabilities

The following table shows the remaining contractual maturities of the Association's lease liabilities at 31 March 2021:

	2021		2020	
	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	525,968	538,080	1,033,260	1,092,080
After 1 year but within 5 years	-	-	<u>756,206</u>	<u>772,080</u>
	<u>525,968</u>	538,080	<u>1,789,466</u>	1,864,160
Less: Total future interest expenses		( 12,112)		( 74,694)
Present value of lease liabilities		<u>525,968</u>		<u>1,789,466</u>

0031

## 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)

#### 11 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 reserve

	Health Centres HKD	Development Fund# HKD	Provision Designated Fund** HKD	Capital Fund* HKD	Total HKD
Balance brought forward as at 1 April 2019	-	11,700,000	329,010	1,244,914	13,273,924
Additions to property, plant and equipment	(2,528,666)	-	-	2,528,666	-
Transfer from/(to) accumulated funds	<u>2,528,666</u>	<u>(1,050,000)</u>	<u>-</u>	<u>(1,050,921)</u>	<u>427,745</u>
Balance carried forward as at 31 March 2020	<u>-</u>	<u>10,650,000</u>	<u>329,010</u>	<u>2,722,659</u>	<u>13,701,669</u>
Additions to property, plant and equipment	(294,275)	-	-	294,275	-
Transfer from/(to) accumulated funds	<u>294,275</u>	<u>4,000,000</u>	<u>(329,010)</u>	<u>(781,289)</u>	<u>3,183,976</u>
Balance carried forward as at 31 March 2021	<u>-</u>	<u>14,650,000</u>	<u>-</u>	<u>2,235,645</u>	<u>16,885,645</u>

# Development fund is for the purposes:

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

## Provision designated fund is a temporary fund account to represent the unused specific sponsorship which are designated for the specific programmes and projects.

\* 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.

## 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)

#### 11 Capital and reserves (continued)

##### (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.

#### 12 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 47% (2020: 69%) of cash and cash equivalents 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 2021.

##### (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.

##### (c) Interest rate risk

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

##### (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.

0032

## 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 Financial instruments (continued)

##### (e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2021 and 2020.

#### 13 Cash flow information

Reconciliation of liabilities arising from financing activities:

	Lease liabilities (Note 10) HKD
At 31 March 2019	-
Impact on initial application of HKFRS 16	<u>792,079</u>
At 1 April 2019	792,079
Increase in lease liabilities from entering into new leases during the year	2,056,263
Capital element of lease rentals paid	<u>(1,058,876)</u>
At 31 March 2020	1,789,466
Decrease in lease liabilities as a result of early termination of a lease	( 230,238 )
Capital element of lease rentals paid	<u>(1,033,260)</u>
At 31 March 2021	<u>525,968</u>

#### 14 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2021

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard which are not yet effective for the year ended 31 March 2021 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 is unlikely have a significant impact on the Association's financial statements.