

**THE QUEEN ELIZABETH HOSPITAL
CHARITABLE TRUST**

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023**



EDDY WONG & CO.
Certified Public Accountants
黃志文會計師事務所

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

TRUSTEES' REPORT

The Trustees submit their report together with the audited financial statements of The Queen Elizabeth Hospital Charitable Trust ("the Trust") for the year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Trust are:

- I. for the benefit of The Queen Elizabeth Hospital and its works;
- II. 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
- III. to promote medical education and knowledge; and
- IV. to promote or advance medicine, health and physical and mental welfare of the public in the community generally in Hong Kong.

RESULTS

The results of the Trust for the year ended 31 March 2023 are set out in the statement of income and expenditure on page 6 of the financial statements.

COMPOSITION OF THE TRUSTEES

The Trustees of the Trust during the year and up to the date of this report were:

Dr. Tsang Ho Fai Thomas (Chairman)
Mr. Kao Chu Chee Emmanuel
Mr. Ku Moon Lun (Retired on 31 March 2023)
Dr. Lee Kwok Wah Peter
Mr. Lee Sam Yuen John (Appointed on 1 April 2023)
Mr. Mui Ying Yuen David
Dr. Cheung Fuk Chi Eric

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.

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

TRUSTEES' INTERESTS

No contract of significance in relation to the Trust's activities to which the Trust was a party and in which a Trustee of the Trust had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the Trust's activities was entered into or existed during the year.

HONORARY AUDITORS

During the year Messrs. Li, Tang, Chen & Co. resigned and Messrs. Eddy Wong & Co. were appointed as auditors of the Trust.

The financial statements have been audited by Eddy Wong & Co. who will retire and, being eligible, offer themselves for reappointment.

On behalf of the Trustees



Dr. Tsang Ho Fai Thomas
Chairman



Dr. Cheung Fuk Chi Eric
Trustee

Hong Kong,
3 August 2023



INDEPENDENT AUDITOR'S REPORT TO THE GUARDIAN OF

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

(established in Hong Kong as a Trust)

Opinion

We have audited the financial statements of The Queen Elizabeth Hospital Charitable Trust ("the Trust") set out on pages 6 to 17, which comprise the statement of financial position as at 31 March 2023, and the statement of income and expenditure, the statement of changes in funds and the statement of cash flows for the year 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 Trust as at 31 March 2023, and of its financial performance and its cash flows for the year ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' report set out on pages 1 to 2, but does not include the financial statements and our auditor's report thereon.

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

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

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Responsibilities of Trustees and Those Charged with Governance 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 Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Those charged with governance 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. This report is made solely to you, as a body, in accordance with term 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

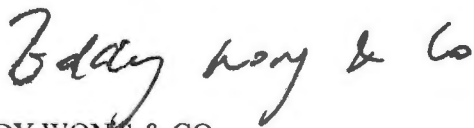
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

INDEPENDENT AUDITOR'S REPORT – CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements - continued

- 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 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.



EDDY WONG & CO.
Certified Public Accountants

Hong Kong,
3 August 2023

EW: AT

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 HK\$	2022 HK\$
Income		
Donation income	1,101,897	171,411
Bank interest income	23,230	1,823
	<u>1,125,127</u>	<u>173,234</u>
	-----	-----
Less: Expenditures		
Audit fee	(1,300)	6,100
Bank charges	439	620
Octopus service charges	905	-
Donation expenses	1,150,127	197,772
Others	16,580	17,060
	<u>(1,166,751)</u>	<u>(221,552)</u>
	-----	-----
Deficit for the year	<u>(41,624)</u>	<u>(48,318)</u>

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 MARCH 2023**

	Initial trust fund HK\$	Reserves HK\$	Total HK\$
Balance as at 1 April 2021	100	1,794,596	1,794,696
Deficit for the year	<u>-</u>	<u>(48,318)</u>	<u>(48,318)</u>
Balance as at 31 March 2022 and 1 April 2022	100	1,746,278	1,746,378
Deficit for the year	<u>-</u>	<u>(41,624)</u>	<u>(41,624)</u>
Balance as at 31 March 2023	<u>100</u>	<u>1,704,654</u>	<u>1,704,754</u>

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	NOTES	2023 HK\$	2022 HK\$
CURRENT ASSETS			
Donation receivables		-	1,000
Interest receivables		17,943	452
Cash and bank balance	6	<u>2,108,031</u>	<u>1,755,734</u>
		<u>2,125,974</u>	<u>1,757,186</u>
LESS: CURRENT LIABILITIES			
Other payables and accruals	7	<u>421,220</u>	<u>10,808</u>
NET CURRENT ASSETS			
		<u>1,704,754</u>	<u>1,746,378</u>
REPRESENTED BY:			
Initial trust fund	8	100	100
Reserve		<u>1,704,654</u>	<u>1,746,278</u>
		<u>1,704,754</u>	<u>1,746,378</u>

Approved by the Trustees on 3 August 2023.



Dr. Tsang Ho Fai Thomas
Chairman



Dr. Cheung Fuk Chi Eric
Trustee

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	NOTES	2023 HK\$	2022 HK\$
Operating activities			
Deficit for the year		(41,624)	(48,318)
Adjustment for:			
Bank interest income		<u>(23,230)</u>	<u>(1,823)</u>
Operating cash flows before movements in working capital		(64,854)	(50,141)
Decrease / (Increase) in donation receivables		1,000	(1,000)
Increase / (Decrease) in other payables and accruals	7	<u>410,412</u>	<u>(2,999)</u>
Net cash generated from / (used in) operating activities		<u>346,558</u>	<u>(54,140)</u>
Investing activities			
Interest received	10	<u>5,739</u>	<u>1,696</u>
Net cash generated from investing activities		<u>5,739</u>	<u>1,696</u>
Increase / (Decrease) in cash and cash equivalents		352,297	(52,444)
Cash and cash equivalents at the beginning of the year		<u>1,755,734</u>	<u>1,808,178</u>
Cash and cash equivalents at the end of the year		<u>2,108,031</u>	<u>1,755,734</u>

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. PRINCIPAL ACTIVITIES AND STATUS

The Queen Elizabeth Hospital Charitable Trust (“the Trust”) was constituted by the Declaration of Trust dated 30 July 1995. The Trust was established by three 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 address of its registered office is Queen Elizabeth Hospital, 30 Gascoigne Road, Jordan, Kowloon, Hong Kong.

The financial statements are presented in Hong Kong dollar (HK\$), unless otherwise stated.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs issued by the HKICPA.

(b) Basis of preparation of the financial statements

The financial statements have been prepared under the accrual basis of accounting and on the basis that the Trust is a going concern.

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements - continued

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, 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 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 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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Trust takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(c) Financial instruments

Financial assets and financial liabilities are recognised on statement of financial position when the Trust becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Trust's financial assets are classified into loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each reporting date subsequent to initial recognition, loans and receivables (including bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Impairment of financial assets (continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Trust's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Financial liabilities

Financial liabilities issued by the Trust are classified into financial liabilities according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Trust's financial liabilities are generally classified into other financial liabilities.

Other financial liabilities

Other financial liabilities (including accruals) are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Trust 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 expenditures 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.

(e) Income recognition

i) Donations are recognised on an accrual basis.

ii) Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. AUDITORS' REMUNERATION

No auditors' remuneration is charged in view of the charitable status of the Trust.

4. REMUNERATION TO TRUSTEES

None of the Trustees received or will receive any fees or other emoluments in respect of their services to the Trust during the year (2022: Nil).

5. TAXATION

The Trust, being a registered charitable trust, is exempted from Hong Kong Profits Tax by virtue of Section 88 of the Hong Kong Inland Revenue Ordinance.

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. CASH AND BANK BALANCE

	2023 HK\$	2022 HK\$
Cash at bank in hand	1,255,946	909,389
Time deposits with bank	<u>852,085</u>	<u>846,345</u>
	<u>2,108,031</u>	<u>1,755,734</u>

7. OTHER PAYABLES AND ACCRUALS

	2023 HK\$	2022 HK\$
Other payables and accruals	<u>421,220</u>	<u>10,808</u>
	<u>421,220</u>	<u>10,808</u>

8. INITIAL TRUST FUND

On 30 July 1995, the date of establishment of the Trust, the guardian contributed HK\$100 to the Trust as working capital.

9. RELATED PARTY TRANSACTIONS

During the year, the Trust has made donation of HK\$1,150,127 (2022: HK\$197,772) to Hospital Authority – Queen Elizabeth Hospital.

10. INVESTING ACTIVITIES

	2023 HK\$	2022 HK\$
Interest received	<u>5,739</u>	<u>1,696</u>
	<u>5,739</u>	<u>1,696</u>

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

11. FUND RISK MANAGEMENT

The Trust's objective of managing the fund is to safeguard its ability to continue as a going concern and to promote the objects set out in the Trust's Declaration of Trust. The Trustees manage the funds by regularly monitoring its current and expected liquidity requirements.

12. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2023 HK\$	2022 HK\$
Financial assets		
Loans and receivables (including cash and cash equivalents)		
Donation receivables	-	1,000
Bank interest receivables	17,943	452
Cash and bank balance	2,108,031	1,755,734
	<u>2,125,974</u>	<u>1,757,186</u>
Financial liabilities		
Other payables and accruals	421,220	10,808

(b) Financial risk management

Exposure to credit risk, liquidity risk, interest rate risk, currency risk and fair value measurement in the normal course of the Trust's operation. These risks are limited by the Trust's policies and practices described below.

i) Credit risk

The Trust's principal financial assets are bank deposits and receivables. The credit risk on the liquid funds is limited because of the close involvement of the Trustees in overseeing the recovery of the assets.

ii) Liquidity risk

The Trustees have built an appropriate liquidity risk management framework to meet the Trust's short, medium and long term funding and liquidity management requirements. There is no exposure to liquidity risk as at 31 March 2023.

THE QUEEN ELIZABETH HOSPITAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

12. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

iii) Interest rate risk

The Trust has interest-bearing assets in the form of fixed deposits. Trustees consider the exposure to the changes in market interest rate should not be materially enough to cause adverse financial effect on the Trust's position.

iv) Currency risk

The Trust has no significant exposure to foreign currency risk as substantially most of the Trust's transactions are denominated in its functional currency, Hong Kong Dollars.

v) Fair values measurement

The carrying amounts of the Trust's financial instruments carried at cost are not materially different from their fair values as at 31 March 2023.

13. NET PROCEEDS FROM FUND RAISING ACTIVITIES UNDER PUBLIC SUBSCRIPTION PERMITS ("PSP") GRANTED BY THE SOCIAL WELFARE DEPARTMENT

PSP No.	Purpose	Period covered	Gross income HK\$	Gross expenditure HK\$	Net proceeds HK\$
2022/022/1	For supporting hospital services at Queen Elizabeth Hospital	01/04/2022-31/03/2023	169,513	169,513	-