



CHILDREN'S KIDNEY FUND
兒童腎病基金

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2020

蔡煒基會計師樓
SIMON CHOY & CO.
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG



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CHILDREN'S KIDNEY FUND 兒童腎病基金
Reports and Financial Statements for the year ended 31 December, 2020

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CHILDREN'S KIDNEY FUND

COUNCILLORS' REPORT

The councillors have pleasure in presenting their report together with the audited financial statements for the year ended 31 December, 2020.

Principal Activities

The principal activities during the year is for the charitable purpose to promote medical care for children suffering from kidney disease.

Share Capital

The Company is limited by guarantee and not having a share capital.

Results

The result of the Company for the year ended 31 December, 2020 and the state of affair of the Company are set out in the annexed financial statements.

Councillors

The councillors of the company during the year and up to the date of this report were:

Chiu Man Chun

Chan Kwai Yu

Ho Wai Man Tabitha

Tse Kei Chiu Niko

Ma Lap Tak Alison

Lam Royan

Soo Tsung Liang Euan (appointed 15/8/2020)

Lee Lok Yee (appointed 15/8/2020)

Management contracts

No substantial contracts concerning the management and administration of the Company entered into or existed during the year.

Councillors' interests in contracts

No contracts of significance to which the Company was a party and in which the Councillors had a material interest subsisted at the end of the year or at any time during the year.

Auditors

The accounts were audited by Messrs. Simon Choy & Co., Certified Public Accountants, who retire and being eligible, offer themselves for re-appointment.

On Behalf of the Board



Chairman

Hong Kong, 7 August, 2021.

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英國公認會計師公會會員
英國執業公司秘書公會會員
英國稅務管理學會會員
香港稅務學會會員
香港政府註冊會計師

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHILDREN'S KIDNEY FUND

(incorporated in Hong Kong with limited liability by guarantee)

Opinion

We have audited the financial statements of the Children's Kidney Fund ("the Company") set out on pages 5 to 10, which comprise the statement of financial position as at 31st December, 2020, and the income statement and cash flow statement for the year ended 31st December, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profits and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors 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 basis for our opinion.

Other Information

The councillors are responsible for the other information. The other information comprises the information included in the councillors' report set out on pages 1 and detailed income statement set out on page 11, 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.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHILDREN'S KIDNEY FUND

(incorporated in Hong Kong with limited liability by guarantee)

Responsibilities of the Councillors for the Financial Statements

The councillors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities 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 director 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.

Auditors' responsibilities for the Audit of the Financial Statements

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to 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. 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.

- 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.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHILDREN'S KIDNEY FUND

(incorporated in Hong Kong with limited liability by guarantee)

Auditors' responsibilities for the Audit of the Financial Statements (Cont'd)

- 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 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 those charges 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 we identify during our audit.


SIMON CHOY & CO.
CERTIFIED PUBLIC ACCOUNTANTS

Hong Kong, 7 August, 2021.

CHILDREN'S KIDNEY FUND

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED SURPLUS

For the year ended 31 December, 2020

	2020	2019
	HK\$	HK\$
Donation Income - Note (5)	385,616.06	335,869.05
Gross Profit	385,616.06	335,869.05
Other Income		
Interest Income	2,987.86	4,829.68
Unrealized gain on investment in quoted shares	-	9,600.00
	388,603.92	350,298.73
<u>Less: Administrative and General Expenses</u>	652,918.45	409,304.70
Staff Expenses	-	-
	652,918.45	409,304.70
Deficit from Operations	(264,314.53)	(59,005.97)
<u>Less: Finance Costs</u>	260.00	1,061.58
Deficit for the year	(264,574.53)	(60,067.55)
Accumulated Surplus brought forward	3,064,405.47	3,124,473.02
Accumulated Surplus carried forward	2,799,830.94	3,064,405.47

CHILDREN'S KIDNEY FUND

STATEMENT OF FINANCIAL POSITION

As at 31 December, 2020

	31/12/2020	31/12/2019
	HK\$	HK\$
CURRENT ASSETS		
Bank Balances	2,923,916.71	3,158,411.75
Investment in quoted shares	109,600.00	113,800.00
	3,033,516.71	3,272,211.75
	3,033,516.71	3,272,211.75
Less: CURRENT LIABILITIES		
Accrual Expenses	10,000.00	10,000.00
Sundry payable	223,685.77	197,806.28
	233,685.77	207,806.28
	233,685.77	207,806.28
NET CURRENT ASSETS	2,799,830.94	3,064,405.47
NET ASSETS	2,799,830.94	3,064,405.47
	2,799,830.94	3,064,405.47
SURPLUS OF FUND	2,799,830.94	3,064,405.47
	2,799,830.94	3,064,405.47

Approved by the Board of Councillors on 7 August, 2021

and signed on its behalf by



Councillor



Councillor

CHILDREN'S KIDNEY FUND

CASH FLOW STATEMENT

As at 31 December, 2020

	2020	2019
	HK\$	HK\$
Deficit before tax	(264,574.53)	(60,067.55)
INVESTING ACTIVITIES		
Unrealized loss/(gain) on investment in quoted shares	4,200.00	(9,600.00)
Net Cash Inflow/(Outflow) from Investment Activities	4,200.00	(9,600.00)
Net Cash Outflow before Financing	(260,374.53)	(69,667.55)
FINANCING		
Advance of Sundry Payable	25,744.99	19,119.84
	25,744.99	19,119.84
Net Cash Inflow from Financing	25,744.99	19,119.84
Decrease in Cash and Cash Equivalents	(234,629.54)	(50,547.71)
Cash and Cash Equivalents at 1 January	3,158,411.75	3,208,959.46
Cash and Cash Equivalents at 31 December	2,923,782.21	3,158,411.75
 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at Bank and in Hand	2,923,782.21	3,158,411.75
	2,923,782.21	3,158,411.75

CHILDREN'S KIDNEY FUND

NOTES TO THE ACCOUNTS

For the year ended 31 December, 2020

(1) Principal Activities and Registered Office

Children's Kidney Fund is a company incorporated in Hong Kong with limited liability by guarantee.

The company's registered office is located at Room 803, Hang Seng Bank Mongkok Building, 667 Nathan Road, Mongkok, Kowloon, Hong Kong.

The Company is a charitable organization set up with its primary objective to promote medical care for children suffering from kidney disease in Hong Kong.

(2) Accounting Policies

(a) Basis of Preparation of the Financial Statements

The financial statements have been prepared on the historical cost basis.

The preparation of the financial statements in conformity with HKFRSs 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 from 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.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

(b) Revenue Recognition

Income from donations is recognized when cash is received and includes all sums received up to the statement of financial position.

Interest income from bank deposits is accrued on a time proportion basis on the principal outstanding and at the interest rate applicable.

(c) Sundry payables

Sundry payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, except for short-term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount.

(d) Investment

Financial assets in the scope of HKAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sales financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not a fair value through profit or loss, any directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition which depends on the purpose for which the financial assets were acquired and their characteristics.

CHILDREN'S KIDNEY FUND

NOTES TO THE ACCOUNTS

For the year ended 31 December, 2020

(2) Accounting Policies

(d) Investment

All regular way purchases and sales of financial assets are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by the regulation or convention in the marketplace.

Investments in securities held for trading purpose are included in the current assets and are stated in the balance sheet at fair value and there are acquired for the purpose of sale in the near term. Gains or losses on investment hold for trading are recognised in the income statement.

(3) Share Capital

The liability of the Company is limited by guarantee and not having a share capital.

(4) Income

Income represents donation income during the year.

(5) Deficit Before Tax

Deficit before tax is arrived at

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
After crediting the following items:-		
Bank interest income	2,987.86	4,829.68
After charging the following items:-		
Audit Fee	6,000.00	6,000.00

(6) Councillors' Emoluments

Councillors' emoluments pursuant to Section 383(1) of the Companies Ordinance are :-

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Fees	-	-
Managerial Salaries	-	-

(7) Taxation

The Company is exempted under Section 88 of the Hong Kong Inland Revenue Ordinance from any tax by reason of being a charitable institution of a public character.

CHILDREN'S KIDNEY FUND

NOTES TO THE ACCOUNTS

For the year ended 31 December, 2020

(8) Changes in Equity

	<u>Surplus</u>	<u>Total</u>
	HK\$	HK\$
At 1 January, 2020	3,064,405.47	3,064,405.47
Deficit for the year	(264,574.53)	(264,574.53)
At 31 December, 2020	<u>2,799,830.94</u>	<u>2,799,830.94</u>

(9) Financial and Risk Management

The Company's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance.

(a) Credit risk

The Company has no exposure to credit risk.

(b) Foreign exchange risk

The Company has no exposure to foreign currency risk as all of the Company's transactions are denominated in Hong Kong dollars.

(c) Liquidity risk

The Company has no exposure to liquidity risk.

(10) Approval of Financial Statements

The financial statements were approved by the board of councillors on 7 August, 2021.

CHRILDEN'S KIDNEY FUND
(for Management Purposes Only)
DETAILED STATEMENT OF INCOME AND EXPENDITURE
For the year ended 31 December, 2020

	2020 HK\$	2019 HK\$
Donation Income	385,616.06	335,869.05
Other Income		
Unrealized gain on investment in quoted shares	-	9,600.00
Interest Income	2,987.86	4,829.68
	388,603.92	350,298.73
Less: General & Administration Expenses		
Accounting & Secretarial Fee	5,200.00	5,200.00
Audit Fee	6,000.00	6,000.00
Printing and Promotion	334.50	-
Activities	4,806.00	40,611.55
Insurance	-	500.20
Sponsorship	626,755.35	350,609.95
Sundry Expenses	490.60	-
Telephone	5,132.00	6,383.00
Provision for loss in investment in quoted shares	4,200.00	-
	652,918.45	409,304.70
Finance Costs		
Bank Charges	260.00	1,061.58
	653,178.45	410,366.28
	(264,574.53)	(60,067.55)
Deficit for the year		
Accumulated Surplus brought forward	3,064,405.47	3,124,473.02
Accumulated Surplus carried forward	2,799,830.94	3,064,405.47