Hong Kong Securities and Investment Institute
香港證券及投資學會

31 March 2025

Directors' Report

The directors submit herewith their annual report together with the consolidated audited financial statements for the year ended 31 March 2025.

Principal place of business

Hong Kong Securities and Investment Institute (the "Institute") is an institute incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 17/F, Cambridge House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

Principal activities and business review

The Institute and its subsidiaries (the "Group") offer those who are interested in pursuing a career within the financial services industry a comprehensive programme of high quality professional training, events and internationally recognised examinations which aim to assist individuals achieve their own professional goals within the industry.

Further discussion and analysis of the principal activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the Business Review section set out in the Annual Report. This discussion forms part of this directors' report.

Directors

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

Mr Liem Chi Kit Kevin *(Chairman)*
Mr Chan Chi Chuen
Mr Chau Shing Yim David
Mr Ho Tin Yau Eric
Mr Lam Jeremy Dinshaw
Ms Leung Helen
Mr Lo Ken Bon
Mr Lui Chi Wang
Mr Tong Piu
Mr Tsui Luen On
Mr Wang Zhongze
Mr Yim Hong Cheuk Foster
Mr Chiu Pat Ngao Steven (Appointed on 18 December 2024)
Mr Ho Shing Hin Jason (Appointed on 18 December 2024)
Mr Footman Michael Henry Charles (Appointed on 18 December 2024)
Mr Chan Chun Hung Vincent (Resigned on 18 December 2024)
Mr Shaftesley Colin Stuart (Resigned on 18 December 2024)
Ms Lee Yim Lan Phyllis (Resigned on 18 December 2024)

Directors (continued)

In addition, the directors of the Institute's subsidiaries during the period from the beginning of the financial year to the date of this report are as follows:

Mr Liem Chi Kit Kevin (Appointed on 18 December 2024)
Miss Kung Hing See Ruth
Ms He Yuan Yuan
Mr Shaftesley Colin Stuart (Resigned on 18 December 2024)

Directors' interests in transactions, arrangements or contracts

No contract of significance to which the Institute, or any of its subsidiaries was a party, and in which a director of the Institute had a material interest, subsisted at the end of the year or at any time during the year.

Auditor

KPMG retired as auditor and PKF Hong Kong Limited was appointed as the auditor of the Institute at annual general meeting.

A resolution to re-appoint the retiring auditor, PKF Hong Kong Limited, is to be proposed at the forthcoming annual general meeting.

By order of the board

Kevin Chi Kit Liem

Hong Kong,
21 October 2025

Independent auditor's report to the members of Hong Kong Securities and Investment Institute

(Incorporated in Hong Kong as a company limited by guarantee)

Opinion

We have audited the consolidated financial statements of Hong Kong Securities and Investment Institute ("the Institute") and its subsidiaries ("the Group") set out on pages 6 to 34, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in general fund and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group 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.

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the directors' report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated financial statements

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit and Risk Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.

Independent auditor’s report to the members of
Hong Kong Securities and Investment Institute (continued)

(Incorporated in Hong Kong as a company limited by guarantee)

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

- 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 Group’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 consolidated 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Risk Committee 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 director on the audit resulting in this independent auditor’s report is Lam Kar Bo (Practising Certificate Number: P05453).

PKF Hong Kong Limited
Certified Public Accountants
Hong Kong

21 October 2025

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2025

(Expressed in Hong Kong dollars)

	Note	*2025*	*2024*
Revenue	4(a)		
Professional examination and development income		$ 51,945,036	$ 51,863,021
Annual fees from members		3,393,432	3,120,511
Entrance fees from members		82,200	91,200
Member event income		389,000	643,140
Sales of study materials		194,700	332,000
		$ 56,004,368	$ 56,049,872
Other income			
Interest income		$ 520,899	$ 663,156
Other income	4(b)	1,883,642	1,958,483
		$ 2,404,541	$ 2,621,639
Expenditure			
Staff costs	5	$ 36,098,124	$ 37,884,784
Professional examination and development expenses		6,595,547	4,901,870
Member event expenses		915,121	1,367,661
Cost of study materials sold		150	8,925
Depreciation	9	5,496,621	5,442,186
Repair and maintenance		4,718,644	3,896,745
Bank charges		1,319,870	1,286,978
Other premises expenses		1,107,662	1,047,917
Interest expenses of lease liabilities		1,067,271	1,188,044
Marketing		1,047,438	1,210,243
Legal and professional fees		436,480	297,664
Short-term operating lease charges on premises		280,227	271,750
Miscellaneous expenses		273,460	296,961
Printing and stationery		216,134	465,726
Communications		164,605	194,350
Travelling and entertainment		138,130	96,776
Loss on disposal of property, plant and equipment	9	1,290	-
		$ 59,876,774	$ 59,858,580

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2025 (continued)

(Expressed in Hong Kong dollars)

	Note	*2025*	*2024*
Deficit before taxation		$ (1,467,865)	$ (1,187,069)
Taxation	8	(109,567)	(40,189)
Deficit for the year	*17(a)*	$ (1,577,432)	$ (1,227,258)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiary		$ (57,703)	$ (299,004)
Other comprehensive loss for the year		(57,703)	(299,004)
Total comprehensive loss for the year		$ (1,635,135)	$ (1,526,262)

The notes on pages 13 to 34 form part of these financial statements.

Consolidated statement of financial position at 31 March 2025

(Expressed in Hong Kong dollars)

	Note	*2025*	*2024*
Non-current assets			
Property, plant and equipment	9	$ 27,608,791	$ 32,487,107
Deposits	11	1,405,169	1,405,169
		$ 29,013,960	$ 33,892,276
Current assets			
Deposits, prepayments and other receivables	11	$ 6,159,041	$ 4,950,379
Time deposits with bank	12	11,369,045	14,025,391
Cash and bank balances	12	18,286,440	14,085,547
		$ 35,814,526	$ 33,061,317
Current liabilities			
Accruals and other payables	13(a)	$ 2,785,483	$ 2,547,490
Contract liabilities and deferred income	13(b)	6,796,119	5,240,934
Amount due to the Government of the Hong Kong Special Administrative Region ("HKSAR Government")	15	4,369,730	3,357,258
Lease liabilities	16	3,613,843	3,152,822
		$ 17,565,175	$ 14,298,504
Net current assets		$ 18,249,351	$ 18,762,813
Total assets less current liabilities		$ 47,263,311	$ 52,655,089
Non-current liabilities			
Contract liabilities and deferred income	13(b)	$ 390,930	$ 503,220
Provisions	14	1,993,000	1,993,000
Lease liabilities	16	20,740,218	24,384,571
		$ 23,124,148	$ 26,880,791
Net assets		$ 24,139,163	$ 25,774,298

Consolidated statement of financial position at 31 March 2025 (continued)

(Expressed in Hong Kong dollars)

	Note	*2025*	*2024*
Representing:			
General fund	17(a)	$ 24,685,256	$ 26,262,688
Exchange reserve	17(b)	(546,093)	(488,390)
		$ 24,139,163	$ 25,774,298

Approved and authorised for issue by the board of directors on 21 October 2025

Mr Liem Chi Kit Kevin	)	Directors
Mr Lui Chi Wang	)	

The notes on pages 13 to 34 form part of these financial statements.

Consolidated statement of changes in general fund for the year ended 31 March 2025

(Expressed in Hong Kong dollars)

	General fund	*Exchange reserve*	*Total equity*
Balance at 1 April 2023	$ 27,489,946	$ (189,386)	$ 27,300,560
Deficit for the year	(1,227,258)	-	(1,227,258)
Other comprehensive loss for the year	-	(299,004)	(299,004)
Balance at 31 March and 1 April 2024	$ 26,262,688	$ (488,390)	$ 25,774,298
Deficit for the year	(1,577,432)	-	(1,577,432)
Other comprehensive loss for the year	-	(57,703)	(57,703)
Balance at 31 March 2025	$ 24,685,256	$ (546,093)	$ 24,139,163

The notes on pages 13 to 34 form part of these financial statements.

Consolidated cash flow statement for the year ended 31 March 2025

(Expressed in Hong Kong dollars)

	Note	*2025*	*2024*
Cash flows from operating activities			
Deficit before taxation		$ (1,467,865)	$ (1,187,069)
Adjustments for:			
Interest income		(520,899)	(663,156)
Interest expenses		1,067,271	1,188,044
Depreciation	9	5,496,621	5,442,186
Loss on disposal of property, plant and equipment	9	1,290	-
Operating cash flow before changes in working capital		$ 4,576,418	$ 4,780,005
Increase in deposits, prepayments and other receivables		(1,208,662)	(226,589)
Increase/(decrease) in accruals and other payables		268,718	(202,791)
Increase in contract liabilities and deferred income		1,442,895	71,225
Increase in restricted cash balances		(996,264)	(1,808,887)
Increase in amount due to HKSAR Government		1,012,472	1,636,017
Cash generated from operations		5,095,577	4,248,980
Tax paid		(140,292)	(10,000)
Net cash generated from operating activities		$ 4,955,285	$ 4,238,980
Investing activities			
Interest received		$ 520,899	$ 663,156
Payment for purchase of property, plant and equipment		(662,711)	(570,189)
Net proceed from/(placement for) time deposits with bank		2,656,346	(574,809)
Net cash generated from/(used in) investing activities		$ 2,514,534	$ (481,842)

Consolidated cash flow statement for the year ended 31 March 2025 (continued)

(Expressed in Hong Kong dollars)

	Note	*2025*	*2024*
Financing activities			
Interest element of lease rentals paid	16	$ (1,067,271)	$ (1,188,044)
Capital element of lease rentals paid	16	(3,140,276)	(2,963,596)
Net cash used in financing activities		$ (4,207,547)	$ (4,151,640)
Net increase/(decrease) in cash and cash equivalents		$ 3,262,272	$ (394,502)
Cash and cash equivalents at beginning of year		10,523,546	11,216,724
Effect of foreign exchange rate changes		(57,643)	(298,676)
Cash and cash equivalents at end of year	12	$ 13,728,175	$ 10,523,546

The notes on pages 13 to 34 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Status and principal activities of the Institute

Hong Kong Securities and Investment Institute (the "Institute") was incorporated on 28 November 1997 under the Hong Kong Companies Ordinance as a company limited by guarantee.

Every member of the Institute has undertaken to contribute such an amount as may be required (not exceeding HK$100) to the Institute's assets if it should be wound up while he is a member or within one year after he ceases to be a member.

The Institute and its subsidiaries (together referred to as the "Group") offer those who are interested in pursuing a career within the financial services industry a comprehensive programme of high quality professional training, events and internationally recognised examinations which aim to assist individuals achieve their own professional goals within the industry.

2 Material accounting policy information

(a) Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued a new and certain revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group and the Institute. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis. These financial statements presented in Hong Kong dollars ("HK$"), unless otherwise stated.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2 Material accounting policy information (continued)

(b) Basis of preparation of the financial statements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns by its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

Investments in subsidiaries are consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and recognised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way recognised gains but only to the extent that there is no evidence of impairment.

In the Institute's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(j)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(d) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases of underlying property, plant and equipment (see note 2(g)), are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Leasehold improvements	Over the term of lease
- Furniture, fixtures and office equipment	5 years
- Computer equipment	3 years
- Right-of-use assets	Over the term of lease

Both the useful life of an asset and its residual value, if any, are reviewed annually.

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

Grants that compensate the Group for the cost of property, plant and equipment are deducted from the carrying amount of property, plant and equipment (see note 2(p)).

2 Material accounting policy information (continued)

(e) Revenue and other income

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 Group and the revenue and costs, if applicable, can be measured reliably. Revenue is recognised in profit or loss when the control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those comments collected on behalf of third parties. Further details of revenue and other income recognition are set as below:

- Subscriptions from members represent entrance fees from new members and annual fees from existing members. Entrance fees from new members are recognised as income when the applicant has been approved as a member of the Institute by the Membership Committee and the fees have been received. Annual fees from existing members are recognised as income by the Institute over the period to which they relate. The unrecognised portion of annual fees is recorded as contract liabilities in the statement of financial position.

- Income from member events, professional development seminars, courses and examinations is recognised when the related event, seminar, course or examination has been held.

- Interest income is recognised as it accrues using the effective interest method.

- Sales of study materials is recognised when study materials are sold to customers which is taken to be the point in time when the customer has accepted the study materials and control transferred.

- Other income is recognised on an accrual basis.

- Contract liabilities is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognized.

(f) Translation of foreign currency transactions

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

2 Material accounting policy information (continued)

(f) Translation of foreign currency transactions (continued)

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(g) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site or which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(d)).

2 Material accounting policy information (continued)

(g) Leased assets (continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In the consolidated statement of financial position, the Group presents right-of-use assets within the same line item as similar underlying assets and presents lease liabilities separately.

(h) Financial assets at amortised cost

Deposits, prepayments and other receivables, cash and bank balances and time deposits are stated at amortised cost using the effective interest method, less allowance for impairment losses, if any, except where the effect of discounting would be immaterial. In such cases, the financial assets at amortised cost are stated at cost less allowance for impairment losses.

The loss allowance is measured at an amount equal to lifetime expected credit loss ("ECL"), which are those losses that are expected to occur over the expected life of the financial assets. The loss allowance is estimated using appropriate proxies, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

ECL is remeasured at each reporting date with any changes recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of the financial assets through a loss allowance account.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor/counterparties does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(i) Intangible assets (other than goodwill)

The Group recognised the development and enhancement of the Advanced Learning Platform ("ALP") Project which is fully funded by a grant from the Securities and Futures Commission ("SFC") as intangible assets. Grants that compensate the Group for the cost of intangible assets are deducted from the carrying amount of intangible assets (see note 2(p)).

2 Material accounting policy information (continued)

(j) Impairment of non-financial assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists and may have decreased:

- intangible assets; and

- investment in a subsidiary.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

  The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

  An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash generating unit to which it belongs, exceed its recoverable amount.

- Reversals of impairment losses

  An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

  A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credit to profit or loss in the year in which the reversals are recognised.

(k) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2 Material accounting policy information (continued)

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECLs in accordance with the accounting policies in note 2(h).

(m) Employee benefit

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost to the Institute 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.

For long service payment ("LSP") obligation, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees. Management estimates the LSP obligations annually.

(n) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Institute 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.

(o) Related parties

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

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or the Group's parent.

2 Material accounting policy information (continued)

(o) Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies

i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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.

(p) Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Government grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Government grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

3 Changes in accounting policies

In the current year, the Group has applied the amendments to HKFRS Accounting Standards as issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Related Amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of the amended HKFRS Accounting Standards in the current year had no material impact on how the results and financial position of the Group for the current and prior years have been prepared and presented.

4 Revenue and other income

(a) Disaggregation of revenue

Revenue from contracts with customers within the scope of HKFRS 15 is analysed as follows:

	2025	*2024*
Disaggregated by the timing of revenue recognition		
Revenue recognised at a point in time	$ 52,611,936	$ 52,929,361
Revenue recognised over time	3,392,432	3,120,511
	$ 56,004,368	$ 56,049,872

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contracts with customers and did not disclose information about the remaining performance obligations under the contracts that had an original expected duration of one year or less.

(b) Other income

	2025	*2024*
Service fee received from Pilot Programme (note 15)	$ 1,800,000	$ 1,800,000
Others	83,642	158,483
	$ 1,883,642	$ 1,958,483

5 Staff costs

	2025	*2024*
Salaries, wages and other benefits	$ 35,084,978	$ 36,884,496
Contributions to provident fund	1,013,146	1,000,288
	$ 36,098,124	$ 37,884,784

6 Auditor's remuneration

	2025	*2024*
Auditor's remuneration	$ 176,500	$ -

Note: The position of the auditor of the Institute was honorary in year 2023/2024 and therefore no auditor's remuneration was paid in prior year.

7 Directors' emoluments

None of the directors received or will receive any fees or emoluments that should be disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation during the year (2024: HK$Nil).

8 Taxation

The Institute is a professional association and not more than half of the receipts by way of subscriptions are from persons who would be entitled to claim their subscriptions as allowable deductions for the purpose of Hong Kong Profits Tax. The Institute is therefore not subject to Hong Kong Profits Tax under section 24(2) of the Hong Kong Inland Revenue Ordinance. Accordingly, no provision for Hong Kong Profits Tax has been made in the financial statements for both years ended 31 March 2025 and 2024.

During the year, corporate income tax expense of HK$109,567 (2024: HK$40,189) was recognised from a subsidiary of the Group in the People's Republic of China.

8 Taxation (continued)

Income tax expense can be reconciled to deficit before income tax as follows:

	2025	*2024*
Deficit before taxation	$ (1,467,865)	$ (1,187,069)
Tax on deficit before taxation, calculated at the rates applicable to profits in the tax jurisdiction concerned	(455,997)	(329,716)
Tax effect of the Institute not subject to Hong Kong Profits Tax	546,833	387,410
Tax effect of non-taxable income	(8)	(18,016)
Tax effect of non-deductible expenses	18,739	511
Taxation	$ 109,567	$ 40,189

9 Property, plant and equipment

	Leasehold improvements	*Furniture, fixtures and office equipment*	*Computer equipment*	*Right-of-use assets*	*Total*
Cost:					
At 1 April	$ 5,444,316	$ 2,391,791	$ 3,148,610	$ 34,766,927	$ 45,751,644
Additions	-	24,328	638,383	-	662,711
Modification of lease	-	-	-	(43,056)	(43,056)
Disposal	-	-	(25,789)	-	(25,789)
Exchange adjustments	-	-	(326)	-	(326)
At 31 March 2025	$ 5,444,316	$ 2,416,119	$ 3,760,878	$ 34,723,871	$ 46,345,184
Accumulated depreciation:					
At 1 April	$ 1,188,380	$ 1,218,152	$ 2,359,344	$ 8,498,661	$ 13,264,537
Charge for the year	622,966	349,233	611,702	3,912,720	5,496,621
Write-off	-	-	(24,499)	-	(24,499)
Exchange adjustments	-	-	(266)	-	(266)
At 31 March 2025	$ 1,811,346	$ 1,567,385	$ 2,946,281	$ 12,411,381	$ 18,736,393

9 Property, plant and equipment (continued)

	Leasehold improvements	*Furniture, fixtures and office equipment*	*Computer equipment*	*Right-of-use assets*	*Total*
Cost:					
At 1 April	$ 5,444,316	$ 2,342,058	$ 2,630,283	$ 53,521,066	$ 63,937,723
Additions	-	50,212	519,977	-	570,189
Disposals	-	-	-	(18,754,139)	(18,754,139)
Exchange adjustments	-	(479)	(1,650)	-	(2,129)
At 31 March 2024	$ 5,444,316	$ 2,391,791	$ 3,148,610	$ 34,766,927	$ 45,751,644
Accumulated depreciation:					
At 1 April	$ 564,414	$ 796,261	$ 1,881,123	$ 23,336,493	$ 26,578,291
Charge for the year	623,966	422,297	479,616	3,916,307	5,442,186
Written back on disposals	-	-	-	(18,754,139)	(18,754,139)
Exchange adjustments	-	(406)	(1,395)	-	(1,801)
At 31 March 2024	$ 1,188,380	$ 1,218,152	$ 2,359,344	$ 8,498,661	$ 13,264,537
Net book value:					
At 31 March 2025	$ 3,632,970	$ 848,734	$ 814,597	$ 22,312,490	$ 27,608,791
At 31 March 2024	$ 4,255,936	$ 1,173,639	$ 789,266	$ 26,268,266	$ 32,487,107

The ALP enables the Group to provide a one-stop service and personalised on-line portal to its members and financial services industry practitioners. It also enables the Group to offer learning management services and develop technology-based learning solutions in addition to the classroom-based trainings that are currently provided. The directly attributable costs of the infrastructure enhancement to launch the ALP Project of HK$2,310,210 (2024: HK$2,310,210) are capitalised as property, plant and equipment. The costs have been fully funded by a grant from the SFC which is subject to a repayment clause (see note 21).

10 Intangible assets

The costs of development and enhancement of the ALP Project of HK$11,836,756 (2024: HK$11,836,756) are capitalised as intangible assets. The costs have been fully funded by the grant from the SFC which is subject to a repayment clause (see note 21). As at 31 March 2025 and 2024, the balance is fully amortised and the respective carrying amount is HK$Nil.

11 Deposits, prepayments and other receivables

The rental deposit of HK$1,405,169 (2024: HK$1,405,169) is expected to be recovered after one year. All of the other deposits, prepayments and other receivables are unsecured, interest-free and expected to be recovered or expensed in profit or loss within one year. As at 31 March 2025, an amount of HK$20,198 (2024: HK$26,105) other receivables and prepayment were recorded in relation to the Pilot Programme (see note 15).

12 Cash and bank balances

	2025	*2024*
Deposits with banks	$ 29,641,947	$ 28,090,752
Cash in hand	$ 13,538	$ 20,186
Total cash and bank balances	$ 29,655,485	$ 28,110,938
Less: Time deposits with bank	(11,369,045)	(14,025,391)
Cash and bank balances in the consolidated statement of financial position	$ 18,286,440	$ 14,085,547

As at 31 March 2025, an amount of HK$4,558,265 (2024: HK$3,562,001) cash and bank balances was held by the Group on behalf of the HKSAR Government for the restrictive use for the Pilot Programme. Details of the Pilot Programme are set out in note 15.

Analysis of the balances of cash and cash equivalents:

	2025	*2024*
Cash and bank balances	$ 18,286,440	$ 14,085,547
Less: Restricted cash balances	(4,558,265)	(3,562,001)
Total cash and cash equivalents in the consolidated cash flow statement	$ 13,728,175	$ 10,523,546

13 Accruals and other payables, contract liabilities and deferred income

(a) Accruals and other payables

All of the accruals and other payables are unsecured, interest-free and are expected to be settled within one year.

As at 31 March 2025, an amount of HK$208,733 (2024: HK$230,848) accruals and other payables was recorded in relation to the Pilot Programme.

(b) Contract liabilities and deferred income

Contract liabilities included receipts of examination fees, professional development seminar and course fees, and annual fees from members of HK$6,774,094 (2024: HK$5,218,909), which are not yet utilised or earned as income as at the end of the reporting period and are expected to be utilised or earned as income within one year, contract liabilities classified as non-current liabilities of HK$390,930 (2024: HK$503,220) are expected to be recognised as income after one year.

Contract liabilities outstanding at the beginning of the year of HK$5,218,909 (2024: HK$5,322,209) have been recognised as revenue during the year.

Deferred income consists of the SFC grant for the ALP Project of HK$22,025 (2024: HK$22,025),

14 Provisions

	2025	2024
Provision for re-instatement cost of office premise	$ 1,993,000	$ 1,993,000

Under the tenancy agreement of the Group's office premises, the Group has a contractual obligation to hand back the premise in its original condition. Therefore, the Group applies the "liability approach" and recognises a provision for these reinstatement cost over the period of the lease, based on the best estimate of the expected reinstatement cost in respect of the modifications made to the office premise. The amount of the provision takes into account the Group's recent reinstatement costs incurred for the old office premise. The expected timing of utilising the provision is when the Group terminates the tenancy agreement, which is not expected to happen until the tenancy agreement expires.

15 Amount due to the Government of the Hong Kong Special Administrative Region

The Group acted as an agent for the HKSAR Government to plan and implement the Pilot Programme to Enhance Talent Training for the Asset and Wealth Management Sector (the "Pilot Programme") and follow any directions given by the HKSAR Government in relation to the provision of the services.

The following table shows the movement of working funds received from the HKSAR Government.

	2025	2024
At the beginning of the financial year	$ 3,357,258	$ 1,721,241
Add: Working funds received from the HKSAR Government	8,533,000	7,800,000
Add: Interest received from bank account	31,111	38,511
Less: Utilised to compensate expenses incurred by the Group on behalf of the HKSAR Government	(7,551,639)	(6,202,494)
At the end of the financial year	$ 4,369,730	$ 3,357,258

16 Lease liabilities

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods:

	2025		*2024*	
	Present value of the lease payments	*Total lease payments*	*Present value of the lease payments*	*Total lease payments*
Within 1 year	$ 3,613,843	$ 4,551,840	$ 3,152,822	$ 4,219,300
After 1 year but within 2 years	$ 3,766,587	$ 4,551,840	$ 3,628,087	$ 4,557,600
After 2 years but within 5 years	12,989,060	14,335,820	12,167,244	14,025,500
After 5 years	3,984,571	4,060,200	8,589,240	8,932,440
	$ 20,740,218	$ 22,947,860	$ 24,384,571	$ 27,515,540
	$ 24,354,061	$ 27,499,700	$ 27,537,393	$ 31,734,840
Less: total future interest expenses		$ 3,145,639		$ 4,197,447
Present value of lease liabilities		$ 24,354,061		$ 27,537,393

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities.

	Lease liabilities	
	2025	*2024*
At beginning of the year	$ 27,537,393	$ 30,500,989
Changes from financing cash flows:		
Capital element of lease rentals paid	(3,140,276)	(2,963,596)
Interest element of lease rentals paid	(1,067,271)	(1,188,044)
Total changes from financing cash flows	$ (4,207,547)	$ (4,151,640)
Other changes:		
Interest expenses	$ 1,067,271	$ 1,188,044
Modification of lease liabilities	(43,056)	-
Total other changes	$ 1,024,215	$ 1,188,044
At end of the year	$ 24,354,061	$ 27,537,393

17 General fund and exchange reserve

(a) General fund

	The Group		*The Institute*	
	2025	*2024*	*2025*	*2024*
General fund at beginning of the year	$ 26,262,688	$ 27,489,946	$ 19,893,452	$ 22,241,390
Deficit for the year	(1,577,432)	(1,227,258)	(3,314,144)	(2,347,938)
General fund at end of the year	$ 24,685,256	$ 26,262,688	$ 16,579,308	$ 19,893,452

The SFC provided funding of HK$2 million, HK$3 million and HK$10 million to the Institute in the years ended 31 March 2000, 31 March 1999 and 31 March 1998 respectively. As at 31 March 2025, the total funding from the SFC amounted to HK$15 million (2024: HK$15 million). This funding is non-refundable, non-interest bearing, and repayable only in the event that the Institute is wound up.

Deficits are transferred to or from the statement of profit or loss and other comprehensive income in accordance with the memorandum and articles of association and shall be applied solely towards the promotion of the objects of the Institute as set forth in the memorandum and articles of association.

(b) Exchange reserve

	2025	*2024*
Exchange reserve at beginning of the year	$ (488,390)	$ (189,386)
Exchange difference on translation of financial statements of overseas subsidiary	(57,703)	(299,004)
Exchange reserve at end of the year	$ (546,093)	$ (488,390)

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2(f).

18 Investments in subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

		Percentage of ownership interest			
Name of company	*Place of incorporation*	*Group's effective interest*	*Held by the Company*	*Held by a subsidiary*	*Principal activity*
Hong Kong Securities Institute (China) Limited	Hong Kong	100%	100%	-	Investment holding
深圳匯柏信息咨詢有限公司	People's Republic of China	100%	-	100%	Provision of consultancy services

19 Financial risk management and fair values

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's and the Institute's business. The Group's and the Institute's exposure to these risks and the financial risk management policies and practices used by the Group and the Institute to manage these risks are described below.

(a) Credit risk

The Group and the Institute do not hold any significant financial assets other than cash and cash equivalents and time deposits with banks. Cash and cash equivalents and time deposits held by the Group and the Institute are deposited with reputable financial institutions.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

19 Financial risk management and fair values (continued)

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions and/or from the subsidiaries to meet its liquidity requirements in the short and longer term.

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	Contractual undiscounted cash outflow					
	Within 1 year or on demand	*More than 1 year but less than 2 years*	*More than 2 years but less than 5 years*	*More than 5 years*	*Total*	*Carrying amount at 31 March*
2025						
Accruals and other payables	$ 2,785,483	$ -	$ -	$ -	$ 2,785,483	$ 2,785,483
Amount due to the HKSAR Government	4,369,730	-	-	-	4,369,730	4,369,730
Lease liabilities	4,551,840	4,551,840	14,335,820	4,060,200	27,499,700	24,354,061
	$ 11,707,053	$ 4,551,840	$ 14,335,820	$ 4,060,200	$ 34,654,913	$ 31,507,274
2024						
Accruals and other payables	$ 2,547,490	$ -	$ -	$ -	$ 2,547,490	$ 2,547,490
Amount due to the HKSAR Government	3,357,258	-	-	-	3,357,258	3,357,258
Lease liabilities	4,219,300	4,557,600	14,025,500	8,932,440	31,734,840	27,537,393
	$ 10,124,048	$ 4,557,600	$ 14,025,500	$ 8,932,440	$ 37,639,588	$ 33,442,141

The expected contractual cash flows, on an undiscounted basis, on those financial liabilities except lease liabilities are similar to their respective carrying value at the reporting date.

(c) Interest rate risk

The Group's and the Institute's interest-bearing assets mainly comprise cash at bank, which matures, or reprices in the short term and time deposits with banks. As a result, the Group and the Institute are subject to limited exposure to fluctuations in the prevailing level of market interest rates.

At 31 March 2025, it is estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, would improve the Group's and the Institute's deficit and general fund by approximately of HK$296,555 and HK$220,559 respectively (2024: HK$281,109 and HK$230,546) so far as the effect on interest-bearing financial assets is concerned.

19 Financial risk management and fair values (continued)

(d) Currency risk

The Group and the Institute are exposed to currency risk primarily arising from transactions that are denominated in Renminbi ("RMB"). In respect of transactions denominated in RMB, the Group monitors its exposure on a regular basis.

(i) Exposure to currency risk

The following table details the Group's exposure at the reporting date to currency risk arising from recognised assets or liabilities denominated in a currency other than the Institute's functional currency.

	2025	*2024*
Hong Kong dollar equivalent:		
Cash and cash equivalents in Renminbi	$ 7,590,682	$ 5,046,772
Net exposure in Renminbi	$ 7,590,682	$ 5,046,772

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's deficit for the year and general fund in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the reporting date. Other components of equity would not be affected by changes in the foreign exchange rates.

	2025		*2024*	
	Appreciation/ (depreciation) in foreign currency	*Effect on deficit for the year and general fund*	*Appreciation/ (depreciation) in foreign currency*	*Effect on deficit for the year and general fund*
Renminbi	10%	+/- $ 759,068	10%	+/- $ 504,677

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to the Group's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of next reporting period. The analysis is performed on the same basis for 2024.

(e) Fair value

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2025 and 2024.

20 Commitments

Total future minimum lease payments under non-cancellable short-term operating leases were payable as follows:

		2025		*2024*
Within 1 year	$	102,836	$	103,577

21 Contingent liability

A part of the grants received by the Institute from the SFC is subject to a repayment clause. The Institute is required to repay of HK$5 million or the total grant received, whichever is lower, to the SFC in any given year upon the Institute's attainment of a reserve (i.e. the General Fund of the Institute) amounting to the higher of (a) HK$50 million or (b) two years of operating expenses, as reflected in the Institute's annual accounts. Based on a 5 year forecast regarding the financial performance of the Institute, the management do not believe it probable that the Institute will attain the level of reserve that will trigger the repayment clause in the foreseeable future. No provision has therefore been made in respect of the repayment.

22 Material related party transactions

Apart from the balances disclosed elsewhere in these financial statements, the Institute received annual membership fees of HK$27,200 (2024: HK$13,665) from the directors of the Institute during the year.

23 Institute-level statement of financial position at 31 March 2025

		2025	*2024*
Non-current assets			
Property, plant and equipment		$ 27,600,847	$ 32,482,643
Deposits		1,405,169	1,405,169
Investment in a subsidiary	18	100	100
		$ 29,006,116	$ 33,887,912
Current assets			
Deposits, prepayments and other receivables		$ 6,071,012	$ 3,905,818
Amount due from a subsidiary		135,605	112,509
Time deposits with bank		11,369,045	14,025,391
Cash and bank balances		10,686,853	9,029,188
		$ 28,262,515	$ 27,072,906
Current liabilities			
Accruals and other payables		$ 2,785,483	$ 2,435,561
Contract liabilities and deferred income		6,796,119	5,240,934
Amount due to HKSAR Government		4,369,730	3,357,258
Lease liabilities		3,613,843	3,152,822
		$ 17,565,175	$ 14,186,575
Net current assets		$ 10,697,340	$ 12,886,331
Total assets less current liabilities		$ 39,703,456	$ 46,774,243
Non-current liabilities			
Contract liabilities and deferred income		$ 390,930	$ 503,220
Provisions		1,993,000	1,993,000
Lease liabilities		20,740,218	24,384,571
		$ 23,124,148	$ 26,880,791
Net assets		$ 16,579,308	$ 19,893,452
General fund	17(a)	$ 16,579,308	$ 19,893,452

Approved and authorised for issue by the board of directors on 21 October 2025

Mr Liem Chi Kit Kevin	)	Directors
Mr Lui Chi Wang	)	

24 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and interpretations which are not yet effective for the year ended 31 March 2025 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

Amendments to HKAS 21	*Lack of Exchangeability*[1]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and measurement of Financial Instruments*[2]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to HKFRS Accounting Standards	*Annual Improvements to HKFRS Accounting Standards – Volume 11*[2]
HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to Hong Kong Interpretation 5	*Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*[3]

[1] *Effective for annual periods beginning on or after 1 January 2025*

[2] *Effective for annual periods beginning on or after 1 January 2026*

[3] *Effective for annual periods beginning on or after 1 January 2027*

[4] *No mandatory effective date yet determined but available for adoption*

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have significant impact on the Group's financial statements.