

精神健康基金會有限公司
MENTAL HEALTH FOUNDATION LIMITED

REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

何樂貝會計師事務所有限公司
HO, LOK & PUI CPA LIMITED

精神健康基金會有限公司
MENTAL HEALTH FOUNDATION LIMITED

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精神健康基金會有限公司
MENTAL HEALTH FOUNDATION LIMITED

REPORT OF THE COUNCILLORS
FOR THE YEAR ENDED 31 MARCH 2023

The Councillors have pleasure in submitting their annual report and the audited financial statements for the year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The Company is a charitable, non-profit making organisation for the promotion of mental health and welfare to the community and for the relief of the sufferings of the mental health patients. There was no significant change in the nature of the Association's activities during the year.

RESULTS AND APPROPRIATION

The results of the Company for the year ended 31st March 2023 and the state of the Company's affairs as at that date are set out in the financial statements on pages 6 to 12.

The Company's Articles of Association forbids the distribution of the Company's surplus or property to the members of the Company. The Councillors do not recommend the transfer of any amount to reserve for the year.

SHARE CAPITAL

The Company has been incorporated with limited liability by guarantee and has no share capital.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Company during the year are set out in note 7 to the financial statements.

COUNCILLORS

The Councillors of the Company during the year and up to the date of this report were as follows:

Ms. Cheng Wai Yee Fanny	
Dr. Chui Wing Ho William	
Dr. Lau Ying Kit	
Dr. Lau Yuk Shing	(appointed on 29 June 2022)
Dr. Lin Feng	
Dr. Lin Hoi Yun Candy	
Mr. Lok Kam Chong	
Dr. Lum Choong Kein	
Dr. Mak Dun Ping	(resigned on 29 June 2022)
Ms. Mui Hang Chun Jolene	
Mr. Nieh Chun, Joe	
Dr. Siu Wei Man Bonnie	(resigned on 29 June 2022)
Mr. So Hing Woh, Victor	
Dr. Ting Sik Chuen, Dick	
Mr. Wong Stephen	
Dr. Wong Wai Yin Elisabeth	(appointed on 29 June 2022)

精神健康基金會有限公司
MENTAL HEALTH FOUNDATION LIMITED

**REPORT OF THE COUNCILLORS
FOR THE YEAR ENDED 31 MARCH 2023**

COUNCILLORS (CONTINUED)

In accordance with Articles no. 39 and no. 41 of the Company's Articles of Association, one-third of the councillors, or, if their number is not 3 or multiple of 3, then the number nearest one-third, shall retire from office and a retiring councillor shall be eligible for re-election.

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

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company a party to any arrangements to enable the councillors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

COUNCILLORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed in the note 8 "Amount due to a councilor" and note 11 "Other related party transactions" to the financial statements, no contract of significance to which the Company was a party and in which a Councillor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

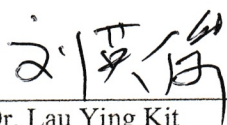
PERMITTED INDEMNITY PROVISION

No permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the Councillors of the Company is currently in force and has been in force throughout the year.

AUDITORS

The company's auditors Messrs. Ho, Lok & Pui CPA Limited, Certified Public Accountants, retire and, being eligible, offer themselves for re-appointment in the forthcoming annual general meeting.

By Order of the Council of Management



Dr. Lau Ying Kit
Chairman
Hong Kong, 24 JAN 2024

何樂貝會計師事務所有限公司
HO, LOK & PUI CPA LIMITED
Certified Public Accountants

Directors: Tom S.T. Ho FCPA (Practising), ACA, FCCA, MBA 何兆棠 執業會計師
John K.C. Lok FCPA (Practising), ACA, FCCA, MBA, MSC 樂錦壯 執業會計師
Eddy C.W. Pui FCPA (Practising), BBA 貝朝榮 執業會計師

15/F., Chung Pont Commercial Building, 300 Hennessy Road, Wanchai, Hong Kong
香港灣仔軒尼詩道 300 號中邦商業大廈 15 樓 電話 Tel:2836 3189 傳真 Fax:2234 0834

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

精神健康基金會有限公司

MENTAL HEALTH FOUNDATION LIMITED

(incorporated in Hong Kong and limited by guarantee and not having a share capital)

Opinion

We have audited the financial statements of Mental Health Foundation Limited ("the Company") set out on pages 6 to 12, which comprise the statement of financial position as at 31 March 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard 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 Company 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 Councillors are responsible for the other information. The other information comprises the information included in the Report of the Councillors, 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.

何樂貝會計師事務所有限公司
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Certified Public Accountants

Directors:	Tom S.T. Ho	FCPA (Practising), ACA, FCCA, MBA	何兆棠 執業會計師
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
精神健康基金會有限公司
MENTAL HEALTH FOUNDATION LIMITED**

(incorporated in Hong Kong and limited by guarantee and not having a share capital)

Responsibilities of Councillors and Those Charged with Governance for the Financial Statements

The Councillors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Companies Ordinance, and for such internal control as the Councillors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Councillors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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 section 405 of the 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.

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.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF**

精神健康基金會有限公司

MENTAL HEALTH FOUNDATION LIMITED

(incorporated in Hong Kong and limited by guarantee and not having a share capital)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 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.



Ho, Lok & Pui CPA Limited
Certified Public Accountants
Hong Kong, 24 JAN 2024

Ho Siu Tong
Practising Certificate Number P04291

精神健康基金會有限公司
MENTAL HEALTH FOUNDATION LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	<i>Note</i>	2023 <u>HK\$</u>	2022 <u>HK\$</u>
REVENUE	3	2,069,091	2,256,145
DIRECT COSTS		(1,182,036)	(478,595)
		<u>887,055</u>	<u>1,777,550</u>
OTHER INCOME		70,100	8,800
ADMINISTRATIVE EXPENSES		(1,396,992)	(973,135)
(DEFICIT)/SURPLUS BEFORE TAX	4	<u>(439,837)</u>	<u>813,215</u>
INCOME TAX EXPENSE	6	-	-
(DEFICIT)/SURPLUS FOR THE YEAR		<u>(439,837)</u>	<u>813,215</u>
RETAINED SURPLUSES BROUGHT FORWARD		2,383,858	1,570,643
RETAINED SURPLUSES CARRIED FORWARD		<u><u>1,944,021</u></u>	<u><u>2,383,858</u></u>


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


精神健康基金會有限公司
MENTAL HEALTH FOUNDATION LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	<i>Note</i>	2023 HK\$	2022 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	7	13,840	20,760
CURRENT ASSETS			
Prepayments and deposits		60,900	38,400
Cash and bank balances		3,718,627	2,828,399
		3,779,527	2,866,799
LESS: CURRENT LIABILITIES			
Accrued expenses		28,281	11,204
Donation received in advance		1,810,265	481,697
Amount due to a councillor	8	10,800	10,800
		1,849,346	503,701
NET CURRENT ASSETS		1,930,181	2,363,098
NET ASSETS		1,944,021	2,383,858
MEMBERS' EQUITY			
General funds	9	1,944,021	2,383,858

Approved by the Council of Management on 24 JAN 2024


Dr. Lau Ying Kit
Councillor


Lok Kam Chong
Councillor

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

精神健康基金會有限公司
MENTAL HEALTH FOUNDATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

REPORTING ENTITY

Mental Health Foundation Limited (the “Company”) is a company incorporated and domiciled in Hong Kong and limited by guarantee and not having a share capital. The Company’s registered office is located at Room 626, Worldwide House, Des Voeux Road Central, Central, Hong Kong.

The Company is a charitable, non-profit making organisation for the promotion of mental health and welfare to the community and for the relief of the sufferings of the mental health patients.

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The company qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

a) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, on the following bases:

- (i) donation is recognized as revenue when the amount is received; and
- (ii) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

b) Foreign currency translation

The reporting currency of the company is Hong Kong Dollars, which is the currency of the primary economic environment in which the company operates. The financial statements are presented in Hong Kong Dollars.

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

c) Taxation

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

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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

d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Equipment and furniture	20%
Leasehold improvement	20%

e) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

f) Leases

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

g) Related parties

Parties are considered to be related to the company if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities which are under the significant influence of related parties of the company where those parties are individuals.

h) Employee benefits

The company operates a defined contribution plan, a Mandatory Provident Fund (MPF) Scheme under the MPF Scheme Ordinance, for employees. The contribution payable to the scheme in exchange for the service rendered by an employee to the company during the year is recognized as an expense and a liability, after deducting any contribution already paid.

精神健康基金會有限公司
MENTAL HEALTH FOUNDATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. LIMITED LIABILITY BY GUARANTEE

Every member of the Company undertakes to contribute to the assets of the Company, in the event of its being wound up while he is a member, or within one year after he ceased to be a member, for payment of the debts and liabilities of the Company contracted before he ceases to be a member, and of the costs, charges and expenses of winding-up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding HK\$100.

3. REVENUE

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

	2023 <u>HK\$</u>	2022 <u>HK\$</u>
Bank interest income	7,581	42
Donation received	2,061,510	2,256,103
	<u>2,069,091</u>	<u>2,256,145</u>

4. (DEFICIT)/SURPLUS BEFORE TAX

(Deficit)/surplus before tax is arrived at:

	2023 <u>HK\$</u>	2022 <u>HK\$</u>
After crediting the following item:		
Government subsidy	48,000	-
And after charging the following items:		
Auditor's remuneration	6,000	6,000
Depreciation	6,920	41,908
Operating lease rental in respect of leased premises	167,400	138,000
Staff costs (excluding councillors' remuneration)		
- Salaries	1,003,594	684,081
- Mandatory provident fund contributions	<u>41,738</u>	<u>29,829</u>

精神健康基金會有限公司
MENTAL HEALTH FOUNDATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. COUNCILLORS' REMUNERATION

Councillors' remuneration disclosed pursuant to Section 383(1) of the Companies Ordinance (Cap. 622) is as follows:

	2023 HK\$	2022 HK\$
Fees	-	-
Other emoluments	-	-

6. INCOME TAX EXPENSE

No Hong Kong profits tax (2022: HK\$Nil) has been provided in the financial statements as the Company, being a charitable institution, is exempted from tax under section 88 of the Inland Revenue Ordinance.

7. PROPERTY, PLANT AND EQUIPMENT

	Equipment and furniture HK\$	Leasehold improvement HK\$	Total HK\$
Cost:			
At 1 April 2022	6,380	204,741	211,121
Additions	-	-	-
At 31 March 2023	6,380	204,741	211,121
Accumulated depreciation and impairment losses:			
At 1 April 2022	6,380	183,981	190,361
Depreciation for the year	-	6,920	6,920
At 31 March 2023	6,380	190,901	197,281
Net carrying amount:			
At 31 March 2023	-	13,840	13,840
At 31 March 2022	-	20,760	20,760

8. AMOUNT DUE TO A COUNCILLOR

The amount represented certain expenses of the Company paid on behalf by the Councillor of the Company Dr. Lau Ying Kit. The amount due is interest-free, unsecured and has no fixed repayment terms.

精神健康基金會有限公司
MENTAL HEALTH FOUNDATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. CHANGES IN EQUITY

	Retained surpluses <u>HK\$</u>	Total general funds <u>HK\$</u>
Balance as at 31 March 2021	1,570,643	1,570,643
Surplus for the year	813,215	813,215
Balance as at 31 March 2022	2,383,858	2,383,858
Deficit for the year	(439,837)	(439,837)
Balance as at 31 March 2023	<u>1,944,021</u>	<u>1,944,021</u>

10. COMMITMENTS UNDER OPERATING LEASES

The company had the following total future minimum lease payments payable under non-cancellable operating leases:

	2023 <u>HK\$</u>	2022 <u>HK\$</u>
Not later than one year	151,200	171,000
Later than one year	-	162,000
	<u>151,200</u>	<u>333,000</u>

11. OTHER RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Company had the following transactions with related parties:

	2023 <u>HK\$</u>	2022 <u>HK\$</u>
Donation received from councilors	<u>64,924</u>	<u>124,679</u>

12. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Council of Management on 24 JAN 2024

THE FOLLOWING SCHEDULE DOES NOT FORM PART OF THE
AUDITED FINANCIAL STATEMENTS

精神健康基金會有限公司
MENTAL HEALTH FOUNDATION LIMITED

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

		For information of management only	
		2023	2022
		<u>HK\$</u>	<u>HK\$</u>
REVENUE			
Bank interest income		7,581	42
Donations received		2,061,510	2,256,103
		2,069,091	2,256,145
Less: DIRECT COSTS			
Programmes expenses		1,182,036	478,595
		887,055	1,777,550
Add: OTHER INCOME			
Sundry income		22,100	8,800
Government subsidy		48,000	-
		70,100	8,800
		957,155	1,786,350
Less: ADMINISTRATIVE EXPENSES			
Advertising		83,548	-
Audit fee		6,000	6,000
Bank charges		1,610	1,967
Building management fee		28,500	28,500
Computer expenses		2,144	11,341
Depreciation		6,920	41,908
Entertainment		-	204
Insurance		9,816	1,995
Mandatory provident fund contributions		41,738	29,829
Medical expenses		2,853	2,995
Office expenses		10,954	6,497
Postage, printing and stationery		5,274	9,307
Professional fee		12,895	2,425
Rent and rates		167,750	138,159
Staff salaries		1,003,594	684,081
Sundry expenses		200	200
Telephone and communication		6,322	5,490
Transportation		5,269	1,011
Utilities		1,605	1,226
		1,396,992	973,135
(DEFICIT)/SURPLUS FOR THE YEAR		(439,837)	813,215