

**Report of the Directors  
Audited Financial Statements  
DIALOGUE IN THE DARK (HK)  
FOUNDATION LIMITED  
(LIMITED BY GUARANTEE)  
For the year ended 31 March 2025**



**WORLD SMART**  
Certified Public Accountants

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

**REPORT OF THE DIRECTORS**

The directors have pleasure in submitting the annual report and the audited financial statements for the year ended 31 March 2025.

**Principal activities**

Dialogue In The Dark (HK) Foundation Limited (the “Foundation”) is a charitable organization registered under Section 88 of the Inland Revenue Ordinance and has its registered office and principal place of business at Unit B, 7/F., D2 Place ONE, 9 Cheung Yee Street, Cheung Sha Wan, Kowloon, Hong Kong. The principal activity of the Foundation is the provision of education, training and other services for promoting empathy, inclusion, raising public awareness and acceptance of the visually impaired or people with other disabilities in Hong Kong.

**Results and financial position**

The results of the Foundation for the year ended 31 March 2025 and the Foundation’s financial position as at 31 March 2025 are set out in the financial statements on pages 7 to 24.

**Property, plant and equipment**

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

**Reserves**

Details of the movements in the reserves of the Foundation during the financial year are set out in the statements of changes in reserves and funds.

**Directors**

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

CHONG Chan Yau

CHEUNG Suk Yi, Idy

CHU Yuet Yu

CHU Wai Biu

KO Pik Kei (appointed on 20 November 2024)

CHEUNG Kin Yeung Christopher (resigned on 19 November 2024)

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

to be continued.....

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

**REPORT OF THE DIRECTORS (CONTINUED)**

Continuation - 1 -

**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.

**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.

**Management contracts**

No contract concerning the management and administration of the whole or any substantial part of the business of the Foundation was entered into or existed during the financial year.

**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



CHONG Chan Yau  
Chairman  
Hong Kong, - 2 OCT 2025

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**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 24, which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in reserves and funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation as at 31 March 2025, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Basis for opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Foundation 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 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 25 to 27, 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.

to be continued.....

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**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 (continued)**

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 that give a true and fair view in accordance with the HKFRS for Private Entities 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.

**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 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.

to be continued.....

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**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 (continued)**

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.
- 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.
- 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.

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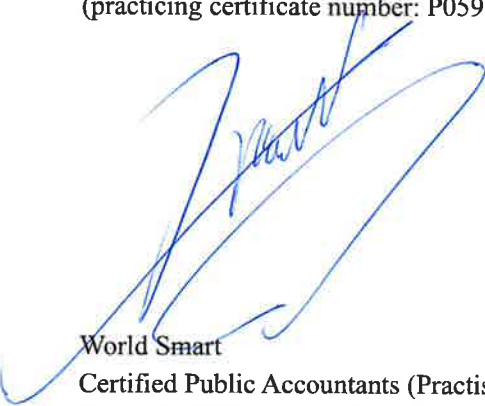
**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF DIALOGUE IN THE DARK (HK) FOUNDATION LIMITED**  
(incorporated in Hong Kong with limited liability by guarantee)

Continuation - 5 -

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

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 WONG Chi Ho (practicing certificate number: P05994).



World Smart  
Certified Public Accountants (Practising)  
Room A, 12/F., Legend Tower,  
7 Shing Yip Street, Kwun Tong,  
Kowloon, Hong Kong  
- 2 OCT 2025

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

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 MARCH 2025**

Notes	2025 HK\$	2024 HK\$
<b>Income</b>		
Service and programme income	12,512,388	11,730,868
Project grants:		
- The Hong Kong Jockey Club Charities Trust	3,844,075	6,075,353
- The Robert H. N. Ho Family Foundation Hong Kong Limited	1,237,102	1,126,771
- The Shaw Foundation Hong Kong Limited	1,563,889	354,639
- Others	775,158	2,132,026
Fundraising income	2,017,492	169,850
Donation income:		
- General	350,965	388,099
- Specific	500,000	400,000
Other income		
- Bank interest income	26,191	17,960
- Others	194,000	6,610
Total income	<u>23,021,260</u> .....	<u>22,402,176</u> .....
<b>Expenditure</b>		
Service and programme expenses	6,420,455	5,203,803
Project expenses	7,172,248	6,917,279
Fundraising expenses	840,768	98,384
Other operating expenses	7,965,385	7,766,504
Total expenditure	<u>22,398,856</u> .....	<u>19,985,970</u> .....
<b>Surplus for the year</b>	622,404	2,416,206
<b>Other comprehensive income</b>	<u>-</u>	<u>-</u>
<b>Surplus and total comprehensive income for the year</b>	<u>622,404</u>	<u>2,416,206</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 2025**

	Notes	2025 HK\$	2024 HK\$
<b>Non-current assets</b>			
Property, plant and equipment	9	2,030,291	5,786,220
<b>Current assets</b>			
Inventories	10	29,647	31,214
Accounts receivable		489,642	743,169
Deposits, prepayments and other receivables		1,597,688	1,111,163
Cash and cash equivalents	11	3,338,993	2,348,647
		<u>5,455,970</u>	<u>4,234,193</u>
<b>Current liabilities</b>			
Accruals		447,064	270,958
Other loans	12	-	290,000
Receipts in advance		881,485	2,080,072
Deferred income - current portion	13	1,891,413	3,842,089
		<u>3,219,962</u>	<u>6,483,119</u>
<b>Net current assets/(liabilities)</b>		<u>2,236,008</u>	<u>(2,248,926)</u>
<b>Total assets less current liabilities</b>		<u>4,266,299</u>	<u>3,537,294</u>
<b>Reserves and funds</b>		<u>2,266,299</u>	<u>1,643,895</u>
<b>Non-current liabilities</b>			
Other loan	12	2,000,000	-
Deferred income – non-current portion	13	-	1,893,399
		<u>2,000,000</u>	<u>1,893,399</u>
		<u>4,266,299</u>	<u>3,537,294</u>

The financial statements were approved and authorised for issue by the Board of directors on - 2 OCT 2025 :



Name: CHONG CHAN YAU  
Position: Director



Name: KO PIK KEI  
Position: 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 RESERVES AND FUNDS**

**FOR THE YEAR ENDED 31 MARCH 2025**

	Note	Accumulated undesignated funds HK\$	Development fund HK\$	Total HK\$
Balance as at 1 April 2023		(772,311)	-	(772,311)
Surplus and total comprehensive income for the year		<u>2,416,206</u>	<u>-</u>	<u>2,416,206</u>
Balance as at 31 March 2024 and balance as at 1 April 2024		1,643,895	-	1,643,895
Surplus and total comprehensive income for the year		<u>622,404</u>	<u>-</u>	<u>622,404</u>
Accumulated funds before transfer to development fund		2,266,299	-	2,266,299
Transferred to development fund	14	<u>(600,000)</u>	<u>600,000</u>	<u>-</u>
Balance as at 31 March 2025		<u><u>1,666,299</u></u>	<u><u>600,000</u></u>	<u><u>2,266,299</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 CASH FLOWS**

**FOR THE YEAR ENDED 31 MARCH 2025**

	2025 HK\$	2024 HK\$
<b>Operating activities</b>		
Surplus for the year	622,404	2,416,206
Adjustments for:		
Bank interest income	(26,191)	(17,960)
Subsidy income	(3,934,075)	(6,075,353)
Depreciation	3,878,782	4,313,520
Operating surplus before changes in working capital	540,920	636,413
Decrease/(increase) in inventories	1,567	(2,711)
Decrease in accounts receivable	253,527	235,476
(Increase)/decrease in deposits, prepayments and other receivables	(486,525)	86,007
Increase/(decrease) in accruals	176,106	(1,368,108)
Decrease in receipts in advance	(1,198,587)	(2,466,540)
<b>Net cash used in operating activities</b>	(712,992)	(2,879,463)
<b>Investing activities</b>		
Payments for acquisition of property, plant and equipment	(122,853)	-
Decrease in time deposits, with original maturities over three months	-	540,000
Interest received	26,191	17,960
<b>Net cash (used in)/generated from investing activities</b>	(96,662)	557,960
<b>Financing activities</b>		
Proceeds from other loans	3,000,000	-
Repayment of other loans	(1,290,000)	-
Subsidies received	90,000	2,755,397
<b>Net cash generated from financing activities</b>	1,800,000	2,755,397

to be continued.....

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

**STATEMENT OF CASH FLOWS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2025**

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	<b>Note</b>	2025 HK\$	2024 HK\$
<b>Net increase in cash and cash equivalents</b>		990,346	433,894
<b>Cash and cash equivalent at beginning of the year</b>		<u>2,348,647</u>	<u>1,914,753</u>
<b>Cash and cash equivalent at end of the year</b>	11	<u><u>3,338,993</u></u>	<u><u>2,348,647</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 2025**

**1 GENERAL INFORMATION**

Dialogue In The Dark (HK) Foundation Limited (the “Foundation”) is a charitable organization registered under Section 88 of the Inland Revenue Ordinance and has its registered office and principal place of business at Unit B, 7/F., D2 Place ONE, 9 Cheung Yee Street, Cheung Sha Wan, Kowloon, Hong Kong. The principal activity of the Foundation is the provision of education, training and other services for promoting empathy, inclusion, raising public awareness and acceptance of the visually impaired or people with other disabilities in Hong Kong.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Change in accounting policy - inventories*

In current financial year, the Foundation changed its accounting policy for the valuation of inventories from the first-in, first-out (“FIFO”) method to the weighted average cost method. The directors are of the opinion that the weighted average method provides more relevant and reliable information as it better reflects the consistent and blended nature of costs for substantially interchangeable inventory items.

In accordance with HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, this change in accounting policy has been applied prospectively from 1 April 2024. The comparative information has not been restated and continues to be reported under the previous FIFO method.

The directors have assessed that the impact of this change on the financial statements in prior years is immaterial. Therefore, retrospective application of the new policy is not required. The effect of the change in the current year was also not material to the financial statements.

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

**(a) Basis of preparation**

These financial statements comply with all applicable sections of HKFRS for Private Entities issued by the HKICPA and comply with the applicable requirements of the Hong Kong Companies Ordinance which concern the preparation of financial statement. They have been prepared under the accrual basis of accounting and on the basis that the Foundation is a going concern.

The Foundation falls within reporting exemption for the reporting period under sections 359(1)(a) and 363 of the Hong Kong Companies Ordinance. Nevertheless, the directors resolved not to take advantage of the reporting exemption and these financial statements comply with HKFRS for Private Entities. The directors have acknowledged that, to achieve fair presentation of the financial statements, it may be necessary for management to provide disclosures beyond those specifically required by HKFRS for Private Entities.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(a) Basis of preparation (continued)**

The preparation of financial statements in conformity with HKFRS for Private Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**(b) Revenue recognition**

Revenue is recognised in profit or loss provided it is probable that the economic benefits will flow to the Foundation and the revenue and costs, if applicable, can be measured reliably, as follows:

- (i) Donation income  
Donation income is recognised when the income is received;
- (ii) Fundraising, services and programme income  
Fundraising, services and programme 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;
- (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) Project grant and subsidy income  
Project grant and subsidy income are recognised when the right to receive payment is established.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Foundation's cash management are also included as a component of cash and cash equivalents for the statement of cash flows.

**(d) Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

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

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

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

**(e) Account and other receivables**

Account and other receivables are measured at initial recognition at transaction price (including transaction costs) and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any. A provision for impairment of account and other receivables is established when there is objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(f) Account and other payables**

Account and other payables are measured at initial recognition at the transaction price (including transaction costs) and subsequently measured at amortised cost using the effective interest method.

**(g) Inventories**

Inventories are measured at initial recognition at cost and subsequently measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is calculated using the weighted average cost method (previously determined using the FIFO method) and comprises all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. At the end of each reporting period, inventories are assessed for impairment and the carrying amount is reduced to its selling price less costs to complete and sell with impairment loss recognised immediately in profit or loss. When the inventories are sold, the carrying amount of inventories is recognised as an expense in the period in which the related revenue is recognised.

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

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

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

**(i) Operating leases**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(j) Income tax**

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

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, except to the extent that the deferred tax liabilities arise from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit or tax loss. The measurement of deferred tax liabilities associated with an investment property measured at fair value shall not exceed the amount of tax that would be payable on its sales to an unrelated market participant at fair value at the end of reporting period. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such deferred tax assets are not recognised if the temporary difference arises from the initial recognition of an asset and liability in a transaction that affects neither the accounting profit nor the taxable profit of tax loss.

The unrecognised deferred tax assets are reviewed at the end of each reporting period and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Current and deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(k) Foreign currency translations**

**(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These financial statements are presented in Hong Kong Dollars (“HK\$”), which is the Foundation’s functional currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within “finance costs”. All other foreign exchange gains and losses are presented in profit or loss within “other income” or “other expenses”.

**(l) Provisions and contingent liabilities**

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

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(m) Employee benefit costs**

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

The Foundation operates a number of defined contribution plans under mandatory provident fund plans. The Foundation pays contributions to independent administrators on a mandatory basis. The Foundation has no further payment obligations once the contributions are paid. The contributions are recognised as employee benefit expense when they are incurred and the cost can be measured reliably.

**(n) Deferred income**

Deferred incomes 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 of them and the incomes will be received. A deferred income that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity, with no future related costs, is recognised as income of the period in which it becomes receivable. Deferred incomes received before the revenue recognition criteria are recognised as a liability.

**(o) Borrowings**

Borrowings are measured at initial recognition at the transaction price and are subsequently measured at amortised cost. All borrowings are classified as current liabilities unless the Foundation has a pre-defined repayment schedule or an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Interest expense is recognised on the basis of the effective interest method and is recognised in profit or loss.

When the borrowing agreement contains clause that gives the lender unconditional right to demand repayment at any time disregarding the pre-defined repayment schedule, the borrowing is classified as a current liability in the statement of financial position irrespective of the probability that the lender will invoke the clause without cause.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(p) Borrowing costs**

Borrowing costs include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance charges in respect of finance leases and exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

**(q) Related parties**

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (i) a person or a close member of that person's family is related to the Foundation if that person:
  - (1) is a member of the key management personnel of the Foundation or of a parent of the Foundation;
  - (2) has control or joint control over the Foundation; or
  - (3) has significant influence over the reporting entity.
- (ii) An entity is related to the Foundation if any of the following conditions applies:
  - (1) the entity and the Foundation are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (2) 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.).
  - (3) both entities are joint venture of the same third entity.
  - (4) one entity is a joint venture of a third party and the other entity is an associate of the third party.
  - (5) the entity is a post-employment benefit plan for the benefit of employees of either the Foundation or an entity related to the Foundation. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (6) the entity is controlled or jointly controlled by a person identified in (i).
  - (7) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.
  - (8) A person identified in (i)(2) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025**

**3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below:

The Foundation depreciates the property, plant and equipment on a straight-line method over the estimated useful lives of 5 to 6 years. The estimated useful lives reflect the directors' estimate of the years that the Foundation intends to derive future economic benefits for the use of the Foundation's property, plant and equipment. Management will increase the depreciation expense where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete assets that have been abandoned or scrapped.

**4 INCOME**

Income represents bank interest income, donation income, Fundraising income, government subsidy income, project grants, rental income, service and programme income and other income received and receivable by the Foundation. An analysis of the Foundation's income during the year is as follows:

	2025	2024
	HK\$	HK\$
Bank interest income	26,191	17,960
Donation income	850,965	788,099
Fundraising income	2,017,492	169,850
Government subsidy income	90,000	-
Project grants	7,420,224	9,688,789
Rental income	4,000	6,500
Service and programme income	12,512,388	11,730,868
Other income	100,000	110
	<u>23,021,260</u>	<u>22,402,176</u>

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025**

**5 SURPLUS FOR THE YEAR**

	2025	2024
	HK\$	HK\$
Surplus for the year is stated after (crediting)/charging the following:		
Rental income net of direct outgoings	(4,000)	(6,500)
Depreciation	3,878,782	4,313,520
Loan interest expense	119,363	-
Operating lease charges	2,966,220	3,273,086
Staff costs:		
- salaries and allowances	10,157,475	8,813,935
- MPF contributions	442,127	396,903
- staff welfare	46,552	-
	<u>38,000</u>	<u>33,000</u>

**6 DIRECTORS' REMUNERATION**

The directors do not receive any fees or emoluments in respect of the services to the Foundation for the year (2024: Nil).

**7 AUDITORS' REMUNERATION**

Auditors' remuneration for the year disclosed pursuant to Part 2 of Schedule 4 of the Hong Kong Companies Ordinance are as follows:

	2025	2024
	HK\$	HK\$
Auditors' remuneration	<u>38,000</u>	<u>33,000</u>

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025**

**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) (2024: Nil).

The taxation on the Foundation's surplus for the year differs from the theoretical amount that would arise using the taxation rate applicable to the Foundation as follows:

	2025 HK\$	2024 HK\$
Surplus for the year	<u>622,404</u>	<u>2,416,206</u>
Calculated at the applicable tax rate of 16.5% (2024: 16.5%)	102,697	398,674
Tax effect of non-taxable income	(3,798,508)	(3,696,359)
Tax effect of non-deductible expenses	<u>3,695,811</u>	<u>3,297,685</u>
Taxation charge	<u><u>-</u></u>	<u><u>-</u></u>

As at 31 March 2024 and 31 March 2025, the Foundation does not have any significant temporary differences.

**9 PROPERTY, PLANT AND EQUIPMENT**

	Equipment HK\$	Furniture and fixture HK\$	Leasehold improvement HK\$	Total HK\$
<b>Cost:</b>				
At 1 April 2024	8,050,730	4,080,423	11,382,834	23,513,987
Additions during the year	<u>122,853</u>	<u>-</u>	<u>-</u>	<u>122,853</u>
At 31 March 2025	<u>8,173,583</u>	<u>4,080,423</u>	<u>11,382,834</u>	<u>23,636,840</u>
<b>Accumulated depreciation:</b>				
At 1 April 2024	6,199,682	3,502,084	8,026,001	17,727,767
Charge for the year	<u>1,409,575</u>	<u>572,068</u>	<u>1,897,139</u>	<u>3,878,782</u>
At 31 March 2025	<u>7,609,257</u>	<u>4,074,152</u>	<u>9,923,140</u>	<u>21,606,549</u>
<b>Net book value:</b>				
At 31 March 2025	<u>564,326</u>	<u>6,271</u>	<u>1,459,694</u>	<u>2,030,291</u>
At 31 March 2024	<u>1,851,048</u>	<u>578,339</u>	<u>3,356,833</u>	<u>5,786,220</u>

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025**

**10 INVENTORIES**

Inventories in the statement of financial position comprise:

	2025 HK\$	2024 HK\$
Materials for donation	<u>29,647</u>	<u>31,214</u>

**11 CASH AND CASH EQUIVALENTS**

	2025 HK\$	2024 HK\$
Cash at bank and in hand, cash and cash equivalents in the statement of financial position	<u>3,338,993</u>	<u>2,348,647</u>
Cash and cash equivalents in the statement of cash flow	<u>3,338,993</u>	<u>2,348,647</u>

**12 OTHER LOAN**

The amount is unsecured, interest bearing at 5% per annum (2024: interest-free) and repayable within two years.

**13 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 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 same proportion in the income statement to match with the above expenses during the year.

**14 DEVELOPMENT FUND**

Pursuant to board resolution passed on 6 March 2025, HK\$600,000 (2024: Nil) was transferred from the Foundation’s accumulated funds to development fund for the purpose of future development of the Foundation.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025**

**15 OPERATING LEASE COMMITMENTS**

At 31 March 2025, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2025 HK\$	2024 HK\$
Land and buildings:		
Within one year	1,984,980	2,952,720
After one year but within five years	-	1,944,480
	<u>1,984,980</u>	<u>4,897,200</u>

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

**16 BALANCE WITH A RELATED PARTY**

Details of the Foundation's balance with a related party as at 31 March 2025 are as follows:

	2025 HK\$	2024 HK\$
Director (CHU Yuet Yu):		
Other loan	-	90,000
	<u>-</u>	<u>90,000</u>

The balance as at 31 March 2024 was unsecured, interest-free and repayable on demand.

**17 RETIREMENT BENEFITS SCHEMES**

The Foundation participates in the MPF Scheme for all qualifying employees employed under the jurisdiction of the Hong Kong Employment Ordinance. Contributions to the scheme by the Foundation and the employees are calculated as a percentage of employee's relevant income, subject to a cap of monthly relevant income of HK\$30,000. The retirement benefit scheme costs charged to profit or loss represent contributions payable by the Foundation to the fund. The assets of the MPF Scheme are held separately from those of the Foundation in an independently administered fund.

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

**APPENDIX**

**DETAILED INCOME STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2025**

**(FOR MANAGEMENT INFORMATION PURPOSES ONLY)**

	2025 HK\$	2024 HK\$
<b>INCOME</b>		
Bank interest income	26,191	17,960
Donation income	850,965	788,099
Fundraising income	2,017,492	169,850
Government subsidy income	90,000	-
Project grants:		
- The Hong Kong Jockey Club Charities Trust	3,844,075	6,075,353
- The Robert H. N. Ho Family Foundation Hong Kong Limited	1,237,102	1,126,771
- The Shaw Foundation Hong Kong Limited	1,563,889	354,639
- Others	775,158	2,132,026
Rental income	4,000	6,500
Service and programme income	12,512,388	11,730,868
Other income	100,000	110
<b>TOTAL INCOME</b>	<u>23,021,260</u> .....	<u>22,402,176</u> .....
<b>Deduct:</b>		
<b>EXPENDITURE</b>		
Advertising and promotion	92,566	140,703
Auditors' remuneration	38,000	33,000
Bank charges	58,876	1,799
Building management fee	495,840	495,840
Cleaning expense	146,812	146,324
Consultancy fee	1,112,403	5,000
Consumable stores	-	102,238
Depreciation	3,878,782	4,313,520
Entertainment	-	4,986
Fundraising expenses	805,190	62,683
Government rent and rates	184,280	203,440
Insurance	124,317	98,928

to be continued.....

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

**APPENDIX**

**DETAILED INCOME STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2025**

**(FOR MANAGEMENT INFORMATION PURPOSES ONLY)**

Continuation - 25 -

	2025	2024
	HK\$	HK\$
<b>EXPENDITURE (CONTINUED)</b>		
Legal and professional fee	9,538	26,316
License fee	308,147	304,698
Loan interest expense	119,363	-
Membership and registration fees	12,098	-
MPF contributions	442,127	396,903
Operating lease charges	2,966,220	3,273,086
Payment platform charges	-	47,718
Postage and courier	5,656	4,808
Printing and stationery	37,993	73,148
Programme expenses	516,009	-
Project expenses	81,100	219,043
Purchases of materials	8,361	35,947
Recruitments	16,829	-
Repairs and maintenance	280,784	207,899
Salaries and allowances	10,157,475	8,813,935
Staff welfare	46,552	-
Sundry expenses	100,025	134,713
Telecommunication	85,053	34,594
Training and coaching service fees	-	493,300
Transportation	108,371	148,666
Training expense	38,430	26,700
Traveling expense	-	9,682
Utilities	121,659	126,353
<b>TOTAL EXPENDITURE</b>	<u>22,398,856</u>	<u>19,985,970</u>
<b>SURPLUS FOR THE YEAR</b>	<u>622,404</u>	<u>2,416,206</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 2025**

**(FOR MANAGEMENT INFORMATION PURPOSES ONLY)**

Continuation - 26 -

Information required under section 436 of the Companies Ordinance:

The financial information relating to the year ended 31 March 2025 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; did not include a reference to any 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).