

Report of the Directors
Audited Financial Statements
DIALOGUE IN THE DARK (HK)
FOUNDATION LIMITED
(LIMITED BY GUARANTEE)
For the year ended 31 March 2021



WORLD SMART
Certified Public Accountants



22702444191
AC
19/01/2022

1418338

0079

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

REPORT OF THE DIRECTORS

The directors submit herewith the annual report and the audited financial statements for the year ended 31 March 2021.

Principal activities

The principal activities of the Foundation are fund raising for the promotion, support, education, training and raising public awareness and tolerance of the visually impaired or people with other disabilities in Hong Kong.

Property, plant and equipment

Details of the movements in the property, plant and equipment are set out in note 9 to the financial statements.

Results and financial position

The results of the Foundation for the year ended 31 March 2021 and the Foundation's financial position as at 31 March 2021 are set out in the financial statements on pages 7 to 19.

Directors

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

CHONG Chan Yau
CHEUNG Suk Yi, Idy
FUNG Kim Sang
YIU Kam Hung, Kenny

In accordance with the Foundation's Articles of Association, the directors shall retire from office after serving a term of three years but are eligible for re-election.

Permitted indemnity provision

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more directors of the Foundation.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Foundation.

to be continued.....

0080

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

REPORT OF THE DIRECTORS (CONTINUED)

Continuation - 1 -

Business review

The Foundation falls within reporting exemption for the financial year. Accordingly, the Foundation is exempted from preparing a business review.

Equity-linked arrangements

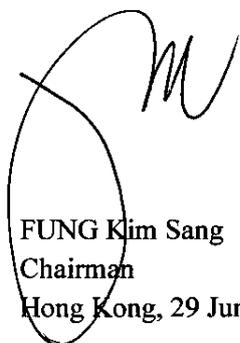
During the financial year, the Foundation entered into no equity-linked agreement.

At the end of the financial year, the Foundation subsisted of no equity-linked agreement.

Auditors

The financial statements have been audited by Messrs. World Smart, Certified Public Accountants (Practising) who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



FUNG Kim Sang
Chairman
Hong Kong, 29 June 2021

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(incorporated in Hong Kong with limited liability by guarantee)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Dialogue In The Dark (HK) Foundation Limited ("the Foundation") set out on pages 7 to 19, which comprise the statement of financial position as at 31 March 2021, and the income statement and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Foundation are prepared, in all material respects, in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") 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 ("HKSAAs") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the SME-FRS 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.

Material uncertainty related to going concern

Without qualifying our opinion, we draw attention to note 15 in the financial statements which indicates that the Foundation's total liabilities exceed its total assets by HK\$3,611,773 as at 31 March 2021. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Foundation's ability to continue as a going concern.

to be continued.....

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(incorporated in Hong Kong with limited liability by guarantee)

Continuation - 3 -

Other information

The directors are responsible for the other information. The other information comprises the information included in the report of the directors set out on pages 1 to 2 and detailed income statement set out on pages 20 to 22, 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.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

to be continued.....

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(incorporated in Hong Kong with limited liability by guarantee)

Continuation - 4 -

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. Our report is made solely to you, in accordance with sections 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

to be continued.....

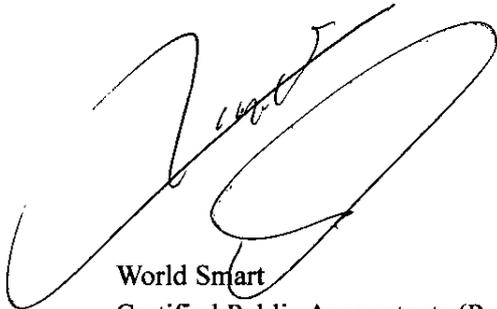
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(incorporated in Hong Kong with limited liability by guarantee)

Continuation - 5 -

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

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

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.



World Smart
Certified Public Accountants (Practising)
Room A, 12/F., Legend Tower,
7 Shing Yip Street, Kwun Tong,
Kowloon, Hong Kong
29 June 2021

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 HK\$	2020 HK\$
Turnover	3	7,161,472	2,186,610
Direct costs		<u>(230,469)</u>	<u>(576,055)</u>
		6,931,003	1,610,555
Other income	3	9,491,594	4,697,964
Other loss, net	4	(63)	-
Administrative and other operating expenses		<u>(18,234,389)</u>	<u>(8,306,971)</u>
Operating deficit	5	(1,811,855)	(1,998,452)
Finance costs	6	<u>-</u>	<u>(9,900)</u>
Deficit for the year		<u><u>(1,811,855)</u></u>	<u><u>(2,008,352)</u></u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Notes	2021 HK\$	2020 HK\$
Non-current assets			
Property, plant and equipment	9	16,468,824	17,138,493
Time deposits, with original maturities over three months		<u>360,000</u>	<u>-</u>
		<u>16,828,824</u>	<u>17,138,493</u>
Current assets			
Inventories	10	23,715	35,837
Account and other receivables		127,073	1,237,475
Deposits and prepayments		1,196,245	1,272,098
Cash at bank and in hand		<u>1,740,707</u>	<u>2,529,934</u>
		<u>3,087,740</u>	<u>5,075,344</u>
Current liabilities			
Rental and other deposits received		2,065,411	1,890,961
Accruals and other payables		1,673,816	4,340,609
Other loans	11	380,000	380,000
Receipts in advance		6,664,756	2,776,332
Deferred income – current portion	12	<u>2,983,497</u>	<u>2,773,875</u>
		<u>13,767,480</u>	<u>12,161,777</u>
Net current liabilities		<u>(10,679,740)</u>	<u>(7,086,433)</u>
Total assets less current liabilities		<u><u>6,149,084</u></u>	<u><u>10,052,060</u></u>

to be continued.....

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021 (CONTINUED)

Continuation - 8 -

	Notes	2021 HK\$	2020 HK\$
Reserves			
Accumulated deficit		(3,611,773)	(1,799,918)
Non-current liabilities			
Deferred income – long-term portion	12	<u>9,760,857</u>	<u>11,851,978</u>
		<u>6,149,084</u>	<u>10,052,060</u>

The financial statements were approved and authorised for issue by the Board of directors on 29 June 2021:



 Name: Fung Kim Sang
 Director



 Name: Chong Chan Yau
 Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Accumulated deficit HK\$
Balance as at 1 April 2020	(1,799,918)
Deficit for the year	<u>(1,811,855)</u>
Balance as at 31 March 2021	<u><u>(3,611,773)</u></u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2021

1 GENERAL INFORMATION

DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED (the “Foundation”) is a limited liability company by guarantee domiciled and incorporated in Hong Kong. The Foundation’s registered office is located at Unit B, 7/F., D2 Place ONE, 9 Cheung Yee Street, Cheung Sha Wan, Kowloon, Hong Kong. The principal activities of the Foundation are fund raising for the promotion, support, education, training and raising public awareness and tolerance of the visually impaired or people with other disabilities in Hong Kong.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(a) Basis of preparation

The Foundation qualifies for the reporting exemption as a small private company under sections 359(1)(a) and 363 of the Hong Kong Companies Ordinance and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Foundation is a going concern.

The measurement base adopted is the historical cost convention.

(b) Revenue recognition

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

(i) Donation income

Donation income is recognised when the income is received;

(ii) Project income, management fee income and service income

Project income, management fee income and service income are recognised when the services are rendered;

(iii) Interest income

Interest income is recognised on a time-proportion basis taking into account the principal outstanding and the effective rate of interest applicable;

0090

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue recognition (continued)

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

(iv) Rental income

Rental income is recognised on a straight-line basis over the lease terms;

(v) Sale of goods

Sale of goods is recognised when the goods are delivered to customers and the customers have accepted the goods together with the risks and rewards of ownership of the goods; and

(vi) Subsidy income

Subsidy income is recognised when the right to receive payment is established.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Equipment	20%
Furniture and fixture	20%
Leasehold improvement	16.67%

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Impairment of assets

An assessment is made at each end of reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, inventories, account and other receivables. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of depreciation), had no impairment losses been recognised for the asset in prior years

(e) Account and other receivables

Account and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated on the first-in-first-out method. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses and any allowance made for deterioration and obsolescence.

(g) Employee benefit

The Foundation operates a defined contribution Mandatory Provident Fund retirement benefits scheme in Hong Kong (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit or loss as they become payable in accordance with the rules of the MPF Scheme. The Foundation's employer contributions vest fully with the employees when contributed into the MPF Scheme.

(h) Borrowing costs

All borrowing costs are recognised in the profit or loss using the effective interest method, in the period in which they are incurred.

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Where the Foundation is the lessor, assets leased by the Foundation under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the income statement on a straight-line basis over the lease period. Where the Foundation is the lessee, payments made under operating leases net of any incentives received from the lessor are charged to the income statement on a straight-line method over the period of the lease terms.

(j) Government grants

Government grants are recognised as income over periods necessary to match them with the related costs they are intended to compensate, on a systematic basis when there is reasonable assurance that the Foundation will comply with the conditions attaching to them and the grants will be received. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Foundation, with no future related costs, is recognised as income of the period in which it becomes receivable. Government grants related to assets are presented in the statement of financial position by setting up the grants as a deferred income.

(k) Related parties

For the purpose of these financial statements, parties are considered to be related if the Foundation has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Foundation and the party are subject to common control or common significant influence. Related parties may be individuals or other entities and include entities which are under the significant influence of related parties of the Foundation where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Foundation or of any entity that is a related party of the Foundation.

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2021

3 TURNOVER AND OTHER INCOME

Turnover represents donation income, project income, service income and sales of goods received and receivable from customers. An analysis of the Foundation's turnover and other income during the year is as follows:

	2021 HK\$	2020 HK\$
Turnover		
Donation income	4,089,788	906,553
Project income	585,994	857,961
Sales of goods	10,680	-
Service income	2,475,010	422,096
	<u>7,161,472</u>	<u>2,186,610</u>
Other income		
Bank interest income	307	670
Management fee income	809,278	1,106,471
Rental income	668,652	1,231,464
Subsidy income	7,929,816	2,355,632
Sundry income	83,541	3,727
	<u>9,491,594</u>	<u>4,697,964</u>
Total income	<u>16,653,066</u>	<u>6,884,574</u>

4 OTHER LOSS, NET

	2021 HK\$	2020 HK\$
Exchange loss, net	<u>63</u>	<u>-</u>

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2021

5 OPERATING DEFICIT

	2021 HK\$	2020 HK\$
Operating deficit is stated after (crediting)/charging the following:		
Rental income net of direct outgoings	(668,652)	(1,231,464)
Depreciation	3,870,283	889,745
Operating lease charges		
- equipment	35,800	24,000
- premises	3,034,943	1,385,884
Staff costs (including director's remuneration):		
- salaries and allowances	8,615,024	4,306,507
- MPF contributions	408,506	191,871
- staff training	-	22,765
- staff welfare	-	26,733
	<u> </u>	<u> </u>

6 FINANCE COSTS

	2021 HK\$	2020 HK\$
Other loans interests	<u> </u> -	<u> </u> 9,900

7 DIRECTORS' REMUNERATION

The aggregate amounts of the directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation are as follows:

	2021 HK\$	2020 HK\$
Fees	-	-
MPF contributions	-	1,612
Other emoluments	-	32,233
	<u> </u> -	<u> </u> 33,845

8 TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements as the Foundation has been granted exemption from tax as a charitable institution under section 88 of the Inland Revenue Ordinance (Cap.112) (2020: Nil).

0095

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2021

9 PROPERTY, PLANT AND EQUIPMENT

	Equipment HK\$	Furniture and fixture HK\$	Leasehold improvement HK\$	Total HK\$
Cost:				
At 1 April 2020	3,843,258	3,706,006	10,498,674	18,047,938
Additions during the year	<u>1,967,214</u>	<u>349,240</u>	<u>884,160</u>	<u>3,200,614</u>
At 31 March 2021	<u>5,810,472</u>	<u>4,055,246</u>	<u>11,382,834</u>	<u>21,248,552</u>
Accumulated depreciation:				
At 1 April 2020	227,984	244,016	437,445	909,445
Charge for the year	<u>1,162,095</u>	<u>811,049</u>	<u>1,897,139</u>	<u>3,870,283</u>
At 31 March 2021	<u>1,390,079</u>	<u>1,055,065</u>	<u>2,334,584</u>	<u>4,779,728</u>
Net book value:				
At 31 March 2021	<u>4,420,393</u>	<u>3,000,181</u>	<u>9,048,250</u>	<u>16,468,824</u>
At 31 March 2020	<u>3,615,274</u>	<u>3,461,990</u>	<u>10,061,229</u>	<u>17,138,493</u>

10 INVENTORIES

Inventories in the statement of financial position comprise:

	2021 HK\$	2020 HK\$
Materials for donation	<u>23,715</u>	<u>35,837</u>

11 OTHER LOANS

The amounts are unsecured, interest-free and have no fixed repayment term.

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2021

12 DEFERRED INCOME

Deferred income represents funding from The Hong Kong Jockey Club Charities Trust (“the Hong Kong Jockey Club”) for setting up of the Dialogue Experiential Place. The setup of the experiential place was completed and the facilities were available for use during the year. Thus, operating expenses of the experiential place attributable to current year and depreciation for the costs of property, plant and equipment available for use were recognised as expenses during the year. As a result, the grants approved and relevant to the expenditures entitled to be claimed by the Foundation were recognised as income in the income statement to match with the above expenses during the year.

13 OPERATING LEASE COMMITMENTS

As lessor

Property rental income earned during the year was HK\$668,652 (2020: HK\$1,231,464). The property has not committed tenant after the reporting period. At 31 March 2021, the Foundation has contracted with the tenants for the following future minimum lease receipts under non-cancellable operating lease:

	2021 HK\$	2020 HK\$
Land and building:		
Within one year	-	2,462,928
After one year but within five years	-	9,851,712
Over five years	-	1,231,464
	<u>-</u>	<u>13,546,104</u>

As lessee

At 31 March 2021, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2021 HK\$	2020 HK\$
Land and buildings:		
Within one year	3,449,146	3,556,392
After one year but within five years	7,218,882	14,785,764
Over five years	4,739,670	947,934
	<u>15,407,698</u>	<u>19,290,090</u>

The Foundation leases premises for experiential place and office under operating leases. The leases run for initial periods of one to six years. The leases do not include any contingent rentals.

0097

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2021

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Details of the Foundation's transactions with related parties during the year, together with balances with them as at 31 March 2021, are as follows:

	2021 HK\$	2020 HK\$
<u>Transactions with related parties:</u>		
Company controlled by common directors (DID HK Limited):		
Additions of leasehold improvement	-	1,872,800
Rental income	658,152	1,231,464
Management fee income	804,278	1,106,471
Donation income	-	56,786
Service income	425,368	34,655
Project costs	38,432	-
Rental expense	18,000	-
Director (TSE Ka Kui):		
Loan interest expense	-	939
	<u> </u>	<u> </u>
	2021	2020
	HK\$	HK\$
<u>Balances with a related party</u>		
Company controlled by common directors (DID HK Limited):		
Account receivable	-	141,195
Accrual	-	922,300
Rental and other deposits received	1,890,961	1,890,961
Receipt in advance	222,112	-
	<u> </u>	<u> </u>

The directors of the Foundation are of the opinion that the above transactions were entered into at normal commercial terms. The balances are unsecured, interest free and without fixed repayment term.

15 FINANCIAL SUPPORT

Directors have given undertaking to provide financial support to the Foundation so as to enable the Foundation to continue its business and to meet its liabilities as and when they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

0098

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

APPENDIX

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

(FOR MANAGEMENT INFORMATION PURPOSES ONLY)

	2021 HK\$	2020 HK\$
TURNOVER		
Donation income	4,089,788	906,553
Project income	585,994	857,961
Sales of goods	10,680	-
Service income	2,475,010	422,096
	<u>7,161,472</u>	<u>2,186,610</u>
 Less: DIRECT COSTS		
Project costs	219,771	576,055
Purchases	10,698	-
	<u>230,469</u>	<u>576,055</u>
	<u>6,931,003</u>	<u>1,610,555</u>
 OTHER INCOME		
Bank interest income	307	670
Management fee income	809,278	1,106,471
Rental income	668,652	1,231,464
Subsidy income	7,929,816	2,355,632
Sundry income	83,541	3,727
	<u>9,491,594</u>	<u>4,697,964</u>
 Deduct:		
OTHER LOSS, NET		
Exchange loss, net	<u>63</u>	<u>-</u>

to be continued.....

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

APPENDIX

DETAILED INCOME STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

(FOR MANAGEMENT INFORMATION PURPOSES ONLY)

Continuation - 20 -

	2021	2020
	HK\$	HK\$
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		
Advertising and promotion	416,618	401,063
Auditors' remuneration	25,000	9,000
Bank charges	6,812	19,059
Building management fee	495,840	371,880
Cleaning fee	54,809	43,460
Consultancy fee	153,750	-
Depreciation	3,870,283	889,745
Donation	-	153,703
Entertainment	5,380	125
Function expense	15,543	-
Government rent and rates	183,520	140,320
Insurance	106,331	42,047
Legal and professional fee	4,500	-
License fee	1,190	67,095
MPF contributions	408,506	191,871
Operating lease charges	3,070,743	1,409,884
Payment platform charges	24,884	-
Postage and courier	5,928	931
Printing and stationery	48,881	30,259
Rental deposit forfeited	29,000	-
Repairs and maintenance	18,400	3,880
Salaries and allowances	8,615,024	4,306,507
Secretarial fee	2,800	4,100
Staff training	-	22,765
Staff welfare	-	26,733
Sundry expenses	97,880	65,789
Telecommunication	98,207	58,052

to be continued.....

0100

**DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

APPENDIX

DETAILED INCOME STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

(FOR MANAGEMENT INFORMATION PURPOSES ONLY)

Continuation - 21 -

	2021 HK\$	2020 HK\$
ADMINISTRATIVE AND OTHER OPERATING EXPENSES (CONTINUED)		
Transportation	107,115	4,563
Training expenses	308,325	-
Travelling expenses	6,110	14,969
Utilities	53,010	29,171
	<u>18,234,389</u>	<u>8,306,971</u>
FINANCE COSTS		
Other loans interests	-	9,900
	<u>(1,811,855)</u>	<u>(2,008,352)</u>

Information required under section 436 of the Companies Ordinance:

The financial information relating to the year ended 31 March 2021 that is included in this detailed income statement are not the Foundation's statutory annual financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Foundation has delivered its financial statements to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Foundation's auditor has reported on those financial statements. The independent auditor's report was unqualified; included a reference to matters to which the independent auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under either sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap.622).

0101