

CHILDREN CHIROPRACTIC FOUNDATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024



蔡 羅 國 際 會 計 師 事 務 所

CHOI & LO INTERNATIONAL COMPANY

Certified Public Accountants (Practising)

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**CHILDREN CHIROPRACTIC FOUNDATION LIMITED
(LIMITED BY GUARANTEE)
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024**

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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 2024.

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 Unit E-H, 23/F, Legend Tower, 7 Shing Yip Street, Kwun Tong, 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	9,768,018.05
Deficit for the year	(2,763,499.77)
Surplus carried forward	<u>7,004,518.28</u>

EXECUTIVE COMMITTEE MEMBERS

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

Yeung Kwok Keung Dennis
Wan Man Ho
So Ka Man Carman
Lo Suk Yu
Yeung Wing Kee
Ho Chung Ho
Tang Chi Wai

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

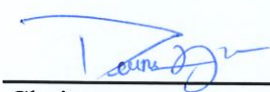
There are no other disclosures required under the Companies Ordinance.

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


AUDITORS

The accounts have been audited by Messrs. Choi & Lo International Company Certified Public Accountants, who retire and, being eligible, offer themselves for re-appointment.


On behalf of the Executive Committee



Chairman
Yeung Kwok Keung Dennis
Hong Kong, 26th March 2025



Vice-Chairman
Wan Man Ho
Hong Kong, 26th March 2025



Treasurer
Tang Chi Wai
Hong Kong, 26th March 2025



CHOI & LO INTERNATIONAL COMPANY
Certified Public Accountants (Practising)
蔡羅國際會計師事務所

香港灣仔莊士敦道 181 號大有大廈 10 樓 1002-03 室
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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 2024, 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 Association 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 of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the executive committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the executive committee members are responsible for assessing the Association'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 executive committee members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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.

As part of an audit in accordance with HKSAs, 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee members.

INDEPENDENT AUDITORS' REPORT
TO MEMBERS OF CHILDREN CHIROPRACTIC FOUNDATION LIMITED

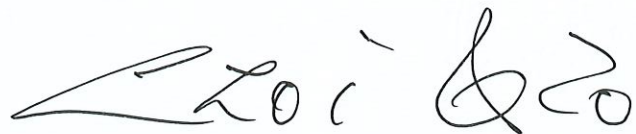
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Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

- Conclude on the appropriateness of the executive committee members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association'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 Association 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 INTERNATIONAL COMPANY
Certified Public Accountants (Practising)
Room 1002, 10/F., Tai Yau Building,
181 Johnston Road, Wanchai, Hong Kong
Hong Kong, 26th March 2025

CHILDREN CHIROPRACTIC FOUNDATION LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2024

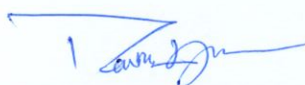
	NOTE	2024 HK\$	2023 HK\$
Donations received	1(a)	594,216.20	1,796,511.48
Other income		10,187,674.12	9,339,996.38
Staff costs		(5,254,549.69)	(4,677,575.74)
Other operating expenses		(8,268,669.22)	(7,277,360.91)
Deficits from operations		<u>(2,741,328.59)</u>	<u>(818,428.79)</u>
Finance cost		(22,171.18)	(29,771.10)
Deficits before taxation		<u>(2,763,499.77)</u>	<u>(848,199.89)</u>
Taxation	3	-	-
Deficits for the year		<u><u>(2,763,499.77)</u></u>	<u><u>(848,199.89)</u></u>

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

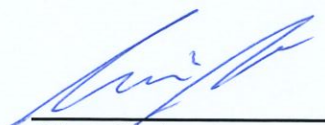
CHILDREN CHIROPRACTIC FOUNDATION LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31ST MARCH 2024

	NOTE	2024 HK\$	2023 HK\$
NON CURRENT ASSETS			
Fixed assets	7	316,422.66	750,573.09
CURRENT ASSETS			
Cash and cash equivalents		5,231,482.14	6,817,612.49
Investment	6	1,913,321.70	2,241,049.00
Deposit		604,661.00	596,312.00
Prepayment		340,379.00	398,767.00
		<u>8,089,843.84</u>	<u>10,053,740.49</u>
CURRENT LIABILITIES			
Accrual		5,000.00	5,000.00
Bank overdraft		-	20,729.31
Receipt in advance		1,396,748.22	1,010,566.22
		<u>1,401,748.22</u>	<u>1,036,295.53</u>
NET CURRENT ASSETS		<u>6,688,095.62</u>	<u>9,017,444.96</u>
NET ASSETS		<u>7,004,518.28</u>	<u>9,768,018.05</u>
REPRESENTING:-			
FOUNDATION FUND		-	-
ACCUMULATED FUND		7,004,518.28	9,768,018.05
		<u>7,004,518.28</u>	<u>9,768,018.05</u>

Approved by the Executive Committee on 26th March 2025.



Chairman
Yeung Kwok Keung Dennis



Vice-Chairman
Wan Man Ho



Treasurer
Tang Chi Wai

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 Unit E-H, 23/F, Legend Tower, 7 Shing Yip Street, Kwun Tong, 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 ACCOUNTING POLICIES

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.

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

(a) Revenue

Revenue is recognised 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 received is recognised when they are received; and
- (ii) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

(b) 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.

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

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

(c) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of fixed assets 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:

Furniture and fixtures	20%
Computer equipment	30%
Leasehold improvement	33.33%

(d) Investments in securities

Current investments are stated at the lower of cost and net realisable value. Long-term investments are stated at cost less accumulated impairment losses.

(e) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of fixed assets, intangible assets and long-term investments. 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. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

2. EXECUTIVE COMMITTEE MEMBERS' EMOLUMENTS

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

	2024 HK\$	2023 HK\$
As members of committee	-	-
For other offices	-	-

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

3. 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.

4. CHANGES IN EQUITY

	Foundation fund HK\$	Accumulated fund HK\$	Total HK\$
At 31st March 2022	-	10,616,217.94	10,616,217.94
Deficits for the year	-	(848,199.89)	(848,199.89)
At 31st March 2023	-	9,768,018.05	9,768,018.05
Deficits for the year	-	(2,763,499.77)	(2,763,499.77)
At 31st March 2024	-	7,004,518.28	7,004,518.28

5. FLAG DAY FUND RAISING

Children Chiropractic Foundation Limited organized the Territory-wide Flag Day on 2nd August 2023. The allocation of usage of the flag day net proceeds with item breakdowns has been complied with proposed usage allocation, including 76.95% used to support Children Complimentary Chiropractic Adjustment Program for low income students; 20% used for treatment services at concessionary rate and 3.05% used for community promotion event and online learning platform.

6. INVESTMENT

	2024 HK\$	2023 HK\$
Listed investment		
Market value as at year end	1,913,321.70	2,241,049.00

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

7. FIXED ASSETS

	Furniture & <u>Fixtures</u> HK\$	Computer equipment <u>Equipment</u> HK\$	Leasehold <u>Improvement</u> HK\$	<u>Total</u> HK\$
<u>Cost</u>				
At 1.4.2023	41,618.87	104,313.50	3,489,135.00	3,635,067.37
At 31.03.2024	41,618.87	104,313.50	3,489,135.00	3,635,067.37
<u>Depreciation</u>				
At 1.4.2023	30,535.14	96,660.80	2,757,298.34	2,884,494.28
Charge for the year	3,694.57	6,204.20	424,251.66	434,150.43
At 31.03.2024	34,229.71	102,865.00	3,181,550.00	3,318,644.71
<u>Net book value</u>				
At 31.03.2024	7,389.16	1,448.50	307,585.00	316,422.66
At 31.03.2023	11,083.73	7,652.70	731,836.66	750,573.09

(For management purposes only)

CHILDREN CHIROPRACTIC FOUNDATION LIMITED
(LIMITED BY GUARANTEE)
DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2024

	NOTE	2024 HK\$	2023 HK\$
DONATIONS RECEIVED			
Charity sale		12,736.50	57,479.10
Corporate		2,000.00	67,600.00
Donations from schools events		181,597.60	836,912.50
General		397,882.10	834,519.88
		<u>594,216.20</u>	<u>1,796,511.48</u>
ADD: OTHER INCOME			
Community activity		262,146.36	34,748.00
Community Chest		1,269,120.00	1,057,600.00
EPeM Training Allowance		-	48,000.00
Flag day	5	2,174,563.09	-
Funding Scheme for			
Children's Well-being and Development		-	62,413.77
Gain on disposal of investment		-	8,050.00
Golf tournament donation		264,200.00	-
Interest income		323,374.15	124,936.31
Jockey club project donation		218,455.52	461,552.80
Kids first chiropractic centre income		5,675,815.00	5,253,230.00
Scheme for Employment Support		-	384,000.00
Simon K. Y. Lee Children's Fund		-	471,240.00
Urban Renewal Authority Allowance		-	1,434,225.50
		<u>10,781,890.32</u>	<u>11,136,507.86</u>
LESS: EXPENSES		(13,545,390.09)	(11,984,707.75)
DEFICITS BEFORE TAXATION		<u>(2,763,499.77)</u>	<u>(848,199.89)</u>

(For management purposes only)

CHILDREN CHIROPRACTIC FOUNDATION LIMITED
(LIMITED BY GUARANTEE)
DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2024

	NOTE	2024 HK\$	2023 HK\$
LESS: EXPENSES			
Audit fee		5,000.00	5,000.00
Bank charges		22,171.18	29,771.10
Cleaning expenses		87,367.00	87,737.30
Community Chest project expenses		633,822.38	499,718.68
Consultancy fee		-	35,000.00
Depreciation	7	434,150.43	445,834.50
Flag Day expenses		126,017.13	-
Funding scheme for Children's Well-being and Development		111,447.55	11,100.26
Golf tournament expenses		146,151.50	-
Insurance		9,838.98	18,862.43
Jockey Club project expenses		-	310,043.52
Kids first chiropractic centre expenses		3,319,490.48	3,349,891.62
Management fee		4,838.00	4,996.40
Membership fee		4,275.00	12,093.00
MPF - Community Chest		21,900.00	22,479.31
MPF - Children Chiropractic Foundation		136,298.27	102,432.27
MPF - Jockey Club		-	19,400.58
MPF - Kids first chiropractic centre		77,372.00	63,230.98
Postage and courier		4,393.98	2,192.10
Printing and stationary		38,689.86	35,953.05
Programme expenses		97,808.87	105,209.90
Provision of impairment loss on investment		327,727.30	321,509.60
Rental expenses		2,373,860.00	1,207,395.87
Repair and maintenance		131,569.90	243,269.64
Salaries - Community Chest		582,035.00	557,021.25
Salaries - Children Chiropractic Foundation		2,896,067.78	2,215,785.32
Salaries - Jockey Club		-	388,011.42
Salaries - Kids first chiropractic centre		1,540,876.64	1,309,214.61
Simon K. Y. Lee Children's Fund project expenses		-	111,252.63
Straighten Up HK Fund Raising Event		47,295.30	187,440.64
Staff messing and welfare		11,425.00	7,200.00
Staff training		53,822.50	34,943.50
Sundry expenses		150,215.44	107,354.14
Telecommunication		24,768.00	26,689.64
Transportation		13,328.62	38,828.80
Utilities		111,366.00	67,843.69
		<u>13,545,390.09</u>	<u>11,984,707.75</u>