

**BABY FRIENDLY HOSPITAL INITIATIVE
HONG KONG ASSOCIATION**

愛嬰醫院香港協會
(Incorporated in Hong Kong as a company
limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

戴江會計師事務所有限公司
Tai Kong CPA Limited
Certified Public Accountants (Practising)

UHY 國際會計師及顧問事務所聯合獨立會員
A member of UHY International, a network of independent accounting and consulting firms



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BABY FRIENDLY HOSPITAL INITIATIVE HONG KONG ASSOCIATION

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(EXPRESSED IN HONG KONG DOLLARS)	

BABY FRIENDLY HOSPITAL INITIATIVE HONG KONG ASSOCIATION

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REPORT OF THE EXECUTIVE COMMITTEE MEMBERS

The Executive Committee members submit herewith their annual report together with the audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

Baby Friendly Hospital Initiative Hong Kong Association ("the Association") is an approved charitable institution and exempted from tax under Section 88 of the Inland Revenue Ordinance. The principal activities of the Association are to promote public interest in and to advocate and support breastfeeding in Hong Kong.

FINANCIAL STATEMENTS

The financial performance of the Association for the year ended 31 December 2020 and its financial position at that date are set out in the financial statements on pages 3 to 16.

BUSINESS REVIEW

No business review is prepared as the Association falls within the reporting exemption in the financial year.

EXECUTIVE COMMITTEE MEMBERS

The Executive Committee members of the Association during the financial year and up to the date of this report are :-

Dr. Leung Wing Cheong	(Chairperson)
Dr. Ip Lai Sheung	(Vice-Chairperson)
Dr. Wong Ming Sum Rosanna	(Vice-Chairperson)
Ms. Sing Chu	(Honorary Treasurer)
Ms. Lam Chi Oi	(Honorary Secretary)
Professor Nelson Edmund Anthony Severn	
Dr. Koong May Kay, BBS, JP	
Dr. Wong Taam Chi Woon, JP	
Dr. Leung Sze Lee	
Dr. Fung Tak Yuen	
Dr. Lam Cheung Cheung Barbara	(Appointed on 10 August 2020)
Mrs. Li Kwong Bo Yu Bonnie	(Appointed on 10 August 2020)
Dr. Lee Lai Yin Irene	(Appointed on 10 August 2020)
Dr. Leung Ping Maurice	(Resigned on 29 March 2021)

In accordance with article 19 of the Association's Articles of Association, the term of all Executive Committee members shall be for a term of two office years, all of the present Executive Committee members shall remain in office for the ensuing year.

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REPORT OF THE EXECUTIVE COMMITTEE MEMBERS (CONT'D)

EXECUTIVE COMMITTEE MEMBERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

At no time during or at the end of the financial year was the Association a party to any arrangement to enable the Executive Committee members of the Association to acquire benefits by means of the acquisition of shares in or debentures of the Association or any other body corporate.

No transaction, arrangement or contract of significance to which the Association was a party, and in which a Executive Committee members of the Association had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the financial year.

INDEMNITY OF EXECUTIVE COMMITTEE MEMBERS

A permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) for the benefit of the Executive Committee members of the Association is currently in force and was in force throughout the year ended 31 December 2020.

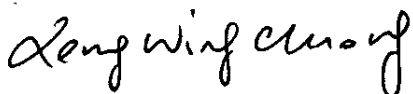
MANAGEMENT CONTRACTS

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

AUDITOR

The financial statements have been audited by Tai Kong CPA Limited who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Tai Kong CPA Limited as auditor of the Association is to be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE EXECUTIVE COMMITTEE



LEUNG WING CHEONG

CHAIRPERSON

Date: 28 JUL 2021

BABY FRIENDLY HOSPITAL INITIATIVE HONG KONG ASSOCIATION

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>NOTE</u>	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
INCOME			
Grant from Hong Kong Committee for UNICEF		288,814	307,500
Government grants - Employment Support Scheme		95,280	-
Accreditation income		25,000	205,000
Membership fee		3,000	1,000
Interest income		3	255
Training course fee income		-	59,522
Donations		-	5,500
Sundry income		-	16
		<hr/>	<hr/>
		412,097	578,793
ADMINISTRATIVE EXPENSES			
Salaries		368,120	346,660
MPF contribution		18,406	17,333
Newsletters		17,780	36,080
Telephone		12,096	12,040
Website promotion		11,613	11,601
Auditor's remuneration		8,000	8,000
Insurances		6,466	6,450
Printing and stationery		3,297	4,373
Postage and courier		2,564	4,760
Assessor's honorarium		2,100	7,500
Depreciation		2,000	1,000
Computer expenses		1,829	294
Sundry expenses		605	1,496
Training publicity		500	1,500
Bank charges		240	240
Trainers' honorarium		-	34,000
Hire of venue		-	6,000
Course helper allowance		-	1,400
Travelling		-	1,078
		<hr/>	<hr/>
		(455,616)	(501,805)
(DEFICIT)/SURPLUS BEFORE TAXATION			
		<hr/>	<hr/>
		(43,519)	76,988
TAXATION	3	-	-
		<hr/>	<hr/>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		<hr/>	<hr/>
		(43,519)	76,988

The notes on pages 7 to 16 form part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Accumulated <u>surplus</u> <u>HK\$</u>
Balance at 1 January 2019	186,146
Total comprehensive income for the year	76,988
	<hr/>
Balance at 31 December 2019 and 1 January 2020	263,134
Total comprehensive loss for the year	(43,519)
	<hr/>
Balance at 31 December 2020	219,615
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STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

	<u>NOTE</u>	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	7,000	9,000
CURRENT ASSETS			
Deposit and prepayments	6	12,214	11,643
Cash at banks and in hand		342,922	270,491
		355,136	282,134
CURRENT LIABILITIES			
Accruals and other payables		(142,521)	(28,000)
NET CURRENT ASSETS		212,615	254,134
NET ASSETS		219,615	263,134
Financed by :-			
ACCUMULATED SURPLUS		219,615	263,134

 Approved and authorized for issue by the Executive Committee on **28 JUL 2021**


Leung Wing Cheong

Executive Committee member



Sing Chu

Executive Committee member

The notes on pages 7 to 16 form part of these financial statements.

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/surplus for the year	(43,519)	76,988
Adjustments for :-		
Bank interest income	(3)	(255)
Depreciation	2,000	1,000
	1,997	745
OPERATING (DEFICIT)/SURPLUS BEFORE CHANGES IN WORKING CAPITAL	(41,522)	77,733
Increase in deposit and prepayments	(571)	(1,179)
Increase in accruals and other payables	114,521	2,000
	113,950	821
CASH GENERATED FROM OPERATIONS	72,428	78,554
CASH FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(10,000)
Bank interest received	3	255
	3	(9,745)
NET CASH INFLOW FROM OPERATING ACTIVITIES	72,431	68,809
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	270,491	201,682
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	342,922	270,491
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS :-		
Cash at banks and in hand	342,922	270,491

The notes on pages 7 to 16 form part of these financial statements.

BABY FRIENDLY HOSPITAL INITIATIVE HONG KONG ASSOCIATION

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NOTES TO THE FINANCIAL STATEMENTS**1. GENERAL INFORMATION**

Baby Friendly Hospital Initiative Hong Kong Association ("the Association") is incorporated in Hong Kong limited by guarantee and not having a share capital. The liability of each member is limited to HK\$100 in the event of the Association being wound up. The address of its registered office is 7/F., SUP Tower, 75-83 King's Road, Hong Kong.

The principal activities of the Association are to promote public interest in and to advocate and support breastfeeding in Hong Kong.

The Association is a charitable institution approved under Section 88 of the Inland Revenue Ordinance and accordingly exempted from Hong Kong taxation.

2. SIGNIFICANT ACCOUNTING POLICIES**(a) Statement of compliance**

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance (Cap. 622) ("HKCO").

A summary of the significant accounting policies adopted by the Association is set out below.

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention, except those items explained in the following notes.

(c) Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Association. None of these developments have had a material effect on how the Association's result and financial position for the current or prior periods have been prepared or presented.

The Association has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Critical accounting judgments and estimates

In the application of the Association's accounting policies, which are described below, the Executive Committee members of the Association are required to make judgments, estimates and assumptions about the reported amounts of assets, liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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NOTES TO THE FINANCIAL STATEMENTS**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(d) Critical accounting judgments and estimates (cont'd)**

The 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.

The following are the critical judgments that the Executive Committee members have made in the process of applying the Association's accounting policies and that have the most significant effect on the amounts recognized in the financial statements :-

Impacts of novel coronavirus pandemic ("COVID-19")

The COVID-19 pandemic continues to disrupt social and business activities locally and throughout the world since early 2020. The Association has assessed the negative effects of the COVID-19 pandemic on these financial statements, in particular :-

- Impairment of non-financial assets
- Revenue recognition
- Government grants
- Property, plant and equipment

Despite the introduction of various COVID-19 vaccines by the end of 2020 and the implementation of tighter safeguards and restrictions by the governments, it is uncertain when this pandemic will subside and economic environment and business activities will be back to normal. There is no indication, the Executive Committee members feel, that the Association may not be able to operate as a going concern and the Association will continue to monitor and assess the impact of the pandemic on the Association's businesses activities and financial position.

On this basis, the Executive Committee members believe that the use of the going concern basis of accounting remains appropriate.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(i)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognized in statement of comprehensive income on the date of retirement or disposal.

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NOTES TO THE FINANCIAL STATEMENTS**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(e) Property, plant and equipment (cont'd)**

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows :-

Office equipment	5 years
Computer equipment	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(f) Other receivables

A receivable is recognized when the Association has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortized cost using the effective interest method less allowance for credit losses (see note 2(h)).

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(h) Impairment of financial assets

The loss allowance is measured at an amount equal to lifetime expected credit losses (ECLs), which are those losses that are expected to occur over the expected life of the financial assets measured at amortized amount (including cash and cash equivalents and trade and other receivables). The loss allowance is estimated using a provision matrix based on the Association's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

ECLs are remeasured at each reporting date with any changes recognized as an impairment gain or loss in profit or loss. The Association recognizes an impairment gain or loss with a corresponding adjustment to the carrying amount of financial assets through a loss allowance account.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Association determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in surplus or deficit in the period in which the recovery occurs.

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NOTES TO THE FINANCIAL STATEMENTS**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(i) Impairment of other assets**

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that property, plant and equipment may be impaired or, an impairment loss previously recognized no longer exists or may be decreased.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognized in surplus or deficit if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- Reversals of impairment losses

If there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized, the carrying amount of the asset shall be increased to its recoverable amount and the impairment loss previously recognized shall be reversed immediately in surplus or deficit. When doing so, the increased carrying amount shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

(j) Accruals and other payables

Accruals and other payables are initially recognized at fair value and subsequently stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

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NOTES TO THE FINANCIAL STATEMENTS**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(k) Employee benefits**

Short term employee benefits and contributions to defined contribution retirement plans.

Salaries, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(l) Taxation

The Association is a non-profit making organization under section 88 of the Inland Revenue Ordinance and, accordingly, is exempted from Hong Kong Profits Tax.

(m) Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when the Association has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(n) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Association and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in statement of comprehensive income as follows :-

(1) Accreditation income

Accreditation income is recognized when the assessment services are provided.

(2) Donations and grants

Donations and grants from the Hong Kong Committee for UNICEF for general purpose are recognized when the Association becomes entitled to the donations and it is probable that they will be received.

(3) Membership fee income

Membership fee income is recognized when the application of membership is approved by the Executive Committee.

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NOTES TO THE FINANCIAL STATEMENTS**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(n) Revenue recognition (cont'd)

(4) Interest income

Interest income is recognized as it accrues using the effective interest method.

(5) Training course income

Training course income is recognized when the training course is started by the Association.

(6) Sundry income

Sundry income is recognized on an accrual basis.

(7) Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Association will comply with the conditions attaching to them. Grants that compensate the Association for expenses incurred are recognized as income in surplus or deficit on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the company for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognized in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(o) Related parties

(1) A person, or a close member of that person's family, is related to the Association if that person :-

(i) has control or joint control over the Association;

(ii) has significant influence over the Association; or

(iii) is a member of the key management personnel of the Association or the Association's parent.

(2) An entity is related to the Association if any of the following conditions applies :-

(i) The entity and the Association are members of the same Association (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or a joint venture of the other entity (or an associate or joint venture of a member of a Association of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

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NOTES TO THE FINANCIAL STATEMENTS**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(o) Related parties (cont'd)

(2) An entity is related to the Association if any of the following conditions applies :- (cont'd)

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association.

(vi) The entity is controlled or jointly controlled by a person identified in (1).

(vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Association or to the Association's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. TAXATION

The Association is an approved charitable institution in Hong Kong and is exempted from tax under Section 88 of the Inland Revenue Ordinance.

4. DISCLOSURE OF EXECUTIVE COMMITTEE MEMBERS' EMOLUMENTS, KEY MANAGEMENT PERSONNEL COMPENSATION AND RELATED PARTY TRANSACTIONS

(a) Executive Committee members' emoluments disclosed pursuant to section 383(1) of the HKCO and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows :-

	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
Fees	-	-
Other emoluments		
- Salaries, allowances and benefits in kind	-	-
- Retirement benefits	-	-
	<hr/> <hr/>	<hr/> <hr/>

(b) No key management personnel compensation was paid during the year (2019: HK\$Nil).

(c) During the year, no (2019: one) Executive Committee members made donations to the Association (2019: HK\$5,000).

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NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT

	<u>Office equipment HK\$</u>	<u>Computer equipment HK\$</u>	<u>Total HK\$</u>
At cost :-			
At 1 January 2019	1,097	33,909	35,006
Additions	-	10,000	10,000
	<hr/>	<hr/>	<hr/>
At 31 December 2019, 1 January 2020 and 31 December 2020	1,097	43,909	45,006
	<hr/>	<hr/>	<hr/>
Accumulated depreciation :-			
At 1 January 2019	1,097	33,909	35,006
Charge for the year	-	1,000	1,000
	<hr/>	<hr/>	<hr/>
At 31 December 2019 and 1 January 2020	1,097	34,909	36,006
Charge for the year	-	2,000	2,000
	<hr/>	<hr/>	<hr/>
At 31 December 2020	1,097	36,909	38,006
	<hr/>	<hr/>	<hr/>
Net book value :-			
At 31 December 2020	-	7,000	7,000
	<hr/>	<hr/>	<hr/>
At 31 December 2019	-	9,000	9,000
	<hr/>	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS**6. DEPOSIT AND PREPAYMENTS**

	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
Prepayments	12,070	11,499
Deposit	144	144
	<hr/>	<hr/>
	12,214	11,643
	<hr/> <hr/>	<hr/> <hr/>

7. MANAGEMENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and interest rate risks arises in the normal course of the Association's operations. The Association's exposure to these risks and the financial risk management policies and practices used by the Association to manage these risks are described below.

(a) Credit risk

The credit risk on cash at banks is considered low as monies are held with a reputable bank in Hong Kong.

(b) Liquidity risk

The Association's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

(c) Interest rate risk

The Associations' exposure to changes in interest rates is considered not significant.

(d) Fair values

The carrying amounts of the Association's financial instruments measured at cost or amortized cost are not materially different from their fair values as at 31 December 2020 and 2019.

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NOTES TO THE FINANCIAL STATEMENTS**8. HONG KONG FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2020**

HKFRSs that have been issued but not yet effective for the year include the following HKFRSs (collectively, the "Changes") which may be relevant to the Association's operations and financial statements :-

	<u>Effective for accounting periods beginning on or after</u>
Amendments to HKAS 16, Property, plant and equipment : Proceeds before intended use	1 January 2022
Amendments to HKAS 37, Provisions, contingent liabilities and contingent assets : Onerous contracts - Cost of fulfilling a contract	1 January 2022
Annual improvements to HKFRSs 2018-2020 cycle	1 January 2022
Amendments to HKAS 1, Presentation of financial statements : Classification of liabilities as current or non-current	1 January 2023

The Executive Committee members anticipate that the impact of the applicable Changes will have no material impact on the financial performance and position of the Association.



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BABY FRIENDLY HOSPITAL INITIATIVE HONG KONG ASSOCIATION
愛嬰醫院香港協會
(Incorporated in Hong Kong as a company limited by guarantee)

Opinion

We have audited the financial statements of Baby Friendly Hospital Initiative Hong Kong Association ("the Association") set out on pages 3 to 16, which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 financial position of the Association as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance ("HKCO").

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 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 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 information

The Executive Committee members are responsible for the financial and non-financial information included in the report of Executive Committee members ("other information") which accompanies the financial statements.

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.



戴江會計師事務所有限公司

TAI KONG CPA LIMITED

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BABY FRIENDLY HOSPITAL INITIATIVE HONG KONG ASSOCIATION (CONT'D)

愛嬰醫院香港協會

(Incorporated in Hong Kong as a company limited by guarantee)

Responsibilities of Executive Committee members and those charged with governance for the financial statements

The Executive Committee members are also responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the HKCO, 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.

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

Auditor's responsibility 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.

This report is made solely to you, as a body, in accordance with section 405 of the HKCO, 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.

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.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BABY FRIENDLY HOSPITAL INITIATIVE HONG KONG ASSOCIATION (CONT'D)**

愛嬰醫院香港協會

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Auditor's responsibility 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 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.
- 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 we identify during our audit.

Tai Kong CPA Limited
Certified Public Accountants (Practising)

Hong Kong : 28 JUL 2021

Tai Hay Yuen
Practising Certificate Number : P00694

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