

CHILDREN CHIROPRACTIC FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2022



蔡羅會計師事務所

CHOI, LO & CO.

Certified Public Accountants

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**CHILDREN CHIROPRACTIC FOUNDATION LIMITED
(LIMITED BY GUARANTEE)
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

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**CHILDREN CHIROPRACTIC FOUNDATION LIMITED
(LIMITED BY GUARANTEE)
EXECUTIVE COMMITTEE'S REPORT**

The Executive Committee has pleasure in presenting its annual report together with the audited financial statements of Children Chiropractic Foundation Limited for the year ended 31st March 2022.

PRINCIPAL PLACE OF BUSINESS

Children Chiropractic Foundation Limited (the Association) is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at G/F, 24-26 Kai Tak Road, Kowloon City, Kowloon, Hong Kong.

PRINCIPAL ACTIVITY

The principal activities of the Association are organise and prepare a diversity of educational programs and social services for the promotion, improvement and advancement of the interest of the public in Hong Kong and elsewhere in children's spinal health.

PROFIT AND LOSS

	HK\$
Surplus brought forward	7,592,355.37
Surplus for the year	3,023,862.57
Surplus carried forward	<u>10,616,217.94</u>

EXECUTIVE COMMITTEE MEMBERS

The executive committee members of the Association during the year were as follows:-

Yeung Kwok Keung Dennis	
Hung Wai Shing	(Resigned on 19th September 2022)
Yeung Wing Kee	
Wan Man Ho	
So Ka Man Carman	
Chow Hak Shun Steven	(Resigned on 19th September 2022)
Chau Win Chee Wendy	(Resigned on 19th September 2022)
Lo Suk Yu	
Ho Chung Ho	(Appointed on 19th September 2022)
Tang Chi Wai	(Appointed on 19th September 2022)

In accordance with the Association's Articles of Association, all the executive committee members shall retire and, being eligible, offer themselves for re-election.

Other

There are no other disclosures required under the Companies Ordinance.

**CHILDREN CHIROPRACTIC FOUNDATION LIMITED
(LIMITED BY GUARANTEE)
EXECUTIVE COMMITTEE'S REPORT**

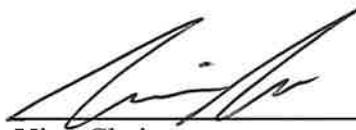
AUDITORS

The accounts have been audited by Messrs. Choi, Lo & Co. Certified Accountants (Practising), who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Executive Committee



Chairman
Yeung Kwok Keung Dennis
Hong Kong, 6th January 2023



Vice-Chairman
Wan Man Ho
Hong Kong, 6th January 2023



Treasurer
Lo Suk Yu
Hong Kong, 6th January 2023



CHOI, LO & CO.

Certified Public Accountants (Practising)

蔡羅會計師事務所

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INDEPENDENT AUDITORS' REPORT TO MEMBERS OF CHILDREN CHIROPRACTIC FOUNDATION LIMITED

(incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Children Chiropractic Foundation Limited ("the Association") set out on pages 6 to 11, which comprise the statement of financial position as at 31st March 2022, and statement of comprehensive income 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 Association 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 Hong Kong Companies Ordinance.

Basis of opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to PN 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 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 executive committee members are responsible for the other information. The other information comprises the executive committee member's 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.

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 AUDITORS' REPORT TO MEMBERS OF CHILDREN CHIROPRACTIC FOUNDATION LIMITED

(incorporated in Hong Kong and limited by guarantee)

Executive Committee Members' Responsibilities for the Audit of the Financial Statements

The executive committee members are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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. We report our opinion 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 HKSA's 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 HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

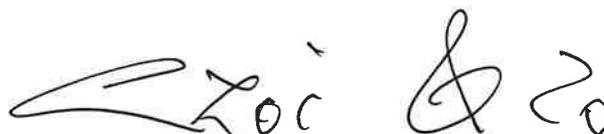
**INDEPENDENT AUDITORS' REPORT
TO MEMBERS OF CHILDREN CHIROPRACTIC FOUNDATION LIMITED**

(incorporated in Hong Kong and limited by guarantee)

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

- 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 executive committee members 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.



CHOI, LO & CO.
Certified Public Accountants (Practising)
Room 1002, 10/F., Tai Yau Building,
181 Johnston Road, Wanchai, Hong Kong
Hong Kong, 6th January 2023

**CHILDREN CHIROPRACTIC FOUNDATION LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2022**

	NOTE	2022 HK\$	2021 HK\$
Donations received	1(c)	3,026,776.74	1,677,918.78
Other income		8,889,639.46	6,013,829.18
Staff costs		(3,744,572.96)	(3,251,059.42)
Other operating expenses		(5,135,985.66)	(3,935,569.36)
Surplus from operations		<u>3,035,857.58</u>	<u>505,119.18</u>
Finance cost		(11,995.01)	(6,042.72)
Surplus before taxation		<u>3,023,862.57</u>	<u>499,076.46</u>
Taxation	4	-	-
Surplus for the year		<u><u>3,023,862.57</u></u>	<u><u>499,076.46</u></u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

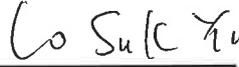
CHILDREN CHIROPRACTIC FOUNDATION LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31ST MARCH 2022

	NOTE	2022 HK\$	2021 HK\$
NON CURRENT ASSETS			
Fixed assets	7	273,652.59	31,844.23
CURRENT ASSETS			
Cash and cash equivalents		8,715,696.57	7,096,832.56
Investment	8	1,488,825.00	693,266.09
Deposit		428,340.00	276,740.00
Prepayment		220,360.00	141,600.00
		<u>10,853,221.57</u>	<u>8,208,438.65</u>
CURRENT LIABILITIES			
Accrual		5,200.00	16,915.00
Bank overdraft		-	193,453.24
Receipt in advance		505,456.22	437,559.27
		<u>510,656.22</u>	<u>647,927.51</u>
NET CURRENT ASSETS		<u>10,342,565.35</u>	<u>7,560,511.14</u>
NET ASSETS		<u>10,616,217.94</u>	<u>7,592,355.37</u>
REPRESENTING:-			
FOUNDATION FUND			
		-	-
ACCUMULATED FUND - SURPLUS		10,616,217.94	7,592,355.37
		<u>10,616,217.94</u>	<u>7,592,355.37</u>

Approved by the Executive Committee on 6th January 2023.


 Chairman
 Yeung Kwok Keung Dennis


 Vice-Chairman
 Wan Man Ho


 Treasurer
 Lo Suk Yu

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

CHILDREN CHIROPRACTIC FOUNDATION LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS

REPORTING ENTITY

Children Chiropractic Foundation Limited ("the Association") is a company incorporated in Hong Kong limited by guarantee and not having a share capital. The liability of the members is limited to HK\$10 per member in the event of the company being wound up, whilst they remain a member, or within one year after they cease to be a member. The Association's registered office is located at G/F, 24-26 Kai Tak Road, Kowloon City, Kowloon, Hong Kong.

The principal activities of the Association are promoting better relationship and the spirit of mutual assistance among members of the Association.

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

- (a) The Association qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Chapter 622) 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 Association is a going concern.

The measurement base adopted is the historical cost convention.

- (b) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short-term fixed deposits.

- (c) Donations and recognition of income

Donations and income are recognised when they are received.

2. SIGNIFICANT ACCOUNTING POLICIES

- (a) Depreciation

Depreciation on fixed assets is provided on a straight line basis over their anticipated useful lives as follows:-

Furniture and fixtures	5 years
Computer equipment	3-1/3 years
Leasehold improvement	3 years

CHILDREN CHIROPRACTIC FOUNDATION LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS

3. EXECUTIVE COMMITTEE MEMBERS' EMOLUMENTS

Executive committee members' emoluments disclosed pursuant to Section 383(1) of the Companies Ordinance is as follow:-

	2022 HK\$	2021 HK\$
As members of committee	-	-
For other offices	<u>-</u>	<u>-</u>

4. INCOME TAX

The Association is listed as an approved charitable institution of a public character under Section 88 of the Inland Revenue Ordinance and, as such, is exempted from all taxes.

5. CHANGES IN EQUITY

	Foundation fund HK\$	Accumulated fund HK\$	Total HK\$
At 31st March 2020	-	7,093,278.91	7,093,278.91
Surplus for the year	-	499,076.46	499,076.46
At 31st March 2021	<u>-</u>	<u>7,592,355.37</u>	<u>7,592,355.37</u>
Surplus for the year	-	3,023,862.57	3,023,862.57
At 31st March 2022	<u>-</u>	<u>10,616,217.94</u>	<u>10,616,217.94</u>

6. FLAG DAY FUND RAISING

Children Chiropractic Foundation Limited organized the Territory-wide Flag Day on July 14, 2021. The allocation of usage of the flag day net proceeds with item breakdowns has been complied with proposed usage allocation, including 42% used to support Children Complimentary Chiropractic Adjustment Program for low income students; 22.67% used for treatment services at concessionary rate; 5.2% used for "Community Parent-child Spinal Care Ambassadors" Program; 14% used for community promotion event; 5.13% used for Parent-child Chiropractic care and spinal exercise workshop, 1% used for free consultation day and 10% used for online learning platform.

CHILDREN CHIROPRACTIC FOUNDATION LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENT

7. FIXED ASSETS

	Furniture & Fixtures HK\$	Computer equipment Equipment HK\$	Leasehold Improvement HK\$	Total HK\$
<u>Cost</u>				
At 1.4.2021	23,146.00	89,828.50	2,216,380.00	2,329,354.50
Additions	18,472.87	14,485.00	350,000.00	382,957.87
At 31.03.2022	<u>41,618.87</u>	<u>104,313.50</u>	<u>2,566,380.00</u>	<u>2,712,312.37</u>
<u>Depreciation</u>				
At 1.4.2021	20,246.00	76,817.60	2,200,446.67	2,297,510.27
Charge for the year	6,594.57	9,921.60	124,633.34	141,149.51
At 31.03.2022	<u>26,840.57</u>	<u>86,739.20</u>	<u>2,325,080.01</u>	<u>2,438,659.78</u>
<u>Net book value</u>				
At 31.03.2022	<u>14,778.30</u>	<u>17,574.30</u>	<u>241,299.99</u>	<u>273,652.59</u>
At 31.03.2021	<u>2,900.00</u>	<u>13,010.90</u>	<u>15,933.33</u>	<u>31,844.23</u>

CHILDREN CHIROPRACTIC FOUNDATION LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT

	2022 HK\$	2021 HK\$
Listed investment		
Acquisition cost	<u>1,521,250.00</u>	<u>693,266.09</u>
Market value as at year end	<u>1,488,825.00</u>	<u>679,500.00</u>

(For management purposes only)

CHILDREN CHIROPRACTIC FOUNDATION LIMITED
(LIMITED BY GUARANTEE)
DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2022

	NOTE	2022 HK\$	2021 HK\$
DONATIONS RECEIVED			
Charity sale		22,886.00	13,051.00
Corporate		38,490.00	95,571.34
Donations from schools events		14,746.10	860.00
Flag day	6	2,172,816.34	1,169,609.51
General		358,748.30	382,556.43
Golf tournament donation		419,090.00	16,270.50
		<u>3,026,776.74</u>	<u>1,677,918.78</u>
ADD: OTHER INCOME			
Community activity		67,025.00	24,620.00
Community Chest		1,057,600.00	1,269,120.00
Interest income		72,960.92	143,840.33
Jockey club project donation		1,350,208.04	471,644.85
Kids first chiropractic centre income		4,907,520.00	3,399,390.00
Membership Income		100.00	202.00
Scheme for Employment Support		-	705,012.00
Urban Renewal Authority Allowance		1,434,225.50	-
		<u>11,916,416.20</u>	<u>7,691,747.96</u>
LESS: EXPENSES		(8,892,553.63)	(7,192,671.50)
SURPLUS BEFORE TAXATION		<u><u>3,023,862.57</u></u>	<u><u>499,076.46</u></u>

(For management purposes only)

CHILDREN CHIROPRACTIC FOUNDATION LIMITED
(LIMITED BY GUARANTEE)
DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2022

	NOTE	2022 HK\$	2021 HK\$
LESS: EXPENSES			
Accounting fee		12,000.00	18,000.00
Audit fee		5,000.00	4,500.00
Bank charges		11,995.01	6,042.72
Cleaning expenses		53,292.40	49,345.00
Community Chest project expenses		888,157.47	533,647.06
Depreciation	7	141,149.51	18,171.97
Flag Day expenses	6	65,546.52	42,156.80
Funding scheme for Children's Well-being and Development		54,395.58	5,955.10
Golf tournament expenses		125,933.40	-
Insurance		14,093.08	13,252.13
Jockey Club project expenses		299,966.30	514,949.40
Kids first chiropractic centre expenses		2,382,998.40	1,530,798.50
Management fee		4,633.40	4,774.00
Membership fee		15,500.00	3,700.00
MPF - Community Chest		21,900.00	27,410.60
MPF - Children Chiropractic Foundation		75,935.11	66,253.53
MPF - Jockey Club		24,792.03	23,664.20
MPF - Kids first chiropractic centre		47,524.36	33,061.25
Postage and courier		3,100.80	2,520.00
Printing and stationary		51,686.70	-
Programme expenses		227,935.60	116,307.40
Provision of impairment loss on investment		32,425.00	-
Rental expenses		464,785.90	921,240.00
Repair and maintenance		67,181.60	51,991.40
Salaries - Community Chest		438,000.00	535,200.00
Salaries - Children Chiropractic Foundation		1,674,219.59	1,422,802.11
Salaries - Jockey Club		495,839.99	473,202.73
Salaries - Kids first chiropractic centre		966,361.88	669,465.00
Straighten Up HK Fund Raising Event		69,090.50	17,140.00
Staff messing and welfare		9,605.60	8,065.60
Staff training		33,155.20	24,381.70
Sundry expenses		35,648.70	16,140.40
Telecommunication		21,433.20	18,444.00
Transportation		11,998.50	4,271.20
Utilities		45,272.30	15,817.70
		<u>8,892,553.63</u>	<u>7,192,671.50</u>