

CHILDREN'S MEDICAL FOUNDATION LIMITED
兒童醫健基金會有限公司

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

CHILDREN'S MEDICAL FOUNDATION LIMITED
兒童醫健基金會有限公司

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FOR THE YEAR ENDED 31 DECEMBER 2023

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CHILDREN'S MEDICAL FOUNDATION LIMITED
兒童醫健基金會有限公司

REPORT OF THE DIRECTORS

The directors of Children's Medical Foundation Limited (the "Company") present their report together with the audited financial statements for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are to promote the education, development, and implementation of sustainable healthcare solutions for children in Asia, with a focus on supporting underprivileged children.

DIRECTORS

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

Chen Chou Mei Mei Vivien

Hsu Tony Dan

Moi Melissa Ker-Zia

Ng Kim Guan

Terrance Joseph Philips

Tung Chee Chen

Ho Kenneth Kent

Sarina Mahasiri

(alternate Chen Chou Mei Mei Vivien)

Chiu Lai Ling Shirley

(alternate NG Kim Guan, resigned on 17 February 2023)

MANAGEMENT CONTRACTS

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

PERMITTED INDEMNITY PROVISION

During the year and up to the date of this report of the directors, the permitted indemnity provision as defined in section 469 of the Hong Kong Companies Ordinance for the benefit of the directors of the Company were in force.

AUDITOR

The financial statements have been audited by Global Vision CPA Limited, who retire and being eligible, offer themselves for re-appointment.

On behalf of the Board



Tung Chee Chen

Director

Date: 30 SEP 2024

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF CHILDREN'S MEDICAL FOUNDATION LIMITED**
兒童醫健基金會有限公司
(incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Children's Medical Foundation Limited (the "Company") set out on pages 5 to 13, which comprise the statement of financial position as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard 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 Matter

The financial statements of the Company for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 10 June 2023.

Other Information

The directors are responsible for the other information. The other information comprises the information included in this annual report, 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.



GLOBAL VISION

— CPA LIMITED —

GLOBAL VISION CPA LIMITED
宏遠會計師事務所有限公司
Certified Public Accountants(Practising)

Room 913, 9/F., Chinachem Golden Plaza,
No. 77 Mody Road, Tsim Sha Tsui,
Kowloon, Hong Kong

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBER OF CHILDREN'S MEDICAL FOUNDATION LIMITED
兒童醫健基金會有限公司
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Other Information (Continued)

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

Responsibilities of the Directors for the Financial Statements

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

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

The directors 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, 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

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



GLOBAL VISION

CPA LIMITED

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Room 913, 9/F., Chinachem Golden Plaza,
No. 77 Mody Road, Tsim Sha Tsui,
Kowloon, Hong Kong

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBER OF CHILDREN'S MEDICAL FOUNDATION LIMITED**

兒童醫健基金會有限公司

(incorporated in Hong Kong and limited by guarantee)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the director 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.

Global Vision CPA Limited

Global Vision CPA Limited
Certified Public Accountants
Woo Yuen Fai
Practising Certificate Number: P06337
Hong Kong
Date: **30 SEP 2024**

CHILDREN'S MEDICAL FOUNDATION LIMITED
兒童醫健基金會有限公司

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 HK\$	2022 HK\$
Income			
Donations	4	7,060,067	4,186,642
Other income	4	201,856	40,477
Loss on equity investments		<u>-</u>	<u>(118,795)</u>
		<u>7,261,923</u>	<u>4,108,324</u>
Less: Expenditure			
Administrative expenditure	5	584,767	838,064
Charitable expenditure	6	8,383,820	3,858,119
Fundraisings activities expenditure	7	1,003,264	691,130
Publicity expenditure	8	<u>122,750</u>	<u>80,798</u>
		<u>10,094,601</u>	<u>5,468,111</u>
(Deficit)/surplus for the year		<u><u>(2,832,678)</u></u>	<u><u>1,359,787</u></u>

The accompanying notes form an integral part of these financial statements.

CHILDREN'S MEDICAL FOUNDATION LIMITED
兒童醫健基金會有限公司

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023 HK\$	2022 HK\$
NON-CURRENT ASSETS			
Property, plant equipment	11	5,448	12,748
Long-term investments	12	<u>402,883</u>	<u>402,883</u>
		<u>408,331</u>	<u>415,631</u>
CURRENT ASSETS			
Prepayments and other receivables	13	104,212	99,449
Cash and bank balances		<u>4,284,924</u>	<u>7,115,554</u>
		<u>4,389,136</u>	<u>7,215,003</u>
CURRENT LIABILITIES			
Accruals and other payables		<u>18,511</u>	<u>19,000</u>
NET CURRENT ASSETS		<u>4,370,625</u>	<u>7,196,003</u>
NET ASSETS		<u>4,778,956</u>	<u>7,611,634</u>
GENERAL FUND	14	<u>4,778,956</u>	<u>7,611,634</u>

Approved and authorized for issue by the Board of Directors.

Tung Chee Chen
 Director

Terrance Joseph Philips
 Director

The accompanying notes form an integral part of these financial statements.

CHILDREN'S MEDICAL FOUNDATION LIMITED
兒童醫健基金會有限公司

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. REPORTING ENTITY

Children's Medical Foundation Limited (the "Company") is a company incorporated in Hong Kong and limited by guarantee. The Company's registered office and principal place of business are located at Suite 402, Hua Qin International Building, 340 Queen's Road Central, Sheung Wan, Hong Kong.

The Company is an approved charitable institution that has obtained an exemption from Hong Kong Profits Tax. The principal activities of the Company are to promote the education, development, and implementation of sustainable healthcare solutions for children in Asia, with a focus on supporting underprivileged children.

Under the provision of the Company's Articles of Association, every member shall, in the event of the Company being wound up, contribute such amounts as may be required to meet the liabilities of the Company, but not exceeding the sum of HK\$10 each.

The financial statements are presented in Hong Kong dollar ("HK\$"), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

(a) Statement of compliance

The Company qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Companies Ordinance and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants. These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern. The measurement base adopted is the historical cost convention.

(b) Transition to SME-FRS

In previous reporting periods, the Company prepared its financial statements in accordance with the Hong Kong Financial Reporting Standard for Private Entities. This is the first time the Company has adopted the SME-FRS. The changeover to the SME-FRS in the current period resulted in the cancellation of the cash flow statement and the simplification of the presentation of other statements and disclosures.

The equity investments previously stated at fair value as of 31 December 2022 were considered their deemed cost as of 1 January 2023 upon adoption of SME-FRS. As a result, there were no changes in the Company's net assets as of 1 January 2023.

CHILDREN'S MEDICAL FOUNDATION LIMITED
兒童醫健基金會有限公司

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. ACCOUNTING POLICIES

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

(a) Revenue

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

- i. Donations are recognised when the right to received payment is established;
- ii. Interest income is recognized on a time proportion basis taking into account the principal outstanding and the interest applicable.
- iii. Dividend income is recognised when the shareholder's right to receive payment is established.
- iv. Grants and subventions from the government are recognized when there is reasonable assurance that they will be received and that the Company will comply with all attached conditions.
- v. Gifts-in-kind represent medical training, and other contributions to program activities received from the hospitals and institutions for Company programs, are recorded in the period in which the gifts-in-kind are received and calculated based on fair values.

(b) Foreign currency transactions

The reporting currency of the Company as well as the presentation currency of these financial statements are Hong Kong dollar. Foreign currency transactions are translated into the reporting currency at the approximate rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the approximate rates of exchange ruling at that date. Exchange differences arising on the settlement of monetary items or on translation of foreign currency monetary assets and liabilities are recognised as income or expenses.

(c) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is not provided.

(d) Impairment of non-financial assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment, including equipment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement.

CHILDREN'S MEDICAL FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment

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

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

Leasehold improvement	20%
Office equipment	20%
Furniture and fixtures	20%
Computers	20%

(f) Long-term investments

Long-term investments are stated at cost less accumulated impairment losses, if any.

(a) Other receivables

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

4. REVENUE AND OTHER INCOME

Donations are received for the general support of the Company's principal activities.

An analysis of the Company's revenue and other income are as follows:

	2023	2022
	HKS	HKS
Revenue		
Donations-cash	4,393,639	4,186,462
Gifts-in-kind	<u>2,666,428</u>	<u>-</u>
	<u>7,060,067</u>	<u>4,186,462</u>
Other income		
Bank interest income	178,325	14,157
Dividend income	4,263	4,720
Exchange gains, net	19,268	-
Government subsidies	<u>-</u>	<u>21,600</u>
	<u>201,856</u>	<u>40,477</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. ADMINISTRATION EXPENDITURE

	2023	2022
	HK\$	HK\$
Audit fee	15,000	19,000
Bank charges	7,778	3,638
Consultancy fees	12,438	-
Depreciation	7,300	9,420
Employee benefits	2,757	-
Exchange losses, net	-	33,550
Mandatory Provident Fund	5,535	4,611
Legal and professional fees	573	67,527
Maintenance fees	3,450	-
Meals	4,695	6,675
Insurance	11,223	10,140
Overhead expenses	5,295	1,446
Recruitment expenses	1,257	97,500
Rental expenses	286,000	312,000
Salaries and wages	190,909	262,177
Sundry expenses	18,973	2,976
Travelling and transportation	301	216
Utilities	11,283	7,188
	<u>584,767</u>	<u>838,064</u>

6. CHARITABLE EXPENDITURE

	2023	2022
	HK\$	HK\$
Preparation	448,291	340,055
Training and implementation	1,958,548	907,233
Equipment and support	1,823,179	1,961,566
Impact evaluation	458,828	218,979
Program administration	105,117	108,206
Program consultancy fee	161,884	-
Program strategy development	589,201	322,080
Social impact fellowship	4,464	-
Medical conference	167,880	-
Gifts-in-kind	2,666,428	-
	<u>8,383,820</u>	<u>3,858,119</u>

CHILDREN'S MEDICAL FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7. FUNDRAISING ACTIVITIES EXPENDITURE

	2023	2022
	HK\$	HK\$
Mandatory Provident Fund	16,606	17,262
Salaries and wages	572,729	516,315
Consultancy fees	37,313	-
Event and program expenses	360,732	153,213
Overhead expenses	15,884	4,340
	<u>1,003,264</u>	<u>691,130</u>

8. PUBLICITY EXPENDITURE

	2023	2022
	HK\$	HK\$
Mandatory Provident Fund	2,768	2,158
Salaries and wages	95,455	64,539
Consultancy fees	6,218	-
Marketing and publicity expenses	15,662	13,378
Overhead expenses	2,647	723
	<u>122,750</u>	<u>80,798</u>

9. STAFF COSTS

None of the directors received or will receive any fees or compensation for their services to the Company during the year (2022: None). Details of other staff costs, included within the various functional expense categories, are as follows:

	2023	2022
	HK\$	HK\$
Salaries and wages	2,709,411	2,254,152
Mandatory Provident Fund	55,353	32,099
	<u>2,764,764</u>	<u>2,286,251</u>

CHILDREN'S MEDICAL FOUNDATION LIMITED
兒童醫健基金會有限公司

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10. INCOME TAX EXPENSE

The Company is an approved charitable institution that has obtained an exemption from Hong Kong Profits Tax.

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement HK\$	Furniture & fixtures HK\$	Office equipment HK\$	Computers HK\$	Total HK\$
Cost					
At 1 January 2023 and 31 December 2023	16,195	23,545	25,318	123,878	188,936
Accumulated depreciation					
At 1 January 2023	16,195	23,545	25,318	111,130	176,188
Provided for the year	-	-	-	7,300	7,300
At 31 December 2023	16,195	23,545	25,318	118,430	183,488
Net carrying amount					
At 31 December 2023	-	-	-	5,448	5,448
At 31 December 2022	-	-	-	12,748	12,748

12. LONG-TERM INVESTMENTS

	2023 HK\$	2022 HK\$
Equity securities listed outside Hong Kong, at cost	402,883	402,883

The market value of listed equity securities as at 31 December 2023 was HK\$512,110 (2022: HK\$402,883). The equity investments previously stated at fair value as of 31 December 2022 were considered their deemed cost as of 1 January 2023 upon adoption of SME-FRS.

13. PREPAYMENTS AND OTHER RECEIVABLES

	2023 HK\$	2022 HK\$
Prepayments	31,702	28,757
Utility deposits	67,371	67,371
Other receivables	5,139	3,321
	104,212	99,449

CHILDREN'S MEDICAL FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

14. CHANGES IN GENERAL FUND

	General fund HK\$
At 1 January 2023	7,611,634
Deficit for the year	<u>(2,832,678)</u>
At 31 December 2023	<u><u>4,778,956</u></u>

15. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Company had the following future minimum commitments under non-cancellable operating leases:

	2023 HK\$	2022 HK\$
Within one year	323,223	286,000
Within two to five years	<u>-</u>	<u>-</u>
	<u><u>323,223</u></u>	<u><u>286,000</u></u>

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to align with the current year's presentation of the financial statements. However, this reclassification has had no impact on the reported results or financial position of the Company.

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Board of Directors on **30 SEP 2024**