

**BRAIN CENTRE FOUNDATION LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**



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**BRAIN CENTRE FOUNDATION LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

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**BRAIN CENTRE FOUNDATION LIMITED**  
**REPORT OF THE COUNCILLORS**

(Currency: Hong Kong Dollar)

The councillors present herewith to members their report together with the audited financial statements of Brain Centre Foundation Limited (“the Company”) for the year ended 31st March, 2021.

**Principal activity**

The principal activity of the Company was the provision of medical treatment/ charitable fundings to those less fortunate patients with neurological diseases during the year. The Company has been registered as a charitable institution under Section 88 of the Inland Revenue Ordinance since 8<sup>th</sup> August, 2001.

**Results and state of affairs**

The results of the Company for the year ended 31st March, 2021 and the state of the Company's affairs as at that date are set out in the Company's financial statements on pages 5 to 10.

**Councillors**

The following persons were councillors of the Company during the year and up to the date of this report:

HO Ting Kwok, Robert	(Permanent Councillor)
CHI'EN May Fung	(Permanent Councillor)
YU Chung Ping	(Permanent Councillor)
LAM Kwing Chee, Laurent	
LEUNG Cheong Lun, Samuel	
HO Tak Kwong	
POON Yee Fat, Christopher	
TSE Sing Sang, Bell	

Subsequent to the reporting date but before the date of this report, HO Tak Kwong resigned as a councillor on 30<sup>th</sup> December, 2021.

In accordance to Article 50 and 51 of the Articles of Association of the Company, all councillors save for the Permanent Councillors shall retire, and being eligible, offer themselves for re-election.

The Company did not enter into any contract with the councillors or any person engaged in the full-time employment of the Company, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Company.

**Permitted indemnity provision**

According to the Articles of Association of the Company and subject to the provisions of the Hong Kong Companies Ordinance, every councillor shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities to the fullest extent permitted by the Hong Kong Companies Ordinance which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. This permitted indemnity provision is in force during the financial year and at the date of this report.

**BRAIN CENTRE FOUNDATION LIMITED**

**REPORT OF THE COUNCILLORS**

(Currency: Hong Kong Dollar)

**Auditor**

The financial statements have been audited by Kwan Chi Hung Certified Public Accountant (Practising), who retire, and being eligible, offer himself for re-appointment.

On behalf of the Board



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HO Ting Kwok, Robert  
Councillor

Date: **3 1 DEC 2021**

## **KWAN CHI HUNG**

### **CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)**

Room 1627, 16/F, Radio City, 505 Hennessy Road, Causeway Bay, Hong Kong.

Tel: 9880-0984

Email: [kwaneric2002@yahoo.com.hk](mailto:kwaneric2002@yahoo.com.hk)

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAIN CENTRE FOUNDATION LIMITED**

(Incorporated in Hong Kong and limited by guarantee)

#### **Opinion**

I have audited the financial statements of Brain Centre Foundation Limited ("the Company") set out on pages 5 to 10, which comprise the statement of financial position as at 31st March, 2021, and the statement of income and expenditure for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my 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 Hong Kong Companies Ordinance.

#### **Basis for Opinion**

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Other information**

The councillors are responsible for other information. The other information comprises all information included in the councillors' report and financial statements, but does not include the financial statements and my auditor's report thereon.

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

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

#### **Responsibilities of Councillors and those Charged with Governance for the Financial Statements**

The councillors 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 councillors 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 councillors 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 councillors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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**KWAN CHI HUNG**

**CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BRAIN CENTRE FOUNDATION LIMITED**

(Incorporated in Hong Kong and limited by guarantee)

**Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my 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. I 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 councillors.
- Conclude on the appropriateness of the councillors' 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

  
**Kwan Chi Hung**  
**Certified Public Accountant (Practising)**  
Hong Kong: **31 DEC 2021**

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**BRAIN CENTRE FOUNDATION LIMITED**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

(Currency: Hong Kong Dollar)

	Note	2021	2020
<b>Revenue</b>	3	-	-
Other income	3	7.10	478.28
Administrative expenses		(100,000.00)	(70,905.00)
(Deficit) before tax	4	(99,992.90)	(70,426.72)
Income tax expense	5	-	-
<b>Net (deficit) for the year</b>		(99,992.90)	(70,426.72)
Accumulated surpluses at start of year		616,153.50	686,580.22
<b>Accumulated surpluses at end of year</b>		<u>516,160.60</u>	<u>616,153.50</u>

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

**BRAIN CENTRE FOUNDATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AT 31ST MARCH, 2021**

(Currency: Hong Kong Dollar)

	Note	2021	2020
<b>Non-current assets</b>			
Plant and equipment	7	1.00	1.00
<b>Current assets</b>			
Cash at bank		648,951.85	748,944.75
		648,951.85	748,944.75
<b>Current liabilities</b>			
Accounts payable and accrued expenses		(95,522.25)	(95,522.25)
Amount due to a related company	8	(37,270.00)	(37,270.00)
		(132,792.25)	(132,792.25)
<b>Net current assets</b>		516,159.60	616,152.50
<b>Net assets</b>		516,160.60	616,153.50
<b>Fund</b>			
Accumulated surpluses		516,160.60	616,153.50

Approved by the Board of Councillors on **31 DEC 2021**

  


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**HO Ting Kwok, Robert**  
 Councillor

  


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**CH'EN May Fung**  
 Councillor

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

**BRAIN CENTRE FOUNDATION LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

(Currency: Hong Kong Dollar)

**1. GENERAL INFORMATION**

Brain Centre Foundation Limited ("the Company") is a company incorporated in Hong Kong and limited by guarantee. Every member of the Company undertakes to contribute not more than HK\$100.00 to the Company, in the event of its being wound up while he is a member, or within one year after he ceases to be a member. The Company's registered office is located at The Brain Centre, Canossa Hospital, 1 Old Peak Road, Hong Kong. The Company has been registered as a charitable institution under Section 88 of the Inland Revenue Ordinance since 8<sup>th</sup> August, 2001.

The Company is engaged in the following activities:

- (1) to promote brain health and educate public on common neurological disorders;
- (2) to conduct clinical and scientific research in the fields of Neuroscience;
- (3) to provide medical treatment/ charitable fundings to those less fortunate patients with neurological disease;
- (4) to provide funding to other charitable institutions focusing on providing care to abandoned babies in China.

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The Company qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 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 Company 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:

**2.1 Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method at 20% per annum.

**2.2 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 plant and 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. 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.

**2.3 Foreign exchange**

The reporting currency of the Company is Hong Kong dollars, which is the currency of the primary economic environment in which the Company operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

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**BRAIN CENTRE FOUNDATION LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

(Currency: Hong Kong Dollar)

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

**2.4 Revenue recognition**

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 basis:

**(a) Donation income**

Donation income is recognized on an actual receipt basis.

**(b) Bank interest income**

Bank interest income is recognized on a time proportion basis, taking into account the principal outstanding and the applicable interest rate.

**2.5 Related parties**

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

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

- (i) is a member of the key management personnel of the Company or of a parent of the Company;
- (ii) has control over the Company; or
- (iii) has joint control or significant influence over the Company or has significant voting power in it.

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

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of a third entity.
- (iv) either 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 and the Company or an entity related to the Group and the Company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant voting power in the entity.

**3. REVENUE AND OTHER INCOME**

An analysis of the Company's revenue is as follows:

	<u>2021</u>	<u>2020</u>
Bank interest income	7.10	478.28

**4. (DEFICIT) BEFORE TAX**

The following items have been recognised as expenses / (income) in determining (deficit) before tax:

	<u>2021</u>	<u>2020</u>
Councillors' remuneration	-	-
Bank interest income	(7.10)	(478.28)

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**BRAIN CENTRE FOUNDATION LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

(Currency: Hong Kong Dollar)

**5. INCOME TAX EXPENSE**

The Company is exempted from tax as it is a charitable institution registered under Section 88 of the Inland Revenue Ordinance.

**6. EMOLUMENTS AND OTHER MATTERS RELATING TO COUNCILLORS**

(a) Councillors' remuneration 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 are as follows:

	<u>2021</u>	<u>2020</u>
Fees	-	-
Emoluments	-	-
Mandatory provident fund contribution	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

There were no payments made or benefit provided in respect of the termination of the service of councillors, whether in the capacity of councillors or in any other capacity while councillors.

(b) Loans, quasi-loans and other dealings in favour of councillors, controlled bodies and other connected entities

The councillors were of the opinion that the Company had not granted any loans, quasi-loans or other dealings in favour of bodies or entities connected with the councillors during the year.

(c) Councillors' material interests in transactions, arrangements or contracts

The councillors were of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a councillor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(d) Guarantees to banks for loans granted to councillor of the Company

The Company had not paid or incurred any liability for the purpose of fulfilling the guarantee or discharging the security given to banks for loans granted to the councillors during the year.

(e) There were no considerations provided to or receivable by third parties for making available the services of a person as councillor or in any other capacity while councillor.

**7. PLANT AND EQUIPMENT**

**Furniture and equipment**

Cost:

Balance brought and carried forward 487,428.00

Accumulated depreciation:

Balance brought forward 487,427.00

Charge for the year -

Balance carried forward 487,427.00

Net book value:

As at 31<sup>st</sup> March, 2021 1.00

As at 31<sup>st</sup> March, 2020 1.00

0.037

**BRAIN CENTRE FOUNDATION LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

(Currency: Hong Kong Dollar)

**8. AMOUNT DUE TO A RELATED COMPANY**

Advances from a related company are interest-free, without securities and specified repayment terms.

**9. CHANGES IN FUND**

	<b><u>Accumulated surpluses</u></b>
Balance as at 31st March, 2019	686,580.22
Net (deficit) for the year	(70,426.72)
Balance as at 31st March, 2020	<u>616,153.50</u>
Net (deficit) for the year	<u>(99,992.90)</u>
Balance as at 31st March, 2021	<u><u>516,160.60</u></u>

**10. RELATED PARTY TRANSACTION**

During the year the Company had paid rent of \$60,000.00 (2020: \$60,000.00) to The Brain Centre Limited of which HO Ting Kwok, Robert, YU Chung Ping and TSE Sing Sang, Bell are its directors and members.

**11. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were approved and authorized for issue by the Company's board of councillors on **31 DEC 2021**