

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

丁何關陳會計師行
TING HO KWAN & CHAN
Certified Public Accountants
HONG KONG

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE COUNCIL MEMBERS

The council members submit their report together with the audited financial statements of Hong Kong Repertory Theatre Limited (the “Company”) for the year ended 31 March 2025.

Principal activities

The Company continued to be engaged in promotion, maintenance, improvements and advancement of the interest of the public in Hong Kong and elsewhere in drama and various related art forms.

Results

The results of the Company for the year ended 31 March 2025 and the state of the Company’s affairs as at that date are set out in the financial statements on pages 5 to 26.

Property, plant and equipment

Details of the movements in property, plant and equipment are set out in note 8 to the financial statements.

Council members

The council members during the financial year and up to the date of this report were:

Mr. SIU Chor Kee, SBS, BBS, MH, JP (resigned on 27 May 2025)

Mr. CHAN Cheuk Chi

Ms. TSUI Li, BBS, JP

Ms. AU Chor Kwan, JP

Mr. CHAN Kin Ping, BBS, JP

Ms. CHAN Yuen Sau, Kelly, JP (retired on 24 September 2024)

Mr. FUNG Chi Ho

Ms. HUANG Wenxi

Mr. KWAN Chor Chung

Mr. LAU Hing Wah, BBS, MH, JP

Ms. NG Chau Yuk Helen

Mr. SZE Irons, GBS, BBS, JP

Hon. TSE Wai Chuen Tony, SBS, BBS, JP

Mr. WONG Ivan Siu Kei, JP

Ms. WONG Sok Man, MH

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE COUNCIL MEMBERS

Council members (continued)

The council members during the financial year and up to the date of this report were: (continued)

Ms. CHEA Shuk Mui, MH (appointed on 24 September 2024)

Ms. CHIAO Wai Man (appointed on 24 September 2024)

Mr. CHENG Wai Hong Henry, MH (appointed on 25 March 2025)

In accordance with Articles 39 to 40 of Part B of the Company's Articles of Association, Mr. CHAN Kin Ping, BBS, JP, Mr. CHENG Wai Hong Henry, MH, Ms. HUANG Wenxi, Hon. TSE Wai Chuen Tony, SBS, BBS, JP and Ms. TSUI Li, BBS, JP will be retired by rotation in the forthcoming annual general meeting.

The Company has not received any notice in writing from these retired council members specifying that their retirements is due to reasons relating to the affairs of the Company.

Council members' interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a council member of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Arrangements to acquire shares or debentures

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

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Equity-linked agreements

There were no equity-linked agreements entered into during the year or subsisted at the end of the year.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE COUNCIL MEMBERS

Business review

Our Business

With its founding initiated by the Hong Kong Government in 1977, the Hong Kong Repertory Theatre is the city's longest standing and largest professional theatre company. Since its incorporation in 2001, HKRep operates under the guidance of its Governing Council, employing more than 80 full-time professionals including the artistic team and administrative, technical and educational staff, making it a comprehensive theatre company.

Since the beginning, the Company has positioned itself to present a "balanced repertory", providing wide-ranging, diverse theatrical approaches to serve the city's population at large. In the past 48 years, HKRep has produced more than 500 works, many becoming classics of the local dramatic canon, consolidating its influence as Hong Kong's flagship theatre company. Its areas of activities are:

Balance repertoire

Devising a season comprised of local original works, translations and adaptations of classic and contemporary plays from the Mainland and abroad. The Company collaborates with playwrights, directors, actors, designers and other talents within and outside of the Company to create artistically excellent mainstream and contemporary theatre productions.

Black box theatre

Embodying flexibility and creativity, the Black Box Theatre provides a practical platform for up-and-coming theatrical talents to explore new areas and develop different means and modes of performance and narratives, fostering the long-term development of Hong Kong's theatrical arts.

Theatre education

Through the operation of the HKRep Education Hub, the Company proactively organises outreach and theatre education programmes to help theatre become part of life. It also utilises the diverse potential of theatrical arts in providing adult and student drama and technical training. The HKRep tours regularly among schools and communities in developing young audiences, nurturing positive social values and attitudes.

International Exchange

The Company strengthens ties internationally and with the Mainland by touring programmes that in turn promote Hong Kong's theatrical culture. The Company also endeavours to develop collaborations to expand potential markets beyond Hong Kong.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE COUNCIL MEMBERS

Business review (Continued)

Our Business (Continued)

Theatre Literature

Through such platforms as play development, Reader's Theatre, seminars, reviews and publications of theatre literature, the HKRep is committed to documenting, preserving and extending research in the dramatic arts.

Dramaturgy

In response to the needs of specific productions or creative projects, the HKRep has instituted the position of Dramaturg to elevate the artistic quality and socio-cultural content of contemporary theatre.

Text Testing Zone

The HKRep provides up-and-coming playwrights with potential opportunities to put on new works with simple staging and technical support, thus testing the quality of their creations as they continue to revise and refine their scripts.

Financial Highlights

Income

In 2025, the Company reported a total income of HK\$76.32 million, marking a noticeable reduction from HK\$133.74 million in 2024. This comprised of *government subvention* of HK\$49.12 million and *earned income* of HK\$27.20 million, compared to HK\$109.40 million and HK\$24.34 million respectively in 2024.

Despite the increase in earned income during 2025, the decline in total income is primarily attributed to the absence of a one-off government subvention of HK\$55.65 million, which had been recognised in the previous year. This funding, provided by the Development Bureau under the Funding Scheme to Support the Use of Vacant Government Sites by Non-government Organisations, was designated for the HKRep Education Hub project.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE COUNCIL MEMBERS

Business review (Continued)

Financial Highlights (Continued)

Income (continued)

The changes in the two income components across the years are explained by:

(i) Decrease in Government subvention

In addition to the absence of the one-off subvention for the HKRep Education Hub project in 2025, the Company also experienced a reduction in recurrent subvention. This reduction was a result of the Government's implementation of a government-wide general expenditure reduction in response to its current fiscal position. Specifically, the recurrent subvention from the Culture, Sports and Tourism Bureau was reduced by 1% from the 2024 level (↓HK\$0.44 million).

(ii) Increase in Earned income

The growth is driven primary by higher box office and performance income, resulting from the surge in outbound tour performance and activities fees (HK\$4.41 million in 2025 vs HK\$0.69 million in 2024), and by increased donation and sponsorship receipts (HK\$3.75 million in 2025 vs HK\$2.16 million in 2024) during the year. The bulk of the increase in outbound tour performance and activities income was mainly contributed by *The Top Restaurant* Mainland 5-city tour, which alone generated HK\$3.28 million.

Expenditure

Total expenditure increased from HK\$80.31 million in 2024 to HK\$96.33 million in 2025. This rise is primarily attributable to:

- (i) a growth in production costs resulting from a surge in outbound cultural exchange expenses related to *The Top Restaurant* Mainland 5-city tour, which rose from HK\$0.89 million in 2024 to HK\$5.26 million in 2025; and
- (ii) an expansion in other operating expenses stemming from the first full-year depreciation charge (HK\$16.18 million) for the leasehold improvements of the HKRep Education Hub, following its completion in 2024.

Net result of the year

Due to the rise in total expenditure, primarily attributable to the additional depreciation charge for the HKRep Education Hub and the expansion in outbound cultural exchange costs, combined with a reduction in total government subvention following the completion of the HKRep Education Project in 2024, the Company incurred a deficit of HK\$20.01 million this year, in contrast to the surplus of HK\$53.43 million recorded in 2024.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE COUNCIL MEMBERS

Business review (Continued)

Financial Highlights (Continued)

Liquidity

The Company regularly monitors its liquidity needs to ensure the maintenance of adequate reserves and bank balances for meeting both short-term and long-term obligations. As at 31 March 2025, its current ratio rose from 4.0 in the prior year to 6.9. This improvement is mainly due to a contraction in accounts payable and accruals following settlement of most of the HKRep Education Hub project expense during the year, after its completion.

Key Performance Indicators

No. of performances/activities and audience/participants

Locally, the Company presented 7 main stage productions and 4 black box productions, in all with 143 performances in aggregate, achieving a cumulative audience of 49,987 (2024: 6 main stage productions and 4 black box productions, totaling 159 performances, cumulative audience 53,418).

Over the year, the Company also brought 5 productions across 18 city-specific engagements in 10 Mainland cities and one overseas city, delivering a total of 73 performances and reaching 37,686 audience. This compares to 2024, when 3 productions were presented through 4 city-specific engagements across 3 Mainland cities and one overseas city, totaling 18 performances and attracting 2,966 attendees.

In 2025, the Company conducted 1,349 sessions of education and outreach activities, engaging 93,871 participants, rising from 980 sessions and 89,776 participants in 2024. The growth is primarily attributed to:

- (i) During the year, a new sponsored project that drew approximately an extra 3,000 attendees to 60 short stage performances presented at a shopping mall; and
- (ii) After the relocation of the Company's drama training course to the newly established Education Hub in 2024, the number of drama courses expanded, leading to a broader programme offering (986 sessions in 2025 vs 711 sessions in 2024), further enriching the Company's educational platform.

Awards and Honours

Throughout the year, the Company's productions earned significant recognition at both local and cross-border award ceremonies, receiving 25 awards and other 29 nominations across 11 different productions—demonstrating its artistic excellence and leadership within the industry.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE COUNCIL MEMBERS

Business review (Continued)

Environmental Policies and Performance

The Hong Kong Repertory Theatre maintains a strong commitment to environmentally sustainable operations. Core principles, including energy conservation and waste reduction, are integrated across all production and administrative functions. Collaboration with directors, designers, and other creative professionals ensures that all materials used in theatrical productions, such as sets, props, and costumes, are developed with consideration for resource efficiency and minimal environmental impact.

Key Relationship with Stakeholders

As a government-subvented, non-profit organisation, the Hong Kong Repertory Theatre maintains full compliance with regulations and requirements prescribed by the Government. The application and use of public and sponsored funds are transparently managed, with accountability to all stakeholders, including government authorities and corporate sponsors. Communication is conducted through multiple channels to ensure that stakeholders and the public have a clear and comprehensive understanding of the Company's activities, achievements, and impact.

Employees are regarded as one of the Company's most valuable assets. Internal policies are established to ensure that staff performance is consistently monitored, fairly evaluated, and appropriately recognised. Processes of contract renewal and termination are conducted according to standardised procedures. The Staff Development Training Assistance Scheme provides eligible employees with financial support and opportunities to enhance their professional capabilities, realise their potential, and improve operational efficiency.

To support the enhancement of production and the refinement of marketing strategies, the Company collects audience feedback through performance-based survey questionnaires. In addition, HKRep partnered with the Psychology of Theatre Research Group at The Chinese University of Hong Kong to conduct in-person surveys at selected performances. These surveys gather valuable insights into audience satisfaction, preferences, demographics, and media consumption patterns.

To ensure accessibility and inclusivity, HKRep collaborated with the Arts with the Disabled Association Hong Kong during the reporting period. Selected performances featured accessible Chinese captions, theatrical interpretation, and Cantonese audio descriptions, allowing audiences with disabilities to engage fully with theatrical experiences.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE COUNCIL MEMBERS

Business review (Continued)

Principal Risks and Uncertainties

While the Company maintains a stable financial position throughout the year, it remains subject to certain external risks and uncertainties, including potential fluctuations in government funding and broader economic conditions. The Company will continue to monitor these developments and remain attentive to their possible impact on the Company's future operations.

Subsequent Events

There were no particular important events occurred since the end of the financial year that may significantly affect the Company.

Future Development

As Hong Kong's flagship theatre company, the Hong Kong Repertory Theatre will continue to adhere to its commitment to mainstream theatrical works, place emphasis on dramatic texts, and explore new materials and forms, with a view to developing audience interest and appreciation for live theatre and enriching the city's cultural life.

Additionally, the Company will maintain its dedication to arts education by organizing school-based programmes and offering regular, structured courses for learners at various levels. It will further pursue cross-border cultural exchange and expand its reach by sourcing additional performance opportunities in the Mainland and other regions, helping to build a more distinctive and internationally recognised artistic identity.

Permitted indemnity and council members' and officers' liability insurance

There being no provision in the Company's Articles of Association for the permitted indemnity and liability insurance coverage for the council members and officers of the Company, and subject to the provisions of the Companies Ordinance, the Company has not enforced any permitted indemnity arrangements or arranged appropriate insurance cover for the council members and officers of the Company during the year.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE COUNCIL MEMBERS

Auditors

Ting Ho Kwan & Chan, Certified Public Accountants retire and, being eligible, offer themselves for re-appointment.

On behalf of the Council

CHAN Cheuk Chi
Chairman (Acting)

Hong Kong, 29 JUL 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HONG KONG REPERTORY THEATRE 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 Hong Kong Repertory Theatre Limited ("the Company") set out on pages 5 to 26, which comprise the statement of financial position as at 31 March 2025, and the income statement, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as 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 council members are responsible for the other information. The other information comprises information included in the report of the council members, but does not include the financial statements and our auditor's report thereon.

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HONG KONG REPERTORY THEATRE LIMITED

(incorporated in Hong Kong with limited liability by guarantee)

Responsibilities of council members and those charged with governance for the financial statements

The council members are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRS for Private Entities Accounting Standard as issued by the HKICPA and the Companies Ordinance, and for such internal control as the council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the council members 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 council members either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the 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 HKSAAs 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 HKSAAs, 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HONG KONG REPERTORY THEATRE LIMITED

(incorporated in Hong Kong with limited liability by guarantee)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council members.
- Conclude on the appropriateness of the council members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

Report on the Agreement made on 3 April 2024 between the Government of the Hong Kong Special Administrative Region (the "Government") and the Company (the "Agreement")

We report that the Company has complied with, in all material respects, the requirements as set by the Government to keep proper books and records and to prepare annual financial report of the activities in accordance with the books and records, as well as all the accounting requirements in the Agreement and other relevant documents such as the Accounting Standards and Accounting Guidelines.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HONG KONG REPERTORY THEATRE LIMITED

(incorporated in Hong Kong with limited liability by guarantee)

Report on the Agreement Letter for the Art Development Matching Grants Scheme made on 11 March 2025 between the Government of the Hong Kong Special Administrative Region and the Company (the "Agreement Letter")

We report that the Company has complied with, in all material respects, including the terms and conditions for matching the donations/sponsorships in accordance with the Guide and the Agreement Letter, the requirements as set by the Government to keep proper books and records and to prepare annual financial report of the activities in accordance with the books and records, as well as all the accounting requirements in the Agreement Letter and other relevant documents such as the Accounting Standards and Accounting Guidelines.

The engagement partner on the audit resulting in this independent auditor's report is Mr. CHOW Chi Tong (practising certificate number: P01567).

TING HO KWAN & CHAN
Certified Public Accountants (Practising)
9th Floor, Tung Ning Building,
249-253 Des Voeux Road Central,
Hong Kong, 29 JUL 2025

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 HK\$	2024 HK\$
Income			
Government subvention	3	49,117,817	109,402,945
Box office and performance income		16,776,628	15,595,772
Outreach, education and other activities income		4,118,447	4,346,007
Donation and sponsorship		3,747,572	2,164,596
Other income	4	2,562,630	2,231,175
		<u>76,323,094</u>	<u>133,740,495</u>
Expenditures			
Production costs		21,136,126	18,946,284
Marketing and promotion expenses		6,564,487	6,279,499
Personal emoluments		41,024,095	39,485,099
Other operating expenses		27,613,079	15,602,639
		<u>96,337,787</u>	<u>80,313,521</u>
(Deficits)/surplus for the year	5	<u>(20,014,693)</u>	<u>53,426,974</u>
Total (deficits)/surplus for the year allocated to			
General fund	12	383,836	622,984
Art Development Matching Grants Scheme	13	(4,697,720)	203,818
Development fund	14	637,808	550,753
Education Hub building fund	15	(16,338,617)	52,049,419
		<u>(20,014,693)</u>	<u>53,426,974</u>

The notes on pages 9 to 26 are an integral part of these financial statements.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Notes	2025 HK\$	2024 HK\$
Non-current assets			
Property, plant and equipment	8	37,411,017	53,561,186
Current assets			
Deposits, prepayment and accounts receivable	9	7,008,052	8,552,927
Government grant receivable		-	10,076,516
Cash and bank balances	10	60,463,624	63,311,970
		<u>67,471,676</u>	<u>81,941,413</u>
Current liabilities			
Box office and performance income and others received in advance	11	1,204,972	822,191
Government grant and related income received in advance	11	1,625,413	-
Accounts payable and accruals	11	6,941,416	19,554,823
		<u>9,771,801</u>	<u>20,377,014</u>
Net current assets		<u>57,699,875</u>	<u>61,564,399</u>
Net assets		<u>95,110,892</u>	<u>115,125,585</u>
Reserves			
General fund	12	12,873,808	12,685,360
Art Development Matching Grants Scheme	13	32,718,570	37,416,290
Development fund	14	13,807,712	12,974,516
Education Hub building fund	15	35,710,802	52,049,419
Total reserves		<u>95,110,892</u>	<u>115,125,585</u>

The financial statements were approved and authorised for issue by the Council on **29 JUL 2025** and are signed on its behalf by:

 CHAN Cheuk Chi
 CHAIRMAN (Acting)

 AU Chor Kwan
 TREASURER

The notes on pages 9 to 26 are an integral part of these financial statements.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	General fund (note 12) HK\$	Art Development Matching Grants Scheme (note 13) HK\$	Development fund (note 14) HK\$	Education Hub building fund (note 15) HK\$	Total HK\$
Total reserves at 1 April 2023	12,062,376	37,212,472	12,423,763	-	61,698,611
Total surplus for the year	622,984	203,818	550,753	52,049,419	53,426,974
Total reserves at 31 March 2024	12,685,360	37,416,290	12,974,516	52,049,419	115,125,585
Fund transfer	(195,388)	-	195,388	-	-
Total (deficits)/surplus for the year	383,836	(4,697,720)	637,808	(16,338,617)	(20,014,693)
Total reserves at 31 March 2025	12,873,808	32,718,570	13,807,712	35,710,802	95,110,892

The notes on pages 9 to 26 are an integral part of these financial statements.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 HK\$	2024 HK\$
Operating activities			
(Deficits)/surplus for the year		(20,014,693)	53,426,974
Adjustments for:			
Interest income	4	(2,063,031)	(1,681,025)
Depreciation	5	17,602,681	4,862,209
Government subvention	3	156,923	-
Operating cash flows before changes in working capital		<u>(4,318,120)</u>	<u>56,608,158</u>
Deposits, prepayment and accounts receivable		1,544,875	(1,824,107)
Government grant receivable		10,076,516	(10,076,516)
Box office and performance income and others received in advance		382,781	301,191
Accounts payable and accruals		(12,613,407)	11,457,255
Government grant and related income received in advance		1,625,413	(15,559,424)
Net cash (used in)/generated from operating activities		<u>(3,301,942)</u>	<u>40,906,557</u>
Investing activities			
Payment for purchase of property, plant and equipment and assets under construction		(1,609,435)	(36,583,346)
Bank deposits with maturity over 3 months		17,887,816	3,080,064
Interest received		2,063,031	1,681,025
Net cash generated from/(used in) investing activities		<u>18,341,412</u>	<u>(31,822,257)</u>
Net increase in cash and cash equivalents		15,039,470	9,084,300
Cash and cash equivalents at the beginning of the year		<u>16,043,824</u>	<u>6,959,524</u>
Cash and cash equivalents at the end of the year	10	<u>31,083,294</u>	<u>16,043,824</u>

The notes on pages 9 to 26 are an integral part of these financial statements.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1 General information

Hong Kong Repertory Theatre Limited (the “Company”) is a company incorporated in Hong Kong with its liabilities limited by guarantee. Under the provisions of the Company’s memorandum of association, every member shall, in the event of the Company being wound up, to contribute such amount which may be required to meet the liabilities of the Company but not exceeding HK\$100 per member. The address of its registered office and principle place of business is 4/F., Sheung Wan Municipal Services Building, 345 Queen’s Road Central, Hong Kong. Its principal activities continued to be engaged in promotion, maintenance, improvements and advancement of the interest of the public in Hong Kong and elsewhere in drama and various related art forms.

2 Basis of preparation and accounting policies

The Company prepares and presents its financial statements for the year ended 31 March 2025 in accordance with the HKFRS for Private Entities Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the requirements of the Companies Ordinance.

The measurement basis used in preparing the financial statements is historical cost. The financial statements are presented in Hong Kong Dollars.

(a) Property, plant and equipment

Items of property, plant and equipment, other than assets under construction are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocated the cost of assets less their estimated residual value over their estimated useful lives, using the straight-line method, as follows:

Furniture and fixtures	3 years
Office and computer equipment	3 years
Audio and stage equipment	3 years
Leasehold improvements	Over the unexpired lease term

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2 Basis of preparation and accounting policies (Continued)

(a) Property, plant and equipment (continued)

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

Assets under construction represent buildings, structures, plant and machinery and other fixed assets under construction or installation and are stated at cost less accumulated impairment losses, and are not depreciated. Cost comprises direct costs of construction, installation and testing as well as capitalised borrowing costs on related borrowed funds during the period of construction or installation. Assets under construction are reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

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.

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

(b) Deposits, prepayment and accounts receivable

Deposits, prepayment and accounts receivable are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

(c) Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2 Basis of preparation and accounting policies (Continued)

(d) Accounts payable and accruals

Accounts payables and accruals are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(e) 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, 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.

(f) Income tax

The Company is a non-profit-making charitable organisation and the charge for Hong Kong taxation is exempted. Deferred tax is not provided.

(g) Government grant

Government grant is recognised when any specified performance conditions have been met. Where there are no such conditions, the grant is recognised as income upon receipt. Grant received before the revenue recognition criteria is satisfied are recognised as a liability.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2 Basis of preparation and accounting policies (Continued)

(h) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Provided it is probable that the economic benefits will flow to the Company and the revenue and the costs, if applicable, can be measured reliably, revenue is recognised in income statement as follows:

- (i) Box office and performance income and outreach, education and other activities income are recognised when the performance presented.
- (ii) Donations received is recognised on cash receipt basis or in the period as specified by the donor.
- (iii) Other income is recognised on accrual basis.
- (iv) Interest income is recognised using the effective interest method.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2 Basis of preparation and accounting policies (Continued)

(i) Employee benefits

(i) Paid leave carried forward

The Company provides paid annual leave to its employees under their employment contracts on a financial year basis. Under certain circumstances, such leave which remains untaken at the end of the reporting period is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the end of the reporting period for the expected future cost of such paid leave earned during the year by the employees and carried forward.

(ii) Retirement benefit costs

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

(j) 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 Company. All other leases are classified as operating leases.

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

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2 Basis of preparation and accounting policies (Continued)

(k) Development fund

The development fund is used for non-subvented projects which fall outside the ambit of Government Subvention through the Secretary for Culture, Sports and Tourism. The income and expenditure of the development fund is separated from that for Government Subvention's through the Secretary for Culture, Sports and Tourism. The fund is to be used for matching any recurrent and non-recurrent financial commitments created by acceptance of donation for specific purpose.

(l) Impairment of non-financial assets

At the end of each reporting period, property, plant and equipment 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 the income statement.

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 the income statement.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2 Basis of preparation and accounting policies (Continued)

(m) Related parties

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

- (1) A person or a close member of that person's family is related to the Company if that person:
- (i) is a member of the key management personnel of the Company or of a parent of the Company;
 - (ii) has control or joint control over the Company; or
 - (iii) has significant influence over the Company.
- (2) An entity is related to the Company if any of the following conditions applies:
- (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 entity;
 - (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 employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (1);
 - (vii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company; or
 - (viii) a person identified in (1)(ii) 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 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.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

3 Government subvention

	2025 HK\$	2024 HK\$
<u>General fund</u>		
Recurrent subvention and one-off funding	46,181,068	45,148,184
Venue Partnership Scheme - Arts Administrator Trainee Scheme	225,168	502,405
	<u>46,406,236</u>	<u>45,650,589</u>
 <u>Art Development Matching Grants Scheme</u>	 2,868,504	 8,099,516
 <u>Education Hub building fund</u>		
Funding Scheme to support the Use of Vacant Government Sites	(156,923)	55,652,840
	<u>49,117,817</u>	<u>109,402,945</u>

4 Other income

	2025 HK\$	2024 HK\$
Advertisement income	30,100	44,350
Arts talents internship matching programme	199,430	102,878
Bank interest income	2,063,031	1,681,025
Membership income	6,200	14,200
Rental of props, costume and equipment	52,065	74,010
Souvenirs sales and royalty income	59,664	279,271
Sundry income	152,140	35,441
	<u>2,562,630</u>	<u>2,231,175</u>

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

5 (Deficits)/surplus for the year

	2025	2024
	HK\$	HK\$
(Deficits)/surplus for the year is arrived at after charging:		
Auditors' remuneration	96,000	77,800
Depreciation	17,602,681	4,862,209
Operating leases:		
- Office premises rental	3,743,295	4,468,026
- Venue rental	2,874,708	925,785
Staff costs:		
- Salaries and allowances	39,705,609	38,217,126
- MPF contributions	1,318,486	1,267,973
- Temporary and part-time staff	82,867	81,123
- Training and welfare	<u>148,634</u>	<u>129,192</u>

6 Taxation

No provision for Hong Kong Profits Tax has been made in the financial statements as there is no tax liability for the Company under Section 88 of the Inland Revenue Ordinance.

7 Council members' emoluments

None of the council members received or will receive any fees or emoluments in respect of their services to the Company for the year (2024: Nil).

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

8 Property, plant and equipment

	Leasehold improvements HK\$	Assets under construction HK\$	Furniture and fixtures HK\$	Office and computer equipment HK\$	Audio and stage equipment HK\$	Total HK\$
Cost						
At 1 April 2023	-	20,951,267	4,260,223	2,061,463	9,304,242	36,577,195
Additions	-	34,701,573	187,820	952,540	741,413	36,583,346
Reclassification	55,652,840	(55,652,840)	-	-	-	-
Disposals	-	-	(383,986)	(42,180)	-	(426,166)
At 31 March 2024	55,652,840	-	4,064,057	2,971,823	10,045,655	72,734,375
Additions	-	-	118,230	524,890	966,315	1,609,435
Disposals	(156,923)	-	(414,287)	(349,827)	-	(921,037)
At 31 March 2025	55,495,917	-	3,768,000	3,146,886	11,011,970	73,422,773
Accumulated depreciation						
At 1 April 2023	-	-	3,572,445	1,997,349	9,167,352	14,737,146
Charge for the year	3,603,421	-	561,304	356,852	340,632	4,862,209
Written back on disposals	-	-	(383,986)	(42,180)	-	(426,166)
At 31 March 2024	3,603,421	-	3,749,763	2,312,021	9,507,984	19,173,189
Charge for the year	16,181,694	-	291,097	517,252	612,638	17,602,681
Written back on disposals	-	-	(414,287)	(349,827)	-	(764,114)
At 31 March 2025	19,785,115	-	3,626,573	2,479,446	10,120,622	36,011,756
Net book value						
At 31 March 2025	35,710,802	-	141,427	667,440	891,348	37,411,017
At 31 March 2024	52,049,419	-	314,294	659,802	537,671	53,561,186

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

9 Deposits, prepayment and accounts receivable

Apart from the deposits amounted to HK\$678,464 (2024: HK\$559,665), all the remaining balances are expected to be recovered or recognised as expenses within one year.

10 Cash and bank balances

	2025	2024
	HK\$	HK\$
Cash at banks and in hand	14,299,225	7,123,100
Bank deposits	46,164,399	56,188,870
Cash and bank balances	<u>60,463,624</u>	<u>63,311,970</u>
Less: Bank deposits with maturity over 3 months	29,380,330	47,268,146
Cash and cash equivalents in the statement of cash flows	<u>31,083,294</u>	<u>16,043,824</u>

11 Box office and performance income and others received in advance, government grant received in advance and accounts payable and accruals

They are expected to be settled or recognised as income within one year or are payable on demand.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

12 General fund

	General fund 2025 HK\$	Art Development Matching Grants Scheme (note 13) 2025 HK\$	Total 2025 HK\$	Total 2024 HK\$
Income:				
Government subvention	46,406,236	2,868,504	49,274,740	53,750,105
Box office and performance income	16,776,628	-	16,776,628	15,595,772
Outreach, education and other activities income	4,118,447	-	4,118,447	4,346,007
Donation and sponsorship income	3,412,984	-	3,412,984	1,792,025
Other income	797,122	1,441,811	2,238,933	2,049,127
	<u>71,511,417</u>	<u>4,310,315</u>	<u>75,821,732</u>	<u>77,533,036</u>
Expenditures:				
Production costs	17,705,659	3,430,467	21,136,126	18,946,284
Marketing and promotion expenses	6,553,449	-	6,553,449	6,279,499
Personal emolument	41,024,095	-	41,024,095	39,485,099
Other operating expenses	5,844,378	5,577,568	11,421,946	11,995,352
	<u>71,127,581</u>	<u>9,008,035</u>	<u>80,135,616</u>	<u>76,706,234</u>
(Deficits)/surplus for the year	383,836	(4,697,720)	(4,313,884)	826,802
Balance at the beginning of the financial period	12,685,360	37,416,290	50,101,650	49,274,848
Fund transfer to Development Fund	(195,388)	-	(195,388)	-
Balance at the end of the financial period	<u>12,873,808</u>	<u>32,718,570</u>	<u>45,592,378</u>	<u>50,101,650</u>

As per the agreement entered with the Government, the Company may keep and carry forward a reserve of not more than 25% of the total expenditures as revealed in the audited annual financial statements for the subvention period to serve as a buffer against contingencies in the subsequent year and as an incentive to economies its spending in the year. Reserve means the surplus (if any) as revealed in the audited annual financial statements net of sponsorship, donations and income and expenditure of self-financing activities. In determine this ratio, such expenditure and reserve will be adjusted to write off the property, plant and equipment in the year of purchase.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

12 General fund (Continued)

The ratio of reserves balance net of accumulated donation and sponsorship income to total expenditures in the subvention period at 31 March 2025 and 2024 are as follows:

	2025 HK\$	2024 HK\$
Reserves		
Accumulated surplus	12,873,808	12,685,360
Art Development Matching Grants Scheme (note 13)	32,718,570	37,416,290
	<u>45,592,378</u>	<u>50,101,650</u>
Less: Net book value of property, plant and equipment (other than assets under construction and leasehold improvements)	<u>1,700,215</u> 43,892,162	<u>1,511,767</u> 48,589,883
Less: Accumulated donation and sponsorship income	<u>59,262,634</u> <u>(15,370,471)</u>	<u>55,849,650</u> <u>(7,259,767)</u>
Total expenditures of the General fund and Art Development Matching Grants Scheme in the subvention period after adjustments to write off property, plant and equipment in the year of purchase and net off the costs met by other Government funds	<u>80,098,896</u>	<u>76,826,814</u>
Ratio	<u>(19.2%)</u>	<u>(9.4%)</u>

At 31 March 2025 and 2024, the reserves carried forward after deducting the accumulated donation and sponsorship income are less than 25% of the total expenditures in the subvention period.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

13 Art Development Matching Grants Scheme

	2025	2024
	HK\$	HK\$
Income:		
Government subvention	2,868,504	8,099,516
Other income	1,441,811	1,102,186
	<u>4,310,315</u>	<u>9,201,702</u>
Expenditures:		
Production costs	3,430,467	3,294,835
Other operating expenses	5,577,568	5,703,049
	<u>9,008,035</u>	<u>8,997,884</u>
(Deficits)/surplus for the year	(4,697,720)	203,818
Balance at the beginning of the financial period	37,416,290	37,212,472
Balance at the end of the financial period	<u>32,718,570</u>	<u>37,416,290</u>

Note:

The Art Development Matching Grants Scheme was set up by the Government with a view to widening the sources of funding for arts organisations, promoting the community's financial support and inculcating a donation culture in the community for arts and cultural development.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

14 Development fund

	2025	2024
	HK\$	HK\$
Income:		
Donation and sponsorship income	334,588	372,571
Other income	323,697	182,048
	<u>658,285</u>	<u>554,619</u>
Expenditures:		
Marketing and promotion expenses	11,038	-
Other operating expenses	9,439	3,866
	<u>20,477</u>	<u>3,866</u>
Surplus for the year	637,808	550,753
Balance at the beginning of the financial period	12,974,516	12,423,763
Fund transfer from General fund	195,388	-
Balance at the end of the financial period	<u>13,807,712</u>	<u>12,974,516</u>

The development fund is used for non-subvented projects which fall outside the ambit of Government Subvention through the Secretary for Culture, Sports and Tourism. The profit or loss of the development fund was separated from that for Government Subventions through the Secretary for Culture, Sports and Tourism as the fund did not come from that source of subvention.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

15 Education Hub building fund

	2025 HK\$	2024 HK\$
Income:		
Government subvention	<u>(156,923)</u>	<u>55,652,840</u>
Expenditures:		
Other operating expenses	<u>16,181,694</u>	<u>3,603,421</u>
(Deficits)/surplus for the year	(16,338,617)	52,049,419
Balance at the beginning of the financial period	52,049,419	-
Balance at the end of the financial period	<u><u>35,710,802</u></u>	<u><u>52,049,419</u></u>

The Company has successfully applied a project for development a theatre education centre ("the centre") at Cox's Road, Yau Tsim Mong under the Funding Scheme to support the Use of Vacant Government Sites by Non-government Organisation. The Government has initially signed a short term tenancy agreements with the Company for six years and nine months. The site will be used as the HKRep Education Hub for promoting drama and various related art forms.

In 2024, the project was substantially completed. The Company recognised the total project cost as leasehold improvements, based on the most up-to-date contract sum of HK\$55,652,840.

In 2025, the contract sum was revised, reducing the original amount by HK\$156,923. Accordingly, the final cost of the leasehold improvement project was adjusted to HK\$55,495,917 with a negative adjustment of HK\$156,923 was recognised.

In connection with this adjustment, a disposal of leasehold improvements was disclosed in note 8.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

16 Commitments

Commitments under operating lease

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

	2025 HK\$	2024 HK\$
Land and buildings		
Within one year	3,200,839	2,129,295
After one year and within five years	2,976,000	224,839
	<u>6,176,839</u>	<u>2,354,134</u>

The Company leases certain office premises initially for a term of 3 years with fixed monthly rental. None of the leases include contingent rentals.

17 Retirement benefit scheme

The Company contributes to the MPF Scheme for all qualifying employees employed under the jurisdiction of the Hong Kong Employment Ordinance. Contributions to the scheme by the Company 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 the income statement represent contributions payable by the Company to the fund. The assets of the MPF Scheme are held separately from those of the Company in an independently administered fund.

HONG KONG REPERTORY THEATRE LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

18 Transactions and balances with related parties

Details of the Company's significant transactions with the following related parties during the year ended 31 March 2025, are as follows:

	2025	2024
	HK\$	HK\$
Companies controlled by a council member/council members:		
Donation and sponsorship income	2,264,000	1,200,000

The council members of the Company are of the opinion that the above transactions were entered into at terms agreed by both parties.

There were no balances with related parties of the Company at the end of the reporting period.