



**THE QUEEN ELIZABETH HOSPITAL
CHARITABLE TRUST**

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



李 湯 陳 會 計 師 事 務 所

LI, TANG, CHEN & CO.

Certified Public Accountants (Practising)

Hong Kong



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

OPINION

We have audited the financial statements of The Queen Elizabeth Hospital Charitable Trust ("the Trust") set out on pages 3 to 13, which comprise the statement of financial position as at 31 March 2020, and the statement of comprehensive income, the statement of changes in fund and the statement of cash flows for the year then ended, and notes to the financial statements including a summary of principal accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Trust as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with the applicable Hong Kong Financial Reporting Standards ("HKFRSs") relevant to these financial statements issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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 Trust 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.

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

The Trustees are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Trust'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 Guardian (as defined in Clause 16 of the Trust Deed dated 30th July, 1995) either intends to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for overseeing the Trust's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with terms of the engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

to be cont'd/.....

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



Li, Tang, Chen & Co.
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09 SEP 2020

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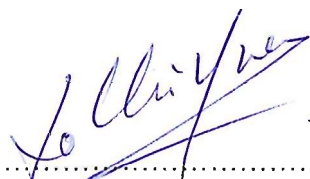
THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
CURRENT ASSETS			
Interest receivables		3,262	3,186
Cash and bank balances	5	<u>2,110,419</u>	<u>1,852,584</u>
		<u>2,113,681</u>	<u>1,855,770</u>
CURRENT LIABILITIES			
Other payables and accruals		<u>(285,059)</u>	<u>(21,150)</u>
NET ASSETS		<u>1,828,622</u>	<u>1,834,620</u>
Representing:			
INITIAL TRUST FUND	6	100	100
ACCUMULATED SURPLUS	7	<u>1,828,522</u>	<u>1,834,520</u>
TOTAL FUNDS		<u>1,828,622</u>	<u>1,834,620</u>

The financial statements set out on pages 3 to 13 were approved and authorised for issue by the Trustees on 09 SEP 2020



.....
Kam Pok Man
Trustee



.....
Lo Chi Yuen
Trustee

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	<u>2020</u> HK\$	<u>2019</u> HK\$
INCOME		
Donation income	286,646	2,770,095
Interest income	18,701	16,359
Refund of unutilised donation balance from grantee	-	170,000
	<u>305,347</u>	<u>2,956,454</u>
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EXPENDITURE		
Audit fee	5,200	5,000
Bank charges	1,286	1,653
Donation bags	-	63,600
Donation expenses	304,859	2,877,884
Insurance	-	2,271
Printing and stationery	-	17,545
Sundry expenses	-	162
	<u>311,345</u>	<u>2,968,115</u>
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DEFICIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(5,998)</u>	<u>(11,661)</u>
	=====	=====

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

STATEMENT OF CHANGES IN FUND

FOR THE YEAR ENDED 31 MARCH 2020

	<u>Initial trust fund</u> HK\$	<u>Accumulated surplus</u> HK\$	<u>Total</u> HK\$
Balance as at 1 April 2018	100	1,846,181	1,846,281
Deficit and total comprehensive income for the year	<u>-</u>	<u>(11,661)</u>	<u>(11,661)</u>
Balance as at 31 March 2019 and 1 April 2019	100	1,834,520	1,834,620
Deficit and total comprehensive income for the year	<u>-</u>	<u>(5,998)</u>	<u>(5,998)</u>
Balance as at 31 March 2020	<u>100</u>	<u>1,828,522</u>	<u>1,828,622</u>

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
OPERATING ACTIVITIES			
Deficit for the year		(5,998)	(11,661)
Adjustment for:			
Interest income		<u>(18,701)</u>	<u>(16,359)</u>
Operating deficit before changes in working capital		(24,699)	(28,020)
Increase in other payables and accruals		<u>263,909</u>	<u>16,350</u>
Net cash generated from/(used in) operating activities		239,210	(11,670)
		-----	-----
INVESTING ACTIVITIES			
Interest received		18,625	15,525
Decrease/(increase) in bank deposits with original maturity over three months		<u>815,475</u>	<u>(15,475)</u>
Net cash generated from investing activities		834,100	50
		-----	-----
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,073,310	(11,620)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>1,037,109</u>	<u>1,048,729</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	<u>2,110,419</u>	<u>1,037,109</u>

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

1. STATUS OF THE TRUST

The Queen Elizabeth Hospital Charitable Trust (“the Trust”) was constituted by the Declaration of Trust dated 30 July 1995. The Trust was established by 3 Trustees who have received the sum of HK\$100 as the Trust Fund to be held by them on the Trust. The Trustees hold the capital and income of the Trust Fund to apply the income and all or such part or parts of the capital at such times and in such manner as the Trustees shall in their discretion think fit or towards any one or all of the following charitable purposes:

- a) for the benefit of The Queen Elizabeth Hospital and its works;
- b) to assist and make donations and grants for the assistance of the activities of any other not for profit hospital or medical facility in Hong Kong;
- c) to promote medical education and knowledge; and
- d) to promote or advance medicine, health and physical and mental welfare of the public in the community generally in Hong Kong.

The Trust consisted of not more than six Trustees and the Trustees during the year and up to the date of this report were:

- 1) Dr. Kam Pok Man (Chairman)
- 2) Mr. David Mui Ying Yuen
- 3) Mr. Emmanuel Kao Chu Chee
- 4) Mr. Ku Moon Lun
- 5) Dr. Lo Chi Yuen
- 6) Dr. Peter Lee Kwok Wah

The power of appointing and replacing Trustee(s) of the Trust shall be vested in the Guardian who shall only exercise such power in consultation with the Governing Committee of the Queen Elizabeth Hospital. New Trustee(s) may be appointed at any time (either by way of replacement of existing Trustee(s), or by addition) but the total number of Trustees shall at no time exceed six.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies reported in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

- a) Basis of preparation:

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective terms include 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”), and accounting principles generally accepted in Hong Kong. They are prepared under the historical cost convention.

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONT'D)

b) Application of new and revised HKFRSs:

The HKICPA has issued a new HKFRS, HKFRS 16, Leases and a number of amendments to HKFRSs that are first effective for the current accounting period of the Trust. The application of new and amendments to HKFRSs has had no material impact on the Trust's financial performance and position for the current and prior years and on the disclosures set out in these financial statements.

The Trust has not applied any standard or interpretation that is not yet effective for the current accounting period (see note 9).

c) Use of estimates in the preparation of the financial statements:

The preparation of financial statements in conformity with HKFRSs requires Trustees to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense. 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 form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

d) Credit losses on financial assets:

The Trust recognises a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost including interest receivables and bank balances.

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Trust in accordance with the contract and the cash flows that the company expects to receive).

The Trust recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs. Lifetime ECLs are losses that are expected from possible default events over the expected losses of the financial assets.

e) Cash and cash equivalents:

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand and demand deposits, and short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Trust's cash management.

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONT'D)

f) Provisions:

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

g) Income recognition:

Donation income is recognised as and when it is probable that it will be received.

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

Refund of unutilised donation balance from grantee is recognised as and when it is probable that it will be received.

h) Donation and event expenses:

Donation and event expenses are charged to the statement of comprehensive income and recognised as liabilities when the grant has been offered to and accepted by the grantee and it is probable that an outflow of resources will be required to settle the legal and/or constructive obligation established. If grant conditions exist, the likelihood of an outflow of resources will be assessed based on the grantee's ability and willingness in honoring the grant conditions.

i) Related parties:

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

i) has control or joint control over the Trust;

ii) has significant influence over the Trust; or

iii) is a member of the key management personnel of the Trust.

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

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

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

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

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONT'D)

i) Related parties (cont'd):

- vi) The entity is controlled or jointly controlled by a person identified in (a).
- vii) A person who has control or joint control over the Trust 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 Trust.

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. FINANCIAL INSTRUMENTS

a) Financial instruments by category:

The carrying amount of financial assets is HK\$2,113,681 (2019: HK\$1,855,770) which is represented by interest receivables and cash and bank balances in the statement of financial position.

The carrying amount of financial liabilities at amortised cost is HK\$285,059 (2019: HK\$21,150) which is represented by other payables and accruals in the statement of financial position.

b) Financial risk management objectives and policies:

The Trust's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Trust. As the Trust's exposure to these risks is kept to a minimum, the Trust has not used any derivatives and other instruments for hedging purposes. The Trustees review and agree policies for managing each of these risks and they are summarised as follows:

i) Credit risk:

The maximum exposure of credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The credit risk relating to cash and deposits at banks is limited because the counterparties are banks with high credit rating. The impairment requirements of HKFRS 9 do not have a material impact on the bank deposits.

ii) Interest rate risk:

The Trust had no significant interest-bearing financial liabilities at the end of the reporting period. The interest-bearing financial assets only include short-term bank balance. The Trust's income and operating cash flows are substantially independent of change in market interest rates.

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

3. FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management objectives and policies: (cont'd)

iii) Liquidity risk:

The Trust's operating cash flows are actively managed on an ongoing basis. The Trust maintains sufficient cash for financing its operating activities.

The following table details the remaining contractual maturities at the end of the reporting period of the Trust's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Trust can be required to pay:

	2020		
	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
	HK\$	HK\$	HK\$
Other payables and accruals	285,059	285,059	285,059
	2019		
	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
	HK\$	HK\$	HK\$
Other payables and accruals	21,150	21,150	21,150

iv) Foreign currency risk:

The Trust operates in Hong Kong with almost all of the transactions settled in Hong Kong dollars and therefore did not have significant exposure to foreign exchange risk during the year.

v) Fair values estimation:

The carrying values of financial instruments carried at cost or amortised cost are not materially different from their fair values due to their short maturities.

vi) Capital risk management:

The Trust's objectives when managing capital are to safeguard the Trust's ability to continue as a going concern and to support the Trust's stability and growth and to provide capital for the purpose of strengthening the Trust's risks management capability. Capital includes initial trust fund and accumulated surplus.

The Trust is not subject to either internally or externally imposed capital requirements.

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

4. TAXATION

No provision for Hong Kong profits tax has been made as the Trust is exempted from all taxes under section 88 of the Inland Revenue Ordinance (Chapter 112) of Hong Kong.

5. CASH AND BANK BALANCES

	<u>2020</u> HK\$	<u>2019</u> HK\$
Cash at bank and in hand	2,110,419	1,037,109
Bank deposits with original maturity over three months	<u>-</u>	<u>815,475</u>
	<u>2,110,419</u>	<u>1,852,584</u>

6. INITIAL TRUST FUND

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance carried forward	<u>100</u>	<u>100</u>

7. ACCUMULATED SURPLUS

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance brought forward	1,834,520	1,846,181
Deficit for the year	<u>(5,998)</u>	<u>(11,661)</u>
Balance carried forward	<u>1,828,522</u>	<u>1,834,520</u>

8. RELATED PARTY TRANSACTION

During the year, the Trust has made donation of HK\$304,859 (2019: HK\$2,877,884) to Hospital Authority – Queen Elizabeth Hospital.

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

9. POSSIBLE IMPACT OF NEW/REVISED STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2020

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard which are not yet effective for the year ended 31 March 2020 and which have not been adopted in these financial statements.

The Trust is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Trust's results of operations and financial position.

