和諧之家有限公司
HARMONY HOUSE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2026

F. S. Li & Co.
李福樹會計師事務所
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

HARMONY HOUSE LIMITED
和諧之家有限公司

DIRECTORS' REPORT

The directors have the pleasure of presenting their annual report together with the audited financial statements of Harmony House Limited ("the Company") for the year ended 31st March 2026.

Principal activities

The principal activity of the Company is to provide comprehensive services to individuals and families affected by domestic violence including a rent free shelter for abused women and children. Over the years, we have expanded our work to include therapeutic and preventative services that aim to help domestic violence victims of all genders and races with the goal of promoting harmonious family relationships. In addition, our activities also include community education, school outreach, crisis intervention, case counselling, supportive group therapy, hotline services, training to multi-disciplinary professionals, and advocacy for policies and legislations changes on behalf of victims of violence, their families and communities.

The shelter premises are provided by the Government of the Hong Kong Special Administrative Region.

Financial statements

The financial performance of the Company for the year ended 31st March 2026 and the financial position of the Company as at that date are set out in the financial statements on pages 10 to 36.

Directors

The directors of the Company during the year and up to the date of this report are as follows:

Dr. Ho Choi Wa (Chairperson)	
Ms. Chui Chi Yan Daisy (Vice - Chairperson)	
Dr. Chui Wing Ho William	
Mrs. Crosbie-Walsh Penny Soh Peng	(resigned on 17th September 2026)
Dr. Kam Chak Wah	
Prof. Lam Ching Man	
Mr. Leung Hong Shun Alexander	
Ms. Leung Ka Lo Caroline	
Mr. Ng Shan Yung	
Ms. Wong Wai Man Deanna	(retired on 15th December 2025)
Ms. Wong Wai Yee Louisa	
Prof. Wong Yuen Ha	
Ms. Yu Suk Wai	

In accordance with Article 43 of the Company's Articles of Association for Rotation of Directors, the following directors shall retire and being eligible, may offer themselves for re-election for the forthcoming year:

Dr. Ho Choi Wa
Prof. Lam Ching Man
Ms. Wong Wai Yee Louisa
Prof. Wong Yuen Ha

Material interests in transactions, arrangements or contracts

No transactions, arrangements or contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company or an entity connected with a director had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

Arrangements to purchase shares or debentures

At no time during the year was the Company a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of debentures of the Company or any shares in or debentures of other body corporate.

Results and financial position

The results of the Company for the financial year ended 31st March 2026 are set out in the statement of profit or loss and other comprehensive income on page 10 to Page 11.

The financial position of the Company at 31st March 2026 is set out in the statement of financial position on page 12.

Business review

During the year ended 31st March 2026, Harmony House continued to provide protection, crisis intervention, counselling, family support, prevention and community education services for individuals and families affected by domestic violence. The year also marked the Agency's 40th anniversary, providing an opportunity to strengthen public engagement while reinforcing its longstanding commitment to safe and harmonious family relationships.

The Agency recorded over 169,000 service engagements during the reporting year from all services and projects. Its 24-hour hotlines for women, men and children handled more than 11,800 calls, while over 390 individuals and families, including beneficiaries of Project Ocean, received emergency accommodation and crisis intervention during periods of acute need.

Child protection and trauma-informed practice remained key service priorities. Outreach was extended to almost 200 schools and community centres, reaching approximately 6,900 students, while around 3,500 participants completed domestic violence risk assessments. Therapeutic group programmes attracted over 3,200 attendances. The Family Channel online platform engaged more than 7,000 participants, including men seeking support in emotional well-being, stress management and communication, and over 500 individuals used the enhanced Intimate Partner Violence Risk Assessment Tool to better understand risks and seek appropriate assistance.

Business review (continued)

The Agency continued its work on Adverse Childhood Experiences (ACEs), positive parenting and prevention of intergenerational violence. In November 2025, Harmony House, in collaboration with Saint Francis University, hosted a symposium bringing together local and international experts to discuss ACEs and positive parenting. The event attracted over 220 participants and facilitated professional dialogue on trauma-informed care and child protection. Service accessibility and public engagement were further enhanced through the launch of the revamped website in July 2025 and continued community outreach initiatives.

Fundraising and community engagement were also strengthened during the year. The Agency's first Flag Day raised HK$421,033, while participation in the 2026 Standard Chartered Hong Kong Marathon Charity Programme raised HK$296,600. In addition, approximately HK$600,000 was mobilised for a nine-month trauma relief and support programme for families affected by the Tai Po Wang Fuk Court fire and surrounding communities, commencing in December 2025.

Financial performance

Harmony House's principal source of funding during the year remained subvention received from the Social Welfare Department (SWD) supplemented by support from funding bodies, charitable foundations, corporate partners and individual donors. The Agency secured HK$1 million from the HSBC Foundation for a one-year project on Adverse Childhood Experiences for young helping professionals, and HK$500,000 from The Goodman Foundation for Project Spark, which promoted non-violent communication and strengthened family relationships and parenting capacity among vulnerable groups. Combined with fundraising income and other project funding, these resources supported the continued delivery and development of essential services.

The Agency continued to exercise prudent financial management amid increasing pressure arising from the apportionment of central administrative costs to non-subvented services, reductions in public subvention and anticipated reductions in the Community Chest of Hong Kong Baseline funding. Diversification of income sources and active engagement with funders remained important to the Agency's financial sustainability.

Corporate governance

The Agency continued to comply with the requirements of the Social Welfare Department's Lump Sum Grant Manual, Lotteries Fund Manual, the Service Quality Standards (SQS), and relevant Funding and Service Agreements. The Board of Directors provided strategic oversight, with senior management responsible for maintaining appropriate legal, regulatory and operational compliance across service units.

The Board's five committees, namely the Staffing, Finance, Governance, Service Development Management and Renovation Committees, provided oversight of human resources, financial accountability, governance, service development and premises-related matters, respectively. During the year, the Board reviewed the Agency's strategic direction for 2025-26 and the progress of key initiatives at its annual retreat. Guidelines on the Use of Generative AI Tools were also introduced to promote responsible use and strengthen cybersecurity awareness among staff.

Business review (continued)

Key relationships

(i) Service users

Harmony House serves individuals and families affected by domestic abuse, relationship difficulties and family conflict. Target groups include children, women, men and the elderly affected by domestic abuse; male and female perpetrators; children exposed to domestic violence; parents requiring parenting support; and members of the public participating in education and awareness programmes on domestic violence prevention and family harmony.

(ii) Community stakeholders

Close collaboration with community professionals remained essential to a coordinated response to domestic violence. The Agency continued to work with the Police, legal and healthcare professionals, social workers, counsellors, educators, academic institutions and other community partners to strengthen referral networks, professional exchange and service capacity.

(iii) Staff

As at 31st March 2026, the Agency had a workforce of over 50 staff members, including social workers, counsellors, counselling psychologists, accounting professionals, and administrative and support staff. Staff development, retention and leadership succession remained priorities in maintaining service quality and organisational capacity.

(iv) Funders and external support

Throughout the year, the Agency worked closely with government departments, funding bodies, donors, and strategic partners to strengthen service delivery and community impact. Harmony House was honoured by the continued support of its Patron, Mrs. Janet Lee, Wife of the Chief Executive of the HKSAR. Our senior management and service supervisors also further contributed to the sector by serving on committees and working groups organised by the Social Welfare Department and the Hong Kong Council of Social Service, supporting policy advocacy and service development in the field of domestic violence.

Principal challenges and uncertainties

Funding sustainability remained a major challenge following the completion of several time-limited projects, including Hong Kong Jockey Club Project Stride, HSBC Project Root to Route and Goodman Project Spark, without secured continuation funding for all related services. The Agency has continued to seek new sources of support and, where appropriate, make prudent use of reserves to sustain priority work, including non-violent communication and trauma-informed services for individuals affected by ACEs.

In March 2026, the SWD renewed the Funding and Service Agreement for the Agency's Women's Refuge under a five-year time-defined service contract. The renewed arrangement places greater emphasis on ongoing service effectiveness and long-term sustainability, while broadening the service scope to include community education on family harmony and professional training. Staff capability will continue to be strengthened to meet these evolving service requirements.

Business review (continued)

Principal challenges and uncertainties (continued)

Reductions in SWD subvention (1% reduction in 2026-27, and a further 3% in 2027-28) and The Community Chest of Hong Kong Baseline funding (12% reduction in 2027-28 and 25% from 2028-29 onwards), will definitely increase financial pressures, including our hotline services and aftercare support for discharged shelter residents. The Agency will continue to look for diversified funding, and maintain dialogue with funders regarding the resources required for both direct services and essential administrative support, in order to retain the high quality of our services.

Future outlook

Child protection, early intervention and compassionate parenting education will remain our key priorities of services. Following the implementation of mandatory reporting of suspected child abuse in January 2026, the Agency has experienced increased demand, particularly from parents facing challenges in child discipline. Harmony House will further strengthen staff capabilities in identifying and responding to at-risk children and caregivers, while promoting cross-disciplinary collaboration and effective parenting approaches.

To broaden its income base, the Agency has introduced fee-based programmes for kindergartens, primary schools, NGOs, churches and community partners serving families in need, while continuing to pursue support from donors and corporate partners. Project Bright Steps has been awarded approximately HK$500,000 under the Baseline funding 2026-27 from the Community Chest of Hong Kong, with support from The Wharf Group, to serve children and parents experiencing relationship challenges. The Agency will continue to strengthen fundraising, public engagement and strategic partnerships amid economic uncertainty. Social media and digital communications will be used to broaden public reach, while donor cultivation and corporate engagement will remain important to maintaining a more diversified and sustainable funding base.

Premises improvement will continue to support safe and effective service delivery. Following the appointment of an Authorised Person and Quantity Surveyor for the Women's Refuge renovation, the tendering process is expected to be completed in 2026. On the other hand, replacement works for the Administrative Building's metal roof, supported by the Architectural Services Department of the Government, commenced in March 2026, to upgrade the general facilities and environment.

Responsible adoption of Artificial Intelligence will form part of the Agency's efforts to enhance organisational efficiency and capability. Staff training will support the effective use of digital tools in areas such as data analysis, programme planning, communications, design and documentation, with appropriate attention to responsible use and cybersecurity.

Business review (continued)

Future outlook (continued)

Looking ahead, the Board will continue to advise and develop strategies to enhance Harmony House's community impact, service direction, talent development and governance. The Agency will also seek opportunities for cross-boundary collaborations and professional exchange, while continuing its advocacy for policies that promote the protection and well-being of families and children in Hong Kong.

Auditors

A resolution proposing that F.S. Li & Co., Certified Public Accountants, be appointed as auditors of the Company will be put to the Annual General Meeting.

On behalf of the directors

Ms. Chui Chi Yan Daisy
Director

Hong Kong, 12th October 2026

F. S. Li & Co.
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HARMONY HOUSE LIMITED
和諧之家有限公司

(incorporated in Hong Kong with liability limited by guarantee)

Opinion

We have audited the financial statements of Harmony House Limited (the "Company") set out on pages 10 to 36, which comprise the statement of financial position as at 31st March 2026, and the statement of profit or loss and other comprehensive income, the statement of changes in total funds and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st March 2026, and of its financial performance and its cash flows for the year then ended in accordance with HKFRS Accounting Standards 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 ("HKSAs") 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 Company 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 directors of the Company are responsible for the other information. The other information comprises the information included in the directors' report.

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.

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Directors' Responsibilities for the Financial Statements

The directors' of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRS Accounting Standards 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 Company'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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. The 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 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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 Company'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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Kenneth Fan Wa Chiu (practising certificate number: P02099).

F.S. Li & Co.
Certified Public Accountants

Hong Kong, 12th October 2026

HARMONY HOUSE LIMITED
和諧之家有限公司

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2026

	Note	2026										Restated
		Shelter LSG	Shelter Others	Community Chest Baseline	Project Moving Forward	Project Stride	Project Ocean	Project Harmony Bubbles	General/ Miscellaneous Funders	Other Activities	Total	2025 Total
		HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$
INCOME												
Social Welfare Department ("SWD")												
- Lump Sum Grant ("LSG") Subvention		12,196,907	-	-	-	-	-	-	-	-	12,196,907	12,253,551
- Lotteries fund/SWD fund		-	210,200	-	-	-	-	-	-	-	210,200	180,000
- Rent and rates subsidy		88,200	-	-	-	-	-	-	-	289,608	377,808	281,648
Community Chest - Baseline allocations		-	-	1,060,403	-	-	-	-	-	-	1,060,403	952,290
The Hong Kong Jockey Club Charities Trust ("HKJC")		-	-	-	2,762,290	1,725,182	2,153,652	4,625,645	-	-	11,266,769	11,588,955
Bank of China (Hong Kong) Limited ("BOCHK")		-	-	-	-	-	-	-	-	-	-	1,835,570
Miscellaneous Funders		-	-	-	-	-	-	-	998,011	-	998,011	-
HK Bank Foundation		-	-	-	-	-	-	-	-	-	-	-
Goodman Foundation		-	-	-	-	-	-	-	-	-	-	-
Other donations		-	70,213	-	-	-	-	-	-	1,619,354	1,689,567	755,306
Other income		2,035	-	-	379	-	-	-	-	83,616	86,030	79,738
Interest income		72,600	31,377	-	5,875	-	-	-	-	191,629	301,481	170,564
		12,359,742	311,790	1,060,403	2,768,544	1,725,182	2,153,652	4,625,645	998,011	2,184,207	28,187,176	28,097,622
Deferred income for capital grants recognised	19	-	63,885	-	-	-	8,839	241,791	-	37,268	351,783	709,315
		12,359,742	375,675	1,060,403	2,768,544	1,725,182	2,162,491	4,867,436	998,011	2,221,475	28,538,959	28,806,937

HARMONY HOUSE LIMITED
和諧之家有限公司

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2026

	Note	2026 Shelter LSG HK$	Shelter Others HK$	Community Chest Baseline HK$	Project Moving Forward HK$	Project Stride HK$	Project Ocean HK$	Project Harmony Bubbles HK$	General/ Miscellaneous Funders HK$	Other Activities HK$	2026 Total HK$	Restated 2025 Total HK$
EXPENSES												
Administrative expenses	9	71,466	60	123,016	220,075	87,201	118,791	239,120	207,457	63,049	1,130,235	929,926
Auditor's remuneration		52,400	-	-	-	-	-	-	-	18,600	71,000	95,600
Computer software		4,198	-	-	8,814	3,964	6,496	-	-	3,152	26,624	85,746
Depreciation of property, plant and equipment	12	-	63,885	-	-	-	8,839	241,791	-	37,268	351,783	709,315
Depreciation of right-of-use-assets	13	-	-	-	-	-	-	196,134	-	569,829	765,963	787,211
Employee costs	6	10,347,024	-	871,130	2,283,698	1,180,449	1,750,794	3,723,520	537,626	2,019,490	22,713,731	22,576,433
Food and household supplies		79	1,611	-	-	-	-	-	-	-	1,690	2,236
Insurance		153,435	-	14,020	37,128	16,224	19,590	57,319	1,861	39,377	338,954	410,036
Interest expense on lease liabilities		-	-	-	-	-	-	12,714	-	45,123	57,837	33,785
Miscellaneous		6,016	(2,246)	-	812	12	-	198	-	6,095	10,887	33,113
Programmes		227,105	63,710	50,627	130,820	393,500	212,830	309,963	247,774	140,231	1,776,560	1,499,477
Publicity/publication		-	-	-	-	6,593	9,369	-	2,122	7,500	25,584	56,132
Rates		76,900	-	-	-	-	-	4,870	-	100,107	181,877	180,894
Staff training and development		48,647	25,200	561	7,150	6,973	2,801	17,036	685	47,487	156,540	123,376
Stores and equipment	10	433,052	3,880	120	53,288	15,460	17,446	50,298	-	166,995	740,539	925,921
Travelling		32,188	4,892	929	4,766	-	873	1,246	486	2,742	48,122	36,721
Utilities	11	256,943	-	-	21,993	14,806	14,662	13,227	-	28,131	349,762	388,573
Overhead costs recovery	20	-	-	-	-	-	-	-	-	(1,173,701)	(1,173,701)	(706,054)
		11,709,453	160,992	1,060,403	2,768,544	1,725,182	2,162,491	4,867,436	998,011	2,121,475	27,573,987	28,168,441
Net operating surplus/(deficit)		650,289	214,683	-	-	-	-	-	-	100,000	964,972	638,496
Surplus of staff provident fund to SWD											(56,733)	(69,676)
Surplus of shelter rent and rates refunded to SWD	14										(11,300)	(3,064)
Surplus of Lotteries Fund to Reserve account											(214,683)	(199,222)
Net surplus for the year	5										682,256	366,534

和諧之家有限公司
HARMONY HOUSE LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2026

	Note	2026 HK$	2025 HK$
NON-CURRENT ASSETS			
Property, plant and equipment	12	368,856	595,105
Right-of-use assets	13	778,474	693,883
		1,147,330	1,288,988
CURRENT ASSETS			
Utility deposits and prepayments		701,752	687,048
Other receivables		5,123,207	4,492,966
Cash and bank balances		17,958,621	16,657,766
		23,783,580	21,837,780
CURRENT LIABILITIES			
Accounts payable and accruals		2,067,731	1,560,966
Amount payable to Social Welfare Department	14	11,300	3,064
Lease liabilities	15	481,281	494,627
Staff provident fund	16	1,490,791	1,432,662
Donations for specific purposes	17	9,069,497	8,476,951
Cash advance from Project Funders		4,329,675	4,321,150
Lotteries fund	18	1,757,789	1,629,480
Deferred income for capital grants	19	368,856	595,105
		19,576,920	18,514,005
NET CURRENT ASSETS		4,206,660	3,323,775
TOTAL ASSETS LESS CURRENT LIABILITIES		5,353,990	4,612,763
NON-CURRENT LIABILITIES			
Lease liabilities	15	297,193	199,256
NET ASSETS		5,056,797	4,413,507
Represented by:			
CAPITAL	21	354,911	354,911
SPECIFIC FUNDS	22	445,706	384,672
LUMP SUM GRANT RESERVE	23	3,624,895	3,040,639
ACCUMULATED FUNDS	24	631,285	633,285
		5,056,797	4,413,507

The financial statements on pages 10 to 36 were approved by the Board of Directors on 12th October 2026 and were signed on its behalf by

Ms. Chui Chi Yan Daisy
Director

Ms. Yu Suk Wai
Director

和諧之家有限公司
HARMONY HOUSE LIMITED

STATEMENT OF CHANGES IN TOTAL FUNDS

FOR THE YEAR ENDED 31ST MARCH 2026

	Capital HK$	Specific funds HK$	Lump sum grant reserve HK$	Accumulated funds HK$	Total HK$
At 31st Mach 2024	354,911	426,064	2,645,111	662,279	4,088,365
Net surplus for the year	-	-	-	366,534	366,534
Transfer (Notes 23 and 24)	-	-	395,528	(395,528)	-
Fund utilised (Note 22)	-	(41,392)	-	-	(41,392)
At 31st March 2025	354,911	384,672	3,040,639	633,285	4,413,507
Net surplus for the year	-	-	-	682,256	682,256
Transfer (Notes 22, 23 and 24)	-	100,000	584,256	(684,256)	-
Fund utilised (Note 22)	-	(38,966)	-	-	(38,966)
At 31st March 2026	354,911	445,706	3,624,895	631,285	5,056,797

和諧之家有限公司
HARMONY HOUSE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2026

	2026 HK$	Restated 2025 HK$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus for the year	682,256	366,534
Adjustments for:		
Depreciation of property, plant and equipment	351,783	709,315
Depreciation on right-of-use assets	765,963	787,211
Interest expense on lease liabilities	57,837	33,785
Capital grants recognised as income	(351,783)	(709,315)
Interest income	(301,481)	(170,564)
OPERATING SURPLUS BEFORE WORKING CAPITAL	1,204,575	1,016,966
Increase in utility deposits and prepayments	(14,704)	(97,189)
Increase in other receivables	(630,241)	(329,857)
Increase/(Decrease) in accounts payable and accruals	506,765	(551,807)
(Decrease)/Increase in amount payable to Social Welfare Department	11,300	3,064
Increase in staff provident fund	58,129	70,320
Increase in donations for specific purposes	592,546	721,523
Increase/(Decrease) in cash advance from Project funders	8,525	(294,724)
Decrease in lotteries fund	128,309	(13,387)
Decrease in staff development fund	(38,966)	(41,392)
NET CASH FROM OPERATING ACTIVITIES	1,826,238	483,517
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(125,534)	(579,848)
Decrease/(Increase) in time deposits with maturity over 3 months from date of deposit	2,834,832	(7,700,000)
Interest received	301,481	170,564
NET CASH USED IN INVESTING ACTIVITIES	3,010,779	(8,109,284)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital grants received	125,534	579,848
Clawback to SWD	(3,064)	(4,064)
Repayment of principal portion of the lease liabilities	(765,963)	(787,211)
Interest paid on lease liabilities	(57,837)	(33,785)
NET CASH USED IN FINANCING ACTIVITIES	(701,330)	(245,212)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,135,687	(7,870,979)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,957,766	16,828,745
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13,093,453	8,957,766
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balance	17,958,621	16,657,766
Less: Time deposits with maturity over 3 months from date of deposit	(4,865,168)	(7,700,000)
Cash and cash equivalents	13,093,453	8,957,766

1. Legal status and operations

Harmony House Limited ("the Company") was incorporated in Hong Kong under the Hong Kong Companies Ordinance ("Company Ordinance") on 2nd April 1986 as a Company limited by guarantee.

Under the provisions of the Company's Articles of Association, every member shall, in the event of the Company being wound up, contribute to the assets of the Company to the extent of HK$100. At the end of reporting period, the Company had nineteen members.

The principal activity of the Company is to provide comprehensive services to individuals and families affected by domestic violence including a rent free shelter for abused women and children. Over the years, we have expanded our work to include therapeutic and preventative services that aim to help domestic violence victims of all genders and races with the goal of promoting harmonious family relationships. In addition, our activities also include community education, school outreach, crisis intervention, case counselling, supportive group therapy, hotline services, training to multi-disciplinary professionals, and advocacy for policies and legislations changes on behalf of victims of violence, their families and communities. Its registered office and principal place of business is at G/F., Wing B, On Wah House, Lok Wah (South) Estate, Kwun Tong, Kowloon, Hong Kong.

2. Adoption of HKFRS Accounting Standards

(a) Adoption of new or amended HKFRS Accounting Standards

The Hong Kong Institute of Certified Public Accountants has issued a number of new or amended HKFRS Accounting Standards that are first effective for the current accounting period of and relevant to the Company:

- Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability

The amended HKFRS Accounting Standards did not have a material impact on the Company's results and financial position for the current or prior period.

(b) New or amended HKFRSs that have been issued but not yet effective

The following new or amended HKFRSs, potentially relevant to the Company's financial statements, have been issued, but are not yet effective and have not been early adopted by the Company.

- Amendments to HKFRS 9 and HKFRS 7 Amendments to the classification and measurement of financial instruments *1*

- Amendments to HKFRS Accounting Standards Annual improvements to HKFRS Accounting Standards - Volume 11 *1*

- HKFRS 18, Presentation and Disclosure in Financial Statements *2*

1 Effective for annual periods beginning on or after 1st January 2026
2 Effective for annual periods beginning on or after 1st January 2027

2. Adoption of HKFRS Accounting Standards (continued)

(b) New or amended HKFRSs that have been issued but not yet effective (continued)

The Company is in the process of making an assessment of the potential impact of these new or amended HKFRSs and the directors do not anticipate that the application of these new or amended HKFRSs will have a material impact on the Company's financial statements.

3. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term include individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and interpretations issued by the HKICPA and the provisions of the Hong Kong Companies Ordinance which concern the preparation of financial statements.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

The financial statements are presented in Hong Kong dollars which is the functional currency of the Company.

4. Material accounting policies

(a) Property, plant and equipment

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

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expenses in surplus or deficit during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Motor vehicle	4 years
Furniture and equipment	4 years
Leasehold improvements	Over the remaining life of the leases but not exceeding 5 years

4. Material accounting policies (continued)

(a) Property, plant and equipment (continued)

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the term of the relevant lease.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in surplus or deficit on disposal.

Capital grants and donations received for the purchase of property, plant and equipment are recorded as deferred income in the statement of financial position and amortised in surplus or deficit over the useful life of the relevant assets.

(b) Leases

All leases are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low value. The Company has elected not to recognise right-of-use assets and lease liabilities for low value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise:

(i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability);

(ii) any lease payments made at or before the commencement date, less any lease incentives received;

(iii) any initial direct costs incurred by the lessee; and

(iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Under the cost model, the Company measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

The right-of-use asset arising from the properties under tenancy agreements are carried at depreciated cost.

4. Material accounting policies (continued)

(b) Leases (continued)

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the Company's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments:

(i) fixed payments less any lease incentives receivable;
(ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date;
(iii) amounts expected to be payable by the lessee under residual value guarantees;
(iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
(v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Company measures the lease liability by:

(i) increasing the carrying amount to reflect interest on the lease liability;
(ii) reducing the carrying amount to reflect the lease payments made; and
(iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in surplus or deficit.

When the Company renegotiates the contractual terms of lease with the lessor, if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease, in all other cases, where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount. If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in surplus or deficit. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date and the right-of-use asset is adjusted by the same amount.

4. Material accounting policies (continued)

(c) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments at amortised cost.

Assets measured at amortised cost that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain on derecognition is recognised in surplus or deficit.

(ii) Impairment loss on financial assets

The Company recognises loss allowances for expected credit losses ("ECLs") on trade receivables, contract assets, financial assets measured at amortised cost and debt investments measured at FVOCI. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The ECLs are based on the 12-months ECLs. However, when there has been significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

4. Material accounting policies (continued)

(c) Financial instruments (continued)

(ii) Impairment loss on financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risks is performed on the either an individual or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

The Company considers a financial asset to be credit-impaired when:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or being more than 150 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company recognises an impairment gain or loss in surplus or deficit for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in surplus or deficit.

Interest income on credit-impaired financial assets is calculated on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non-credit-impaired financial assets interest income is calculated based on the gross carrying amount.

4. Material accounting policies (continued)

(c) Financial instruments (continued)

(iii) Financial liabilities

The Company classified its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred. The Company classified its financial liabilities as financial liabilities at amortised cost.

Financial liabilities at amortised cost including trade and other payables and other short-term monetary liabilities. They initially measured at fair value, net of directly attributable costs incurred, and are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in surplus or deficit.

Gain or losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Derecognition

The Company derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(d) Revenue recognition

Grants received for the purchase of property, plant and equipment are recorded as deferred income in the statement of financial position and amortised over the useful life of the asset.

Subvention from Social Welfare Department and allocations and grants from other charitable organisation are recognised in accordance with the approved applications.

Donations for specific purposes are recognised in accordance with the approved application.

Interest income is accrued on a time basis on a time basis on the principal outstanding at the applicable interest rate.

4. Material accounting policies (continued)

(e) Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(ii) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in surplus or deficit when the services are rendered by the employees.

(iii) Termination benefits

Termination benefits are recognised on the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises restructuring costs involving the payment of termination benefits.

(f) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS Accounting Standard, in which case the impairment loss is treated as a revaluation decrease under that HKFRS Accounting Standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in the prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS Accounting Standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS Accounting Standard.

(g) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

4. Material accounting policies (continued)

(g) Provisions and contingent liabilities (continued)

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, the existence of which 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.

(h) Related parties

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

(i) has control or joint control over the Company;
(ii) has significant influence over the Company; or
(iii) is a member of key management personnel of the Company.

(b) An entity is related to the Company if any of the following conditions apply:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) both entities are joint ventures of the same third party.
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) the entity is a post-employment benefit plan for the benefit of the employees of the Company or an entity related to the Company.
(vi) the entity is controlled or jointly controlled by a person identified in (a).
(vii) a person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity.
(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company.

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 and include:

(i) that person's children and spouse or domestic partner;
(ii) children of that person's spouse or domestic partner; and
(iii) dependents of that person or that person's spouse or domestic partner.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and deposits with banks that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having maturity within three months at acquisition.

5. Surplus for the year

Surplus for the year is stated after charging:

	2026 HK$	2025 HK$
Employee costs (Note 6)	22,713,731	22,576,433
Depreciation charge		
Property, plant and equipment (Note 12)	351,783	709,315
Right-of-use assets (Note 13)	765,963	787,211

6. Employee costs

	2026 HK$	2025 HK$
Employee cost comprise:		
Wages and salaries	21,210,963	21,104,905
Contributions to defined contributions retirement plan	1,411,535	1,375,258
Long service payment	91,233	-
Provision for long service payment	-	96,270
	22,713,731	22,576,433

7. Directors' emoluments

Directors' emoluments disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance (Cap.622) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap.622G) are as follows:

	2026 HK$	2025 HK$
Fees	-	-
Other emoluments	-	-
	-	-

8. Income tax

The Company is exempt from tax under Section 88 of the Hong Kong Inland Revenue Ordinance from any tax by reason of being a charitable institution or trust of a public character (2025 : Nil).

9. Administrative expenses

	Shelter LSG HK$	Shelter Others HK$	Community Chest Baseline HK$	Project Moving Forward HK$	Project Stride HK$	Project Ocean HK$	Project Harmony Bubbles HK$	Miscellaneous Funders HK$	Other Activities HK$	2026 HK$	2025 HK$
Administration support cost	-	-	123,016	205,071	82,152	102,555	212,902	207,017	-	932,713	706,055
Bank charges	5,098	60	-	81	-	-	-	-	34,117	39,356	21,637
Recruitment	27,313	-	-	2,760	-	8,697	-	440	300	39,510	60,031
Secretarial service fee	9,040	-	-	-	-	-	-	-	2,260	11,300	22,000
Communication expense	30,015	-	-	12,163	5,049	7,539	26,218	-	26,372	107,356	120,203
	71,466	60	123,016	220,075	87,201	118,791	239,120	207,457	63,049	1,130,235	929,926

10. Stores and equipment

	Shelter LSG HK$	Shelter Others HK$	Community Chest Baseline HK$	Project Moving Forward HK$	Project Stride HK$	Project Ocean HK$	Project Harmony Bubbles HK$	Miscellaneous Funders HK$	Other Activities HK$	2026 HK$	2025 HK$
Cleaning charges and materials	104,046	-	-	11,372	-	3,363	30,130	-	18,940	167,851	212,268
Minor purchase	23,024	3,880	-	-	-	-	(1,749)	-	-	25,155	60,071
Newspaper and periodicals	-	-	-	3,516	-	-	-	-	-	3,516	3,190
Printing and stationery	25,363	-	120	14,718	505	1,905	21,171	-	225	64,007	55,566
Repairs and maintenance	237,259	-	-	13,750	7,978	5,557	746	-	31,331	296,621	558,130
Safety and security equipment	12,940	-	-	4,463	2,368	2,975	-	-	5,513	28,259	31,144
Security service	-	-	-	1,707	847	1,138	-	-	1,998	5,690	5,552
Business system upgrade	30,420	-	-	3,762	3,762	2,508	-	-	108,988	149,440	-
	433,052	3,880	120	53,288	15,460	17,446	50,298	-	166,995	740,539	925,921

HARMONY HOUSE LIMITED
和諧之家有限公司

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2026

11. Utilities

	Shelter LSG HK$	Shelter Others HK$	Community Chest Baseline HK$	Project Moving Forward HK$	Project Stride HK$	Project Ocean HK$	Project Harmony Bubbles HK$	Miscellaneous Funders HK$	Other Activities HK$	2026 HK$	2025 HK$
Electricity	193,641	-	-	21,809	14,683	14,539	13,025	-	27,945	285,642	315,559
Gas	37,814	-	-	-	-	-	-	-	-	37,814	41,207
Water and sewage charges	25,488	-	-	184	123	123	202	-	186	26,306	31,807
	256,943	-	-	21,993	14,806	14,662	13,227	-	28,131	349,762	388,573

12. Property, plant and equipment

	Motor vehicle HK$	Furniture and equipment HK$	Leasehold improvements HK$	Total HK$
Cost				
At 1st April 2024	1,151,795	1,824,996	14,525,241	17,502,032
Additions	-	175,393	404,455	579,848
Disposals	-	(70,536)	-	(70,536)
At 31st March 2025	1,151,795	1,929,853	14,929,696	18,011,344
Additions	-	96,284	29,250	125,534
Disposals	-	(113,572)	-	(113,572)
At 31st March 2026	1,151,795	1,912,565	14,958,946	18,023,306
Accumulated depreciation				
At 1st April 2024	858,847	1,519,162	14,399,451	16,777,460
Depreciation	287,948	223,654	197,713	709,315
Written back on disposal	-	(70,536)	-	(70,536)
At 31st March 2025	1,146,795	1,672,280	14,597,164	17,416,239
Depreciation	5,000	139,319	207,464	351,783
Written back on disposal	-	(113,572)	-	(113,572)
At 31st March 2026	1,151,795	1,698,027	14,804,628	17,654,450
Net book value				
At 31st March 2026	-	214,538	154,318	368,856
At 31st March 2025	5,000	257,573	332,532	595,105

13. Right-of-use assets

	HK$
Cost	
At 1st April 2024	3,163,741
Effect of lease modification	524,931
At 31st March 2025	3,688,672
Effect of lease modification	850,554
At 31st March 2026	4,539,226
Accumulated depreciation	
At 1st April 2024	2,207,578
Charge for the year	787,211
At 31st March 2025	2,994,789
Charge for the year	765,963
At 31st March 2026	3,760,752
Net book value	
At 31st March 2026	778,474
At 31st March 2025	693,883

14. Amount payable to Social Welfare Department

	2026 HK$	2025 HK$
At 31st March 2025	3,064	4,064
LSG Clawback for Provisional Subvention Surplus of rates	(3,064)	(4,064)
Rent and rates		
Subsidy received for the year	88,200	79,464
Rent and rates paid for the year	(76,900)	(76,400)
At 31st March 2026	11,300	3,064

15. Lease liabilities

	Land and buildings HK$
At 1st April 2024	956,163
Effect of lease modification	524,931
Interest expense	33,785
Lease payments	(820,996)
At 1st April 2025	693,883
Additions	850,554
Interest expense	57,837
Lease payments	(823,800)
At 31st March 2026	778,474

Future lease payments are due as follows:

	Minimum lease payments HK$	Interest HK$	Present value HK$
At 31st March 2026			
Not later than one year	508,560	27,279	481,281
Later than one year and not later than five years	305,712	8,519	297,193
	814,272	35,798	778,474
At 31st March 2025			
Not later than one year	518,088	23,461	494,627
Later than one year and not later than five years	201,696	2,440	199,256
	719,784	25,901	693,883

The present value of future lease payments are analysed as:

	2026 HK$	2025 HK$
Current liabilities	481,281	494,627
Non-current liabilities	297,193	199,256
	778,474	693,883

16. Staff provident fund

The employer's contribution rate to staff provident fund is 5%, 6.8% and 8% for full-time staff who have completed less than 3 years, 3 years and 7 years and above of service respectively. The contribution rates are reviewed on an annual basis.

17. Donations for specific purposes

Where donations are for specific purposes as defined by the donors, the unspent amounts are carried forward in the statement of financial position until the related expenditures have been fully utilized.

18. Lotteries fund

		2026 HK$	2025 HK$
Furniture and equipment replenishment and minor works block grant reserve	(i)	1,757,789	1,629,480
IT projects and non-IT projects Social Welfare Development Fund (Phase III)	(ii)	-	-
Wi-Fi project	(iii)	-	-
		1,757,789	1,629,480

(i) The amount represents the Block Grant allocations from the Social Welfare Department for the use of furniture and equipment replenishment and minor works.

Movement of the grant is as follows:

	2026 HK$	2025 HK$
At 1st April	1,629,480	1,474,576
Block grant received during the year	185,000	180,000
Interest received	31,377	24,510
	1,845,857	1,679,086
Less: Expenditure during the year		
- Furniture and equipment	(88,068)	(49,606)
At 31st March	1,757,789	1,629,480

As at 31st March 2026, there is no capital commitment in respect of furniture and equipment replenishment and minor works (2025 : Nil).

18. Lotteries fund (continued)

(ii) The amount represents the Social Welfare Development Fund allocations from the Social Welfare Department for the use of IT projects and non IT projects.

Movement of the grant (phase III) is as follows:

	2026 HK$	2025 HK$
At 1st April	-	102,830
Amount refunded to SWD	-	(103,278)
Interest received	-	448
At 31st March	-	-

As at 31st March 2026, there is no capital commitment in respect of IT projects and non IT projects (2025 : Nil).

(iii) The amount represents the Lotteries Fund allocations from the Social Welfare Department for the provision of Wi-Fi service under the Pilot Projects.

Movement of the grant is as follows:

	2026 HK$	2025 HK$
At 1st April	-	65,461
Interest received	-	-
	-	65,461
Less: Operating expenses		
Amount refunded to SWD	-	(65,461)
At 31st March	-	-

As at 31st March 2026, there is no capital commitment in respect of Wi-Fi projects (2025 : Nil).

19. Deferred income for capital grants

	2026 HK$	2025 HK$
At 1st April	595,105	724,572
Capital grant received	125,534	579,848
Recognised as income	(351,783)	(709,315)
At 31st March	368,856	595,105

20. Overhead costs recovery

A portion of the Company's overhead costs are covered by certain funders, which amounted to HK$1,173,701 (2025 : HK$706,054)

21. Capital

Capital represents cash contributed to the Company by the Hong Kong Council of Women as initial working capital.

22. Specific funds

	Community education fund	Capital development fund	Service development fund	Building maintenance/ renovation fund	Staff development fund	Total
	HK$	HK$	HK$	HK$	HK$	HK$
At 31st March 2024	100,000	62,356	100,000	121,162	42,546	426,064
Utilised during the year	-	-	-	-	(41,392)	(41,392)
At 31st March 2025	100,000	62,356	100,000	121,162	1,154	384,672
Transfer from Accumulated fund (Note 24)	-	-	-	-	100,000	100,000
Utilised during the year	-	-	-	-	(38,966)	(38,966)
At 31st March 2026	100,000	62,356	100,000	121,162	62,188	445,706

Name	Designated purpose
Community education fund	Support community educating programmes
Capital development fund	Purchase of furniture/equipment and installation of facilities at service units
Service development fund	For service expansion of the agency
Building maintenance/renovation fund	For maintenance and renovation of service units
Staff development fund	For staff development and training, recognition of staff performance and enhancement of staff relationship

23. Lump sum grant reserve

	2026 HK$	2025 HK$
At 1st April	3,040,639	2,645,111
Transferred from Accumulated funds (Note 24)	584,256	395,528
At 31st March	3,624,895	3,040,639

During the financial year, the fund was used to provide manpower and operations support to the shelter, as and when needed. The Company plans to use the fund to enhance the service delivery.

24. Accumulated funds

	HK$
At 1st April 2024	662,279
Net surplus for the year	366,534
Transfer to lump sum grant reserve	(395,528)
At 31st March 2025	633,285
Net surplus for the year	682,256
Transfer to Lump sum grant reserve (Note 23)	(584,256)
Transfer to Specific Funds (Note 22)	(100,000)
At 31st March 2026	631,285

25. Summary of financial assets and liabilities by category

The carrying amounts of each of the categories of financial instruments as at 31st March 2026 and 31st March 2025 are as follows:

	2026 HK$	Restated 2025 HK$
Financial assets		
Financial assets measured at amortised cost:		
Utility deposits	275,021	254,961
Other receivables	5,123,206	4,492,966
Cash and bank balances	17,958,621	16,657,766
	23,356,848	21,405,693
Financial liabilities		
Financial liabilities measured at amortised cost:		
Accounts payable and accruals (excluding receipt in advance)	660,598	157,806
Amount payable to Social Welfare Department	11,300	3,064
Lease liabilities	778,474	693,883
Staff provident fund	1,490,791	1,432,662
Donations for specific purposes	9,069,497	8,476,951
Cash advance from Project Funders	4,329,675	4,321,150
Lotteries fund	1,757,789	1,629,480
	18,098,124	16,714,996

26. Net proceeds from Flag Day Fund Raising Activities

As at 31st March 2026, included in the Donations for specific purposes is the Flag Day Fund in sum of HK$380,311. During the year ended 31st March 2026, the Company held Flag Day fund raising activities in public places of Hong Kong Island region on 16th August 2025. The net proceeds from the Flag Day Fund activities is as follows:

	HK$
Income	
Street donation	111,436
Other forms of appeal	309,597
	421,033
Expenditure	
Administrative expenses	(37,722)
Audit fee	(3,000)
Net proceeds	380,311
The usages of net proceeds collected are as follows:	
(a) providing support and counselling services for those affected by domestic violence and family conflicts; and	-
(b) promoting family harmony in the community	-
Balance at end of the year	380,311

27. Financial risk management

The Company is exposed through its operations to the following risks from its use of financial instruments:

- Interest rate risk
- Liquidity risk
- Credit risk

The policy of each of the above risks is described in more details below:

(a) Interest rate risk

The Company is not exposed to material interest rate risk as it does not have material interest bearing financial instrument at the end of the reporting period.

(b) Liquidity risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. In the opinion of the directors, the Company does not have significant liquidity risk exposure. Financial liabilities total HK$18,098,124 (2025 : HK$16,714,996) of which the contractual maturities of financial liabilities of HK$17,800,931 (2025 : HK$16,515,740) are due in less than one year.

27. Financial risk management (continued)

(c) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from other receivables and bank balances.

The Company's outstanding other receivable do not have a significant increase in credit risk since initial recognition and risk of default is insignificant, therefore the ECL for these financial assets were based on 12-months ECL. The Company takes into account the historical credit loss experience, adjusted for forward-looking factors and the economic environment, as appropriate, and concludes that ECLs are insignificant.

The credit risk on liquid funds is limited because the counterparties are banks with high credit rating assigned by international credit rating agencies.

28. Comparative figures

Certain comparative figures in the statement of profit or loss and other comprehensive income and statement of cash flows have been restated so as to conform with current year's presentation.

29. Approval of financial statements

The financial statements were approved and authorised for issue by the directors on 12th October 2026.