

# 兒童心臟基金會



年報

2007 - 2008

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# 兒童心臟基金會

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# 兒童心臟基金會

## 機構簡介

兒童心臟基金會是註冊慈善機構，由一群關心心臟病兒童的父母於1994年11月10日成立，致力服務先天性心臟病兒童及其家人。基金會經費全賴社會熱心人士和機構慷慨捐助，以支持各項服務。

### 基金會的宗旨

1. 提高市民對先天性心臟病的認識；
2. 向先天性心臟病兒童及其家屬提供經濟援助及心理支援服務；
3. 推動有關先天性心臟病的研究及治療的工作。

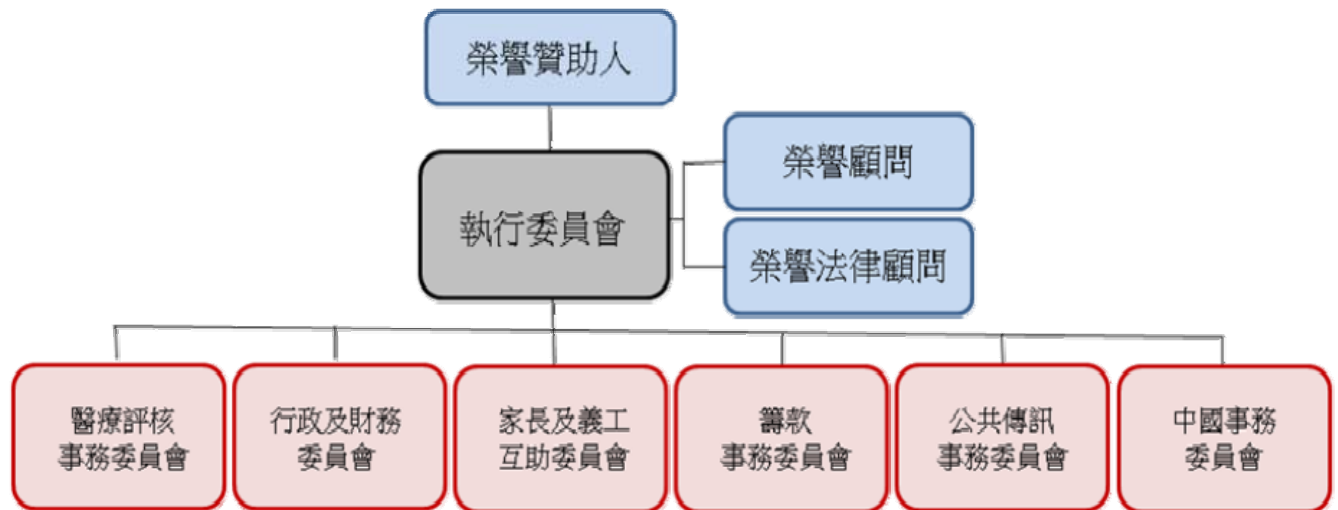
### 基金會的服務

1. 經濟援助病童手術費，如介入性導管治療及心臟起搏器；
2. 購置醫療儀器；
3. 組織病童及家屬分享經驗及進行探訪，推動互助精神；
4. 舉辦教育活動，如週年兒童心臟健康展覽及主題講座；
5. 為留院病童父母提供宿舍租住服務；
6. 安排海外醫生到港，與本地醫護人員進行醫學交流；
7. 贊助有關先天性心臟病診斷和治療的研究工作。



# 兒童心臟基金會

## 組織架構 一



### 2007-2008 年度執行委員會成員名單

榮譽贊助人	: 周梁淑怡女士
榮譽顧問	: 梁秀芝醫生 : 何鄭映歡女士
榮譽法律顧問	: 孔蕃昌律師
主席	: 容蔡美碧女士
副主席	: 周啟東醫生
秘書	: 劉明欣女士
司庫	: 霍文先生
委員	: 區慧筠護士 : 何蕙貞女士 : Jonathan Marsh 先生 : 胡劍濤小姐 : 翁德璋醫生 : 崔大偉博士
榮譽審核公司	: 畢馬威會計師事務所



# 兒童心臟基金會

## 組織架構 二

### 2007-2008 年行政及財務委員會

主席	霍文先生
委員	胡劍濤小姐
	何鄭映歡女士

### 2007-2008 年籌款事務委員會

主席	崔大偉博士
委員	林慧君小姐
	胡敏珊小姐
	丘凱敏小姐
	徐濠縈小姐

### 2007-2008 年公共傳訊事務委員會

主席	Jonathan Marsh 先生
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### 2007-2008 年醫療評核事務委員會

主席	何鄭映歡女士
委員	周啟東醫生
	翁德璋醫生
	區慧筠護士
	劉明欣女士



# 兒童心臟基金會

## 組織架構 三

### 2007-2008 年中國事務委員會

委員	霍文先生
	周啟東醫生
	翁德璋醫生
	何鄭映歡女士
	何蕙貞女士

### 2007-2008 年家長及義工互助委員會

聯席主席	何鄭映歡女士
	何蕙貞女士
委員	胡劍濤小姐
	何麗嬋女士
	官潔群女士
	張秀萍女士
	劉玉蓮女士
	賴慶玲女士
	蘇翠蓮女士
	梁敬成先生
	吳秀娟女士



# 兒童心臟基金會

## 主席報告

### 「有愛便是家」

本人很榮幸能出任兒童心臟基金會主席一職。這份週年年報記錄了兒童心臟基金會在 2007 年至 2008 年度上半年的佳績，印證了這個慈善團體的成功，實在叫人欣慰。

「有愛便是家」 - 我們真誠地服務先天性心臟病兒童及其家屬。病童、家屬及委員都不分彼此，一同努力，一同貢獻。我很高興向眾家庭成員滙報及總結 2007 及 2008 上半年的會務，致力在良好基礎上發展嶄新的服務及為會員和病人提供更廣泛的服務。

本會服務經費全賴籌募所得的公眾捐款。在籌款事務委員會及各同工的努力下，本會 2007 的善款高達港幣五百九十多萬，其中包括全城矚目的「蝦腔名曲會知音之共襄善舉」慈善晚會、心連心慈善步行、愉景灣慈善網球賽、婦女慈善午宴等。我們還非常榮幸，去年底在麗嘉酒店拆卸前舉行最後一屆的「慈善薑餅制作大賽及展覽」，令人印象難忘。

過去一年半的會員活動多姿多彩，除了較靜態的音樂及手工藝培訓外，我們倍加專注提高心臟病兒童的自信及體質，並舉辦多個以健康活力為主題的活動，其中包括「高球自在日」、「親親小馬」、「強身健體健康營」、「親子太極班入門」、「強身健體營」等。眾會員不但可以舒展筋骨，親子同樂，還可讓小朋友了解健康由家庭生活做起的道理。

醫療護理一向是我們引以為傲的一環。在 2007 年，醫療贊助撥款高達港幣一百一十萬，當中包括介入性心導管治療、心臟起搏器及嶄新的醫療儀器等。為了兒童及青少年的長遠利益，我們積極推動成人先天性心臟中心的發展，並於去年 10 月撥款贊助一名兒童心臟科醫生到美國費城的「成人先天性心臟中心」實地考察。同時，本會更成功邀請 2 位來自英國及美國的兒童心臟專科到港進行交流，為複雜性心臟病的兒童進行治療。

在各界人士的支持下，本會在人力、財政及聯系等方面處於穩健充足的狀況，促成本會進一步將服務擴展至中國內地，向缺乏適當治療的心



# 兒童心臟基金會

## 主席報告

臟病兒童提供協助。作為開始的第一步，我們成立了中國發展委員會專注研究及草擬有關的發展方案。

本年4月，本會榮獲食物及衛生局邀請，加入成為「兒童專科醫院」策劃小組及工作小組的一份子。我深信是次參與能提升本會對社會的貢獻，及進一步推動兒童心臟及其他疾病的醫療發展。

自2001年啟用至今，「愛心之家」的使用率一直上升。這個家提供的不只是臨時的歇息地方或免卻家長舟車勞動之苦，還為徬徨無助的家屬提供心理上的支援及協助。受惠家屬來自香港、內地及其他地方。本會於今年四月開始把「愛心之家」的服務擴展至一星期七天，提供無間斷的服務。

為配合小兒心臟科由葛量洪醫院遷往瑪麗醫院的計劃，本會的會址及「愛心之家」將於今年十月底遷往薄扶林道122號。新的家距離瑪麗醫院小兒心臟科只有短短兩分鐘的路程，設備完善、環境優美、交通十分方便。葛量洪醫院在過去十四年大力協助本會的成長，現在面臨告別，實在令人依依不捨。

在此我特意向基金會的合作伙伴及捐款機構致謝，特別是如新企業香港分公司、渣打銀行(香港)有限公司、美泰集團、葉志成慈善基金會有限公司、卓越醫療服務有限公司、旅行家、孩之寶遠東有限公司、太古資源及香港迪士尼樂園等，全賴他們的支持，本會才得以穩健發展。

藉此機會，我要衷心感謝所有執行委員會成員的努力與熱誠。他們不止發揮個人所長，並無私地貢獻個人的資源及社會網絡；還不辭勞苦地研究和討論會務，就是在狂風暴雨下也無礙他們的幹勁及熱誠。

去年尾，執委會成員之一的 Philip Elder 舉家遷往上海。Philip 於04年加入本會，出任榮譽財務一職，積極參與基金會之會務，付出無私之愛心和努力。我與眾執委會委員一起在此祝福 Philip 及其家人，願他們一切順利和生活愉快！





# 兒童心臟基金會

## 主席報告

最後我謹代表全體會員，在此表揚及感謝所有職員。特別是 Yasmin, Timsik 及 Wendy，雖然會務日益繁重，但她們共同努力，以卓越的效率及沖天幹勁讓各項活動得以順利執行。

多謝各位！

容蔡美碧



# 兒童心臟基金會

## 會員週年大會通告

本基金會將於二零零八年八月二十三日星期六 下午二時於香港灣仔謝斐道 238 號諾富特世紀香港酒店宴會廳 5 舉行會員週年大會，商討下列事項：

1. 審核及通過本基金會由二零零七年一月一日至二零零七年十二月三十一日之核數賬目及執行委員會及核數師報告；
2. 選舉執行委員會會員；
3. 委任 KPMG 為義務核數師；及
4. 其他事宜。

特此通知

承執行委員會命

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秘書劉明欣女士

日期：二零零八年七月廿六日

有權出席及投票之會員可委派代表出席，代表無須為本會會員。



# 兒童心臟基金會

## 2007/2008 會員活動

2007 年度

月份	活動名稱
一	Cash 愛心奇趣之旅
三	會員新春團拜
三	如新高球自在日
四	奇趣鑲嵌石工作坊
七	愛心曲奇送關懷
七	親子太極班入門
七	2007 年度兒童合唱團-第二期
七	兒童合唱團表演於如新晚宴
七	強身健體健康營
七	暑期動力學習班
七至八	親子系列之兒童舞台劇
八	家長「加油站」
八	會員週年大會 06/07
九	兒童心臟健康展覽 2007
十二	聖誕聯歡會 2007
十二	愛心放送大行動



# 兒童心臟基金會

## 2007/2008 會員活動

2008 年度

月份	活動名稱
二	新春探訪老人院
三	義工聚餐
三	新春一天遊
三	尋找復活兔
四	兒童節兒音樂會
四	2008 年度兒童合唱團-第一期
四	兒童手工藝班
四	布偶音樂劇及親子布偶工作坊
七	暑假愛心同樂營 2008
七	愛心小廚子
七	2008 年度兒童合唱團-第二期
七	如新運動日 - 親親小馬
八	探訪與分享



# 兒童心臟基金會

## 2007/2008 籌款活動

2007 年度

月份	活動名稱
一	CASH 愛心捐贈活動
二	OVO 情人節慈善活動
四	Kiehl's 慈善活動
四	婦女慈善午宴 2007
四	懷念 Harry Steves 捐贈活動
五	Herbs' 慈善義賣
八	郵件單張活動 2007- 渣打銀行(香港)有限公司
九	蝦腔名曲會知音之共襄善舉
九	Classical Rock n' pop fusion
十	愉景灣慈善網球賽 2007
十	10 巴仙捐款計劃
十一	2007 心連心慈善步行
十二	REPLAY 慈善義賣
十二	慈善薑餅製作大賽及展覽
十二	馬拉松慈善心意祝福
十二	聖誕老人行動 2007
全年	如新兒童心臟計劃 2007
全年	企業捐贈計劃 2007
全年	惠施網 2007



# 兒童心臟基金會

## 2007/2008 籌款活動

2008 年度

月份	活動名稱
一	東北縱走越野馬拉松 2008
五	婦女慈善午宴 2008
六	企業捐贈計劃 2008
六	郵件單張活動 2008- 渣打銀行(香港)有限公司
七	迪士尼捐贈計劃
七	惠施網 2008



# 兒童心臟基金會

## 醫學培訓及發展計劃 2007/2008

### 2007 年度

<u>項目日期</u>	<u>計劃項目</u>
2006 年 10 月至 2007 年 9 月	趙瑞華醫生贊助計劃
2007 年 5 月	2007 醫學交流計劃(一):曾達中醫生
2007 年 10 月	2007 醫學交流計劃(二):成人先天性心臟中心實地考察
2007 年 12 月	2007 醫學交流計劃(三):曾達中醫生

### 2008 年度

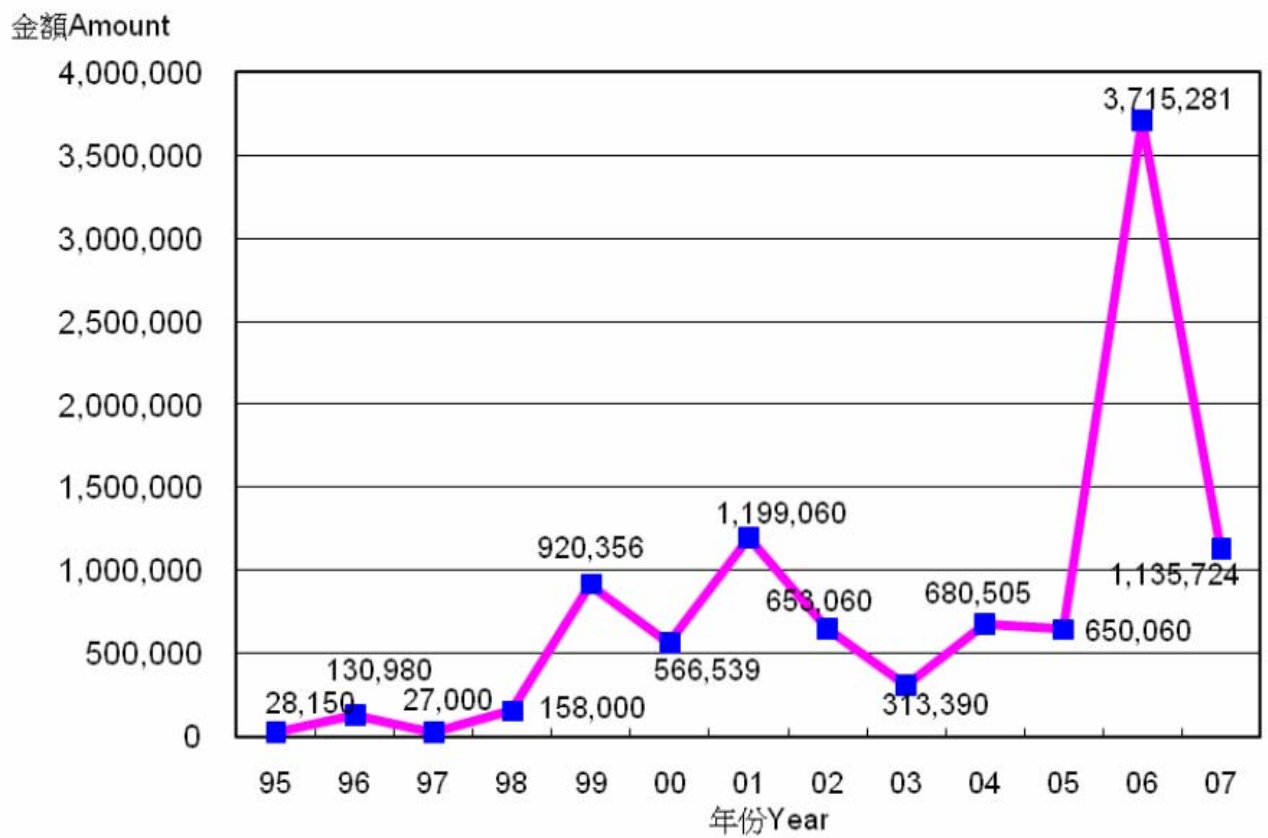
<u>項目日期</u>	<u>計劃項目</u>
2008 年 4 月	2008 醫學交流計劃(一): Prof. Cheatham



# 兒童心臟基金會

## 服務統計 (一)

### 贊助治療項目及購買醫療儀器之支出



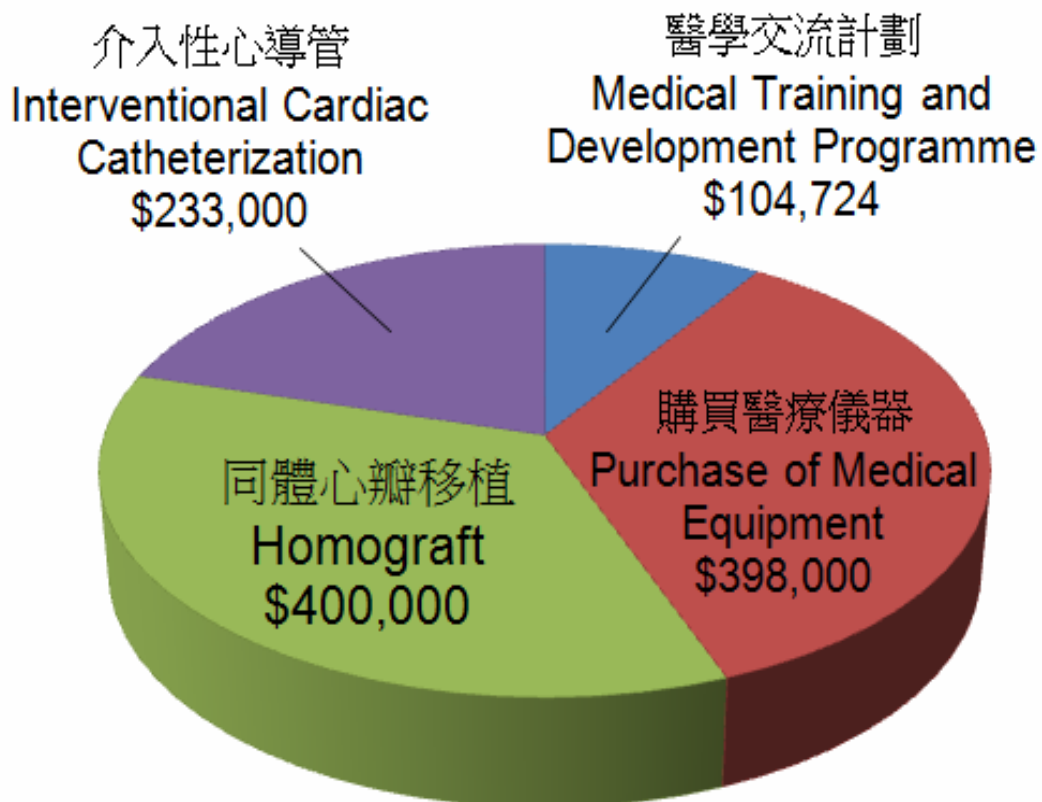




# 兒童心臟基金會

## 服務統計 (二)

### 2007 年贊助醫療項目的支出分佈



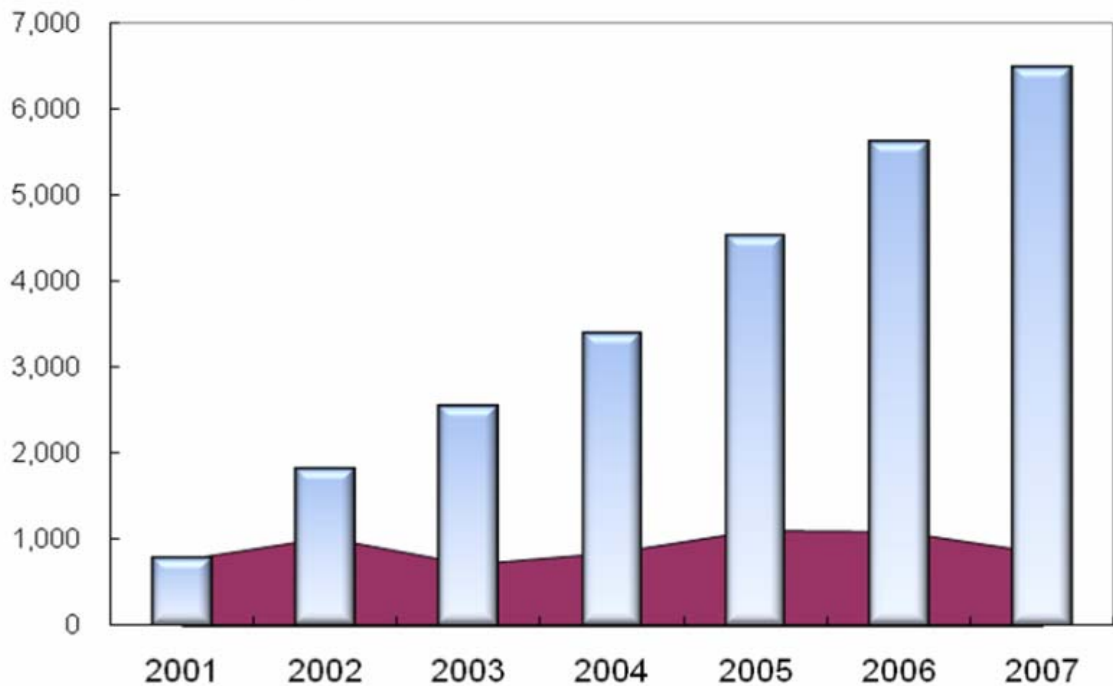


# 兒童心臟基金會

## 服務統計 (三)

### 愛心之家使用人次

人次 No. of Guest Night



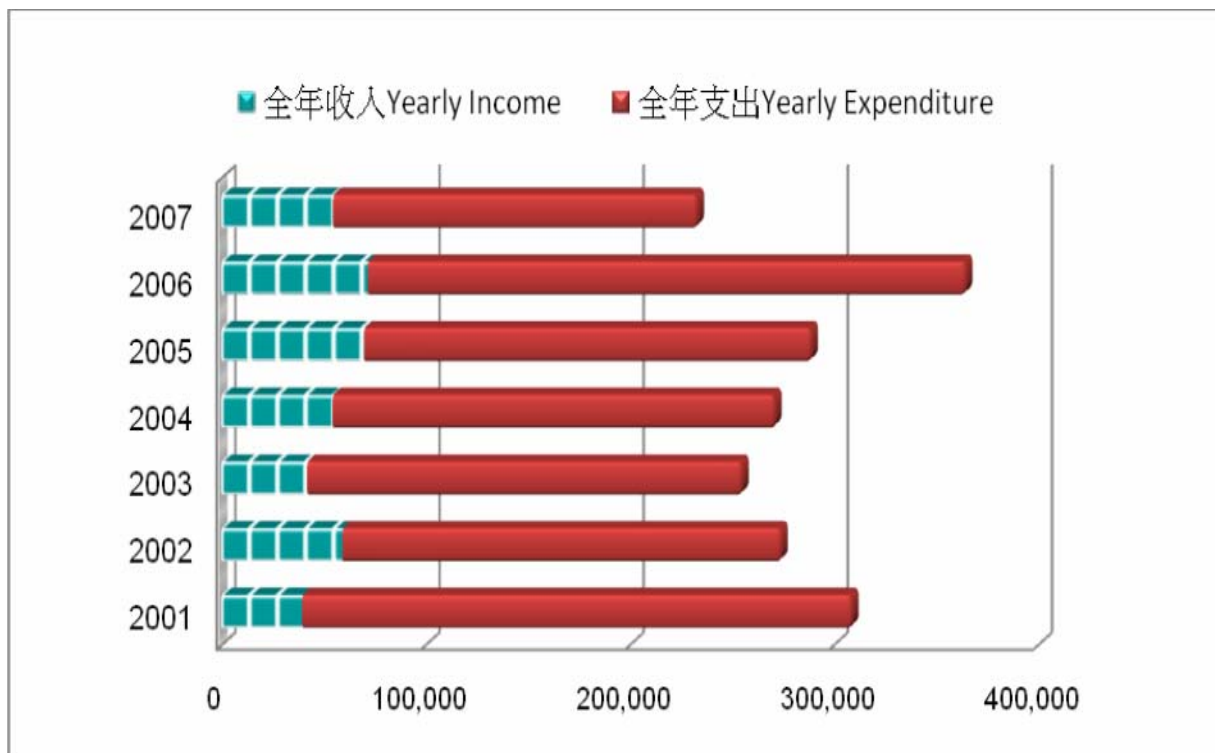
	2001	2002	2003	2004	2005	2006	2007
使用人次 Number of Guest Nights	775	1,036	723	860	1,119	1,105	858
累積使用人次 Cumulative Number of Guest Nights	775	1,811	2,534	3,394	4,513	5,618	6,476



# 兒童心臟基金會

## 服務統計 (四)

### 愛心之家收入及支出情況



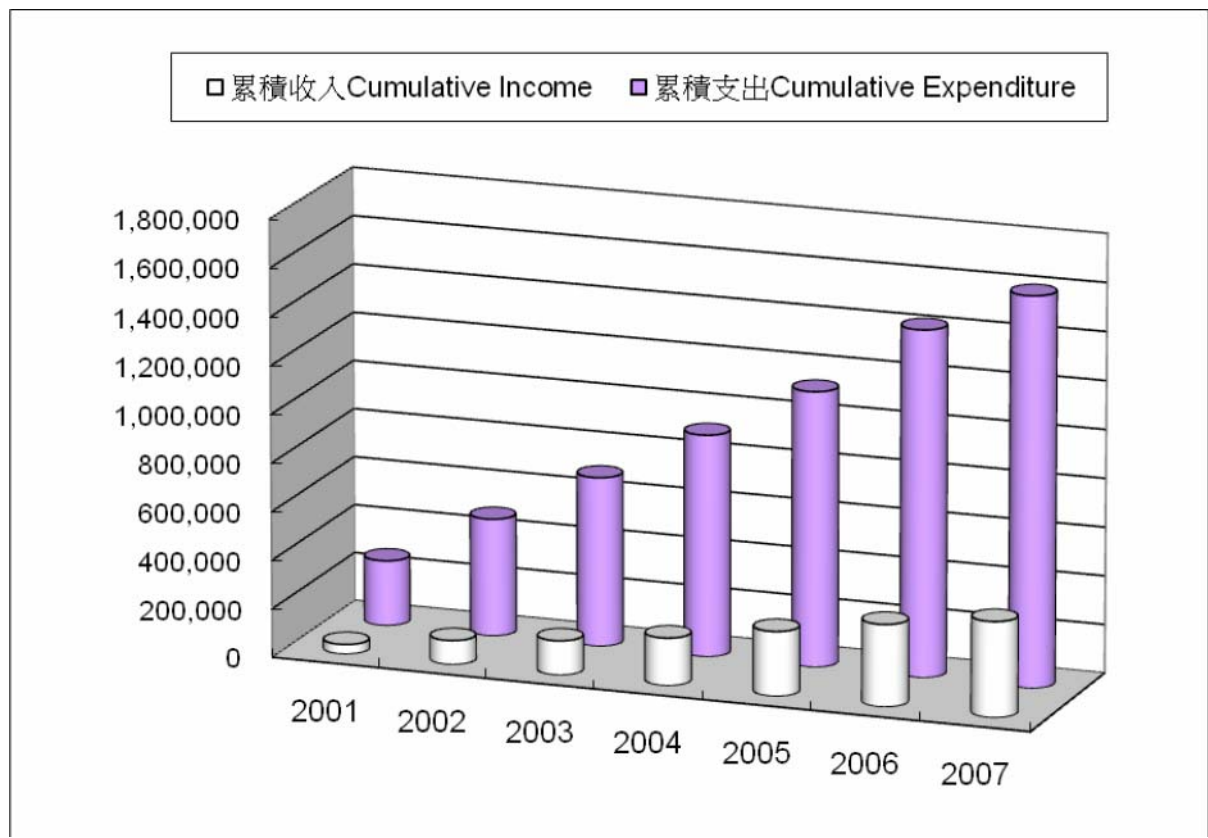
	2001	2002	2003	2004	2005	2006	2007
全年支出 Yearly Expenditure	\$269,106	\$214,716	\$212,840	\$216,473	\$218,938	\$292,647	\$178,250
全年收入 Yearly Income	\$39,660	\$59,398	\$42,100	\$54,580	\$69,980	\$71,830	\$54,800



# 兒童心臟基金會

## 服務統計 (五)

### 累積愛心之家收入及支出情況



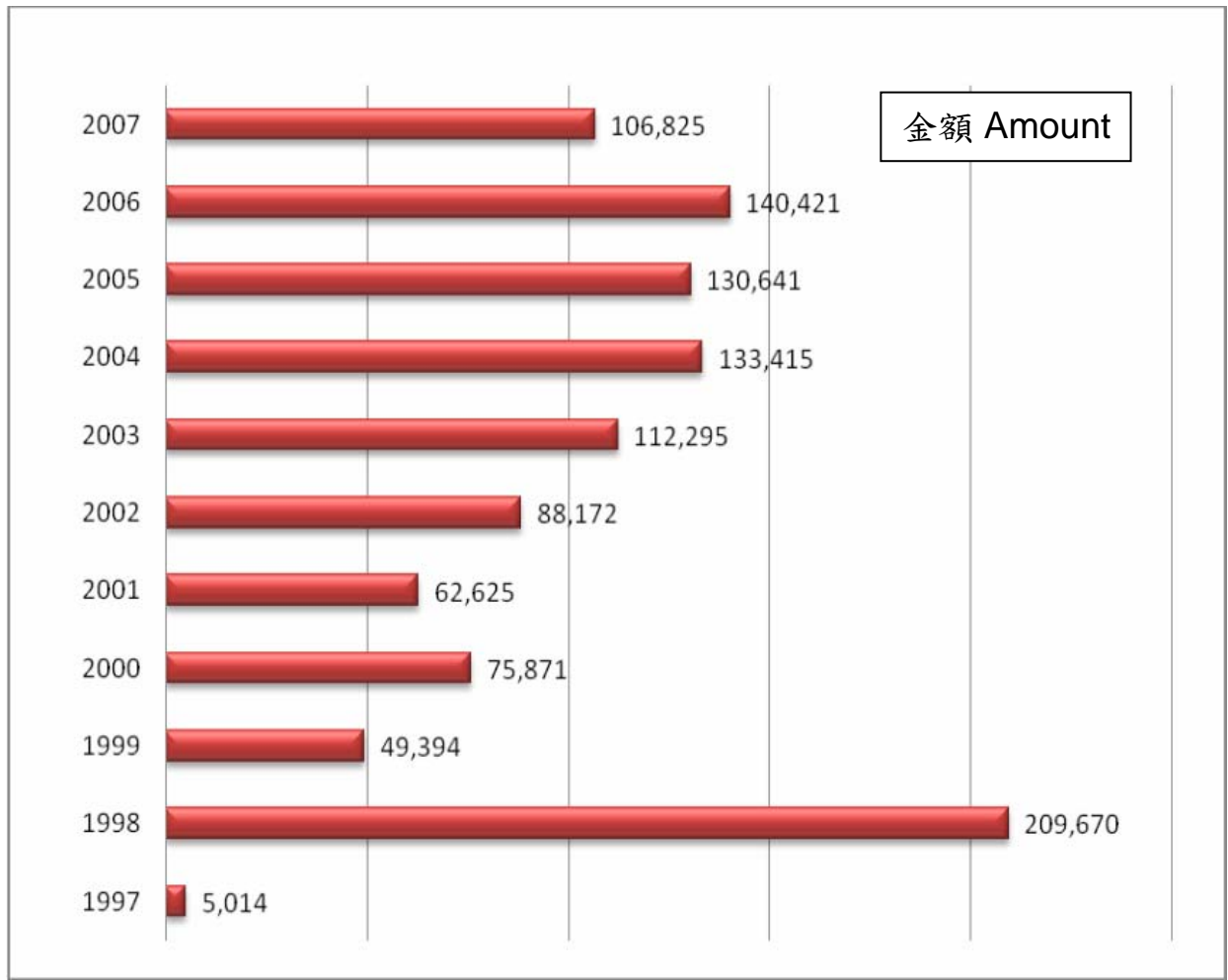
	2001	2002	2003	2004	2005	2006	2007
累積支出 Cumulative Expenditure	\$269,106	\$483,822	\$696,662	\$913,135	\$1,132,072	\$1,424,720	\$1,602,970
累積收入 Cumulative Income	\$39,660	\$99,058	\$141,158	\$195,738	\$265,718	\$337,548	\$392,348



# 兒童心臟基金會

## 服務統計 (六)

### 教育展覽及會員活動之支出





# 兒童心臟基金會

## 服務統計 (七)

### 舉辦教育展覽之地區



	年份 Year	地點 Location
1.	1998	葵芳 Kwai Fong & 太古城 Tai Koo Shing
2.	1999	九龍灣 Kowloon Bay
3.	2000	馬鞍山 Ma On Shan
4.	2001	沙田 Shatin
5.	2002	將軍澳坑口 Tseung Kwun O Hung Hau
6.	2003	屯門 Tuen Mun
7.	2004	青衣 Tsing Yi
8.	2005	奧海城 Olympian City
9.	2006	將軍澳寶林 Tseung Kwan O Po Lam
10.	2007	深水埗 Sham Shui Po
11.	2008	荃灣 Tsuen Wan

*Children's Heart Foundation  
(Limited by guarantee)  
Year ended 31 December 2007*

## The Executive Committee's report

The Executive Committee has pleasure in submitting its annual report together with the audited financial statements for the year ended 31 December 2007.

### Principal place of business

The Children's Heart Foundation (the "Foundation") is a charitable institution limited by guarantee incorporated in Hong Kong and has its registered office and principal place of business at Patient Resource Centre, G/F, Main Block, Grantham Hospital, 125 Wong Chuk Hang Road, Aberdeen, Hong Kong.

### Principal activities

The Foundation is a charitable institution limited by guarantee. The principal purpose of the Foundation is to provide charitable services to the children suffering from heart diseases.

### Financial statements

The surplus of the Foundation for the year ended 31 December 2007 and the state of the Foundation's affairs as at that date are set out in the financial statements on pages 5 to 22.

### Fixed assets

Movements in fixed assets during the year are set out in note 5 to the financial statements.

### Executive Committee

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

Rebecca Mei Pik Choy Yung	Chairman	
Kai Tung Chau	Vice Chairman	(appointed as Vice Chairman on 25 October 2007)
Robert Footman	Treasurer	(appointed as Treasurer on 1 January 2008)
Angela Ming Yau Lau	Secretary	(appointed as Secretary on 25 October 2007)
Philip Elder	Treasurer	(resigned as Treasurer on 1 January 2008)
Jonathan David Marsh	Secretary	(resigned as Secretary on 25 October 2007)
Wai Kwan Au		
Christine Wai Ching Ho		

*Children's Heart Foundation  
(Limited by guarantee)  
Year ended 31 December 2007*

### **Executive Committee (continued)**

The members of the Executive Committee during the financial year and up to the date of this report were: (continued)

Monica Kim To Woo  
Stephen Zweig David  
Tak Cheung Yung (appointed on 25 August 2007)  
Maurice Ping Leung Vice Chairman (resigned on 25 August 2007)

### **Executive Committee and office bearers**

No contract of significance to which the Foundation was a party, and in which an Executive Committee member had a material interest, subsisted at the end of the year or at any time during the year.

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

### **Auditors**

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as honorary auditors of the Foundation is to be proposed at the forthcoming Annual General Meeting.

By order of the Executive Committee



Monica



Executive Committee member  
Hong Kong, 18 AUG 2008





## Honorary auditor's report to the Executive Committee of Children's Heart Foundation (the "Foundation")

*(Incorporated in Hong Kong with limited by guarantee)*

We have audited the financial statements of the Foundation set out on pages 5 to 22, which comprise the balance sheet as at 31 December 2007, and the income and expenditure account, statement of changes in fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Executive Committee's responsibility for the financial statements**

The Executive Committee of the Foundation are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Honorary auditor's report to the Executive Committee of  
Children's Heart Foundation (the "Foundation")

(continued)

*(Incorporated in Hong Kong with limited by guarantee)*

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the Foundation's affairs as at 31 December 2007 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

A handwritten signature in black ink, appearing to be 'M. M. M.' or similar, written in a cursive style.

Certified Public Accountants

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

1 8 AUG 2008

*Children's Heart Foundation*  
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*Financial statements for the year ended 31 December 2007*

**Income and expenditure account**  
**for the year ended 31 December 2007**  
*(Expressed in Hong Kong dollars)*

	2007	2006
<b>Income</b>		
Donations	\$ 1,411,027	\$ 554,648
Bank interest	299,254	249,903
Charity walk	807,337	862,326
House of Heart	33,891	42,243
Net investment income	207,513	77,893
Other fund raising events	<u>3,144,050</u>	<u>3,213,548</u>
	<u>\$ 5,903,072</u>	<u>\$ 5,000,561</u>
	-----	-----
<b>Expenditure</b>		
Bank charges	\$ 8,406	\$ 6,571
Depreciation for fixed assets	13,800	17,676
Exhibition fees	1,121	34,021
Educational program	25,374	-
Home page expenses	6,277	2,837
Homograft	400,000	400,000
Local travelling	5,487	2,832
Mandatory Provident Fund	25,132	27,012
Medical sponsorship	735,724	3,315,281
Membership expenses	80,330	106,400
Modem/fax/data charges	7,998	9,171
Postage	4,747	1,012
Printing charges	1,100	815
Repairs and maintenance	-	79,200
Salaries	538,314	553,944
Stationery	8,419	11,578
Sundry expenses	<u>48,314</u>	<u>8,636</u>
	<u>\$ 1,910,543</u>	<u>\$ 4,576,986</u>
	-----	-----
<b>Surplus for the year</b>	<u>\$ 3,992,529</u>	<u>\$ 423,575</u>
<b>Amount transferred to accumulated fund</b>	<u>(3,992,529)</u>	<u>(423,575)</u>
	<u>\$ -</u>	<u>\$ -</u>
	=====	=====

The notes on pages 9 to 22 form part of these financial statements.



*Children's Heart Foundation  
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**Statement of change in fund  
for the year ended 31 December 2007**  
*(Expressed in Hong Kong dollars)*

	<i>Note</i>	<i>2007</i>	<i>2006</i>
<b>Balance at 1 January</b>		\$ 9,991,073	\$ 9,567,498
Changes in fair value of available-for-sale securities	10	(78,119)	-
Surplus for the year	10	<u>3,992,529</u>	<u>423,575</u>
<b>Balance at 31 December</b>		<u>\$13,905,483</u>	<u>\$ 9,991,073</u>

The notes on pages 9 to 22 form part of these financial statements.

*Children's Heart Foundation*  
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**Cash flow statement**  
**for the year ended 31 December 2007**  
*(Expressed in Hong Kong dollars)*

	2007	2006
<b>Operating activities</b>		
Surplus for the year	\$ 3,992,529	\$ 423,575
Adjustments for:		
- Depreciation	13,800	17,676
- Interest income	(299,254)	(249,903)
- Net investment income	(207,513)	(77,893)
- Exchange gain	<u>(1,072)</u>	<u>(3,501)</u>
<b>Surplus before changes in working capital</b>	\$ 3,498,490	\$ 109,954
Decrease/(increase) in other receivables	168,834	(122,041)
Increase in accrued expenses and other payables	<u>1,949,922</u>	<u>1,166</u>
<b>Cash generated from/(used in) operations</b>	\$ 5,617,246	\$ (10,921)
<b>Investing activities</b>		
Payment for purchase of:		
- held to maturity securities	\$ (3,147,367)	\$ -
- available-for-sale securities	(2,063,265)	-
Payment for purchase of fixed assets	(34,731)	(8,376)
Proceeds from redemption of held to maturity securities	1,556,216	929,516
Interest received from bank deposits	251,196	163,355
Interest received from held-to-maturity securities	137,669	103,315
Dividends received from available-for-sale securities	84,635	-
Decrease in deposits with banks	<u>63,088</u>	<u>-</u>
<b>Net cash (used in)/generated from investing activities</b>	\$ (3,152,559)	\$ 1,187,810
<b>Net increase in cash and cash equivalents</b>	\$ 2,464,687	\$ 1,176,889
<b>Cash and cash equivalents at 1 January</b>	<u>6,057,026</u>	<u>4,880,137</u>
<b>Cash and cash equivalents at 31 December</b>	<u>\$ 8,521,713</u>	<u>\$ 6,057,026</u>

The notes on pages 9 to 22 form part of these financial statements.

## Notes to the financial statements

(Expressed in Hong Kong dollars)

### 1 Status of the Foundation

The Foundation is a charitable institution incorporated in Hong Kong, limited by guarantee and not having a share capital. It is established exclusively for providing charitable services to children suffering from heart diseases.

### 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 ("HKASs") 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. A summary of the significant accounting policies adopted by the Foundation is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for current accounting period of the Foundation. The new disclosures resulting from the initial application of these standards or developments to the extent they are relevant to the Foundation are summarised as follows:

- (i) HKFRS 7, *Financial instruments: Disclosures*, requires expanded disclosure about the significance of the financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, *Financial instruments: Disclosure and presentation*. These disclosures are provided primarily in note 12.
- (ii) The Amendment to HKAS 1, *Presentation of financial statements: Capital disclosures*, introduces additional disclosure requirements to provide information about the level of capital and the Foundation's objectives, policies and processes for managing capital. These new disclosures are set out in note 11.

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial instruments.

The Foundation has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 13).

*Children's Heart Foundation  
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*Financial statements for the year ended 31 December 2007*

## **2 Significant accounting policies (continued)**

### **(b) Basis of preparation of the financial statements**

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. 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 judgements 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.

### **(c) Investments in debt and equity securities**

Investments are recognised/derecognised on the date the Foundation commits to purchase/sell the investments or they expire. Investments in debt and equity securities are initially stated at cost, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs. These investments are subsequently accounted for as follows, depending on their classification:

#### **(i) Held-to-maturity debt securities**

Dated debt securities that the Foundation has the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated in the balance sheet at amortised cost less impairment losses.

Impairment losses for held-to-maturity securities are recognised when there is objective evidence of impairment and are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate (i.e. the effective interest rate originally computed at initial recognition of the asset). Objective evidence of impairment includes observable data that comes to the attention of the Foundation about events that have an impact on the asset's estimated future cash flows such as:

- significant financial difficulty of the debtor; or
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.



## 2 Significant accounting policies (continued)

### (c) Investments in debt and equity securities (continued)

#### (i) Held-to-maturity debt securities (continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through income and expenditure account. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

#### (ii) Available-for-sale securities

Other investments in securities, being those held for non-trading purposes, are classified as available-for-sale securities. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised directly in equity in the fair value reserve, except foreign exchange gains and losses resulting from changes in the amortised cost of monetary items such as debt securities which are recognised directly in the income and expenditure account. Dividend income from these investments is recognised in accordance with the policy set out in note 2(j)(ii) and, where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income and expenditure account in accordance with the policy set out in note 2(j)(iii). When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the income and expenditure account.

When there is objective evidence that available-for-sale securities are impaired, the cumulative loss that has been recognised directly in equity is removed from equity and is recognised in the income and expenditure account. The amount of the cumulative loss that is recognised in the income and expenditure account is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income and expenditure account. Objective evidence of impairment includes observable data that comes to the attention of the Foundation concerning the underlying financial stability of the investee as well as a significant or prolonged decline in the fair value of an investment below its cost.

Impairment losses recognised in the income and expenditure account in respect of available-for-sale equity securities are not reversed through the income and expenditure account. Any subsequent increase in the fair value of such assets is recognised directly in equity.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in the income and expenditure account.

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## **2 Significant accounting policies (continued)**

### **(d) Fixed assets**

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the cost of fixed assets, less their estimated residual value, if any, using the straight-line method over their estimated useful lives at 10% per annum.

Both the useful life of an asset and its residual value, if any, are reviewed annually.

The carrying amounts of fixed assets are reviewed for indications of impairment at each balance sheet date. An impairment loss is recognised to the extent that the carrying amount of an asset, or the cash-generating unit to which it belongs, is more than its recoverable amount. The recoverable amount of an asset, or of the cash generating unit to which it belongs, is the greater of its net selling price 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 time value of money and the risks specific to the assets. An impairment loss is reversed if there has been a favourable change in estimates used to determine the recoverable amount.

Gains or losses arising from retirement or disposal of a fixed asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the income and expenditure account on the date of retirement or disposal.

### **(e) Other receivables**

Other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

Impairment losses for bad and doubtful debts are recognised when there is objective evidence of impairment and are measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the asset's original effective interest rate where the effect of discounting is material. Objective evidence of impairment includes observable data that comes to the attention of the Foundation about events that have an impact on the asset's estimated future cash flows such as significant financial difficulty of the debtor.

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**2 Significant accounting policies (continued)**

**(e) Other receivables (continued)**

Impairment losses for other receivables whose recovery is considered doubtful but not remote are recorded using an allowance account. When the Foundation is satisfied that recovery is remote, the amount considered irrecoverable is written off against other receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the income and expenditure account.

**(f) Other payables**

Other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

**(g) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, 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) Employee benefits**

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and 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.

**(i) Provisions and contingent liabilities**

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

## 2 Significant accounting policies (continued)

### (i) Provisions and contingent liabilities (continued)

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.

### (j) Income recognition

Provided it is probable that the economic benefits will flow to the Foundation and the income and expenditure, if applicable, can be measured reliably, income is recognised in the income and expenditure account as follows:

- (i) Donations are accounted for on a cash received basis.
- (ii) Dividend income is recognised when the right to receive payment is established.
- (iii) Interest income is recognised as it accrues using the effective interest method.
- (iv) Other income related to the fund raising activities are accounted for on the net cash received basis.

### (k) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in the income and expenditure account.

### (l) Related parties

For the purposes of these financial statements, a party is considered to be related to the Foundation if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Foundation or exercise significant influence over the Foundation in making financial and operating policy decisions, or has joint control over the Foundation;

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## 2 Significant accounting policies (continued)

### (l) Related parties (continued)

- (ii) the Foundation and the party are subject to common control;
- (iii) the party is a subsidiary, an associate of the Foundation or a joint venture in which the Foundation is a venturer;
- (iv) the party is a member of key management personnel of the Foundation or the Foundation's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Foundation or of any entity that is a related party of the Foundation.

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

## 3 Executive Committee members' remuneration

Executive Committee members' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

	2007	2006
Fees	\$ Nil	\$ Nil
Salaries, allowances and benefits in kind	Nil	Nil
Discretionary bonuses	Nil	Nil
Retirement scheme contributions	Nil	Nil
	=====	=====

## 4 Income tax

The Foundation is exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance.

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**5 Fixed assets**

	<i>Furniture and fixtures</i>	<i>Office equipment</i>	<i>Total</i>
<b>Cost:</b>			
At 1 January 2006	\$ 80,090	\$ 88,294	\$ 168,384
Additions	<u>-</u>	<u>8,376</u>	<u>8,376</u>
At 31 December 2006	<u>\$ 80,090</u>	<u>\$ 96,670</u>	<u>\$ 176,760</u>
<b>Accumulated depreciation:</b>			
At 1 January 2006	\$ 71,421	\$ 56,015	\$ 127,436
Charge for the year	<u>8,009</u>	<u>9,667</u>	<u>17,676</u>
At 31 December 2006	<u>\$ 79,430</u>	<u>\$ 65,682</u>	<u>\$ 145,112</u>
<b>Net book value:</b>			
At 31 December 2006	<u>\$ 660</u>	<u>\$ 30,988</u>	<u>\$ 31,648</u>
	<i>Furniture and fixtures</i>	<i>Office equipment</i>	<i>Total</i>
<b>Cost:</b>			
At 1 January 2007	\$ 80,090	\$ 96,670	\$ 176,760
Additions	<u>-</u>	<u>34,731</u>	<u>34,731</u>
At 31 December 2007	<u>\$ 80,090</u>	<u>\$ 131,401</u>	<u>\$ 211,491</u>
<b>Accumulated depreciation:</b>			
At 1 January 2007	\$ 79,430	\$ 65,682	\$ 145,112
Charge for the year	<u>660</u>	<u>13,140</u>	<u>13,800</u>
At 31 December 2007	<u>\$ 80,090</u>	<u>\$ 78,822</u>	<u>\$ 158,912</u>
<b>Net book value:</b>			
At 31 December 2007	<u>\$ -</u>	<u>\$ 52,579</u>	<u>\$ 52,579</u>

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**6 Non-current financial assets**

	2007	2006
Held-to-maturity debt securities listed in the United States of America	\$3,137,803	\$ 779,539
Fixed deposits with bank	-	777,634
Available-for-sale securities listed in the United States of America	<u>1,981,948</u>	<u>-</u>
	<u>\$5,119,751</u>	<u>\$1,557,173</u>
Market value of listed securities	<u>\$5,123,140</u>	<u>\$ 777,610</u>

**7 Other receivables**

All of the other receivables are expected to be recovered within one year.

**8 Cash and cash equivalents**

	2007	2006
Deposits with banks	\$ 3,477,884	\$1,570,743
Cash at bank and in hand	<u>5,043,829</u>	<u>4,486,283</u>
	<u>\$ 8,521,713</u>	<u>\$6,057,026</u>

**9 Accrued expenses and other payables**

All of the accrued expenses and other payables are expected to be settled within one year.

**10 Reserves**

	<i>Fair value reserve</i>	<i>Accumulated fund</i>	<i>Total</i>
At 1 January 2006	\$ -	\$ 9,567,498	\$ 9,567,498
Surplus for the year	<u>-</u>	<u>423,575</u>	<u>423,575</u>
At 31 December 2006	<u>\$ -</u>	<u>\$ 9,991,073</u>	<u>\$ 9,991,073</u>

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**10 Reserves (continued).**

	<i>Fair value reserve</i>	<i>Accumulated fund</i>	<i>Total</i>
At 1 January 2007	\$ -	\$ 9,991,073	\$ 9,991,073
Changes in fair value of available-for-sale securities	(78,119)	-	(78,119)
Surplus for the year	<u>-</u>	<u>3,992,529</u>	<u>3,992,529</u>
At 31 December 2007	<u>\$ (78,119)</u>	<u>\$ 13,983,602</u>	<u>\$13,905,483</u>

***Fair value reserve***

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale securities held at the balance sheet date and is dealt with in accordance with the accounting policies in note 2(c)(ii).

**11 Capital management**

The Foundation's primary objectives when managing capital are to safeguard the Foundation's ability to continue as a going concern.

The Foundation defines "capital" as including all components of equity. On this basis the amount of capital employed at 31 December was \$13,905,483 (2006: \$9,991,073).

The Foundation's capital structure is regularly reviewed and managed. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Foundation, to the extent that these do not conflict with the Executive Committee's fiduciary duties towards the Foundation or the requirements of the Hong Kong Companies Ordinance.

The Foundation was not subject to externally imposed capital requirements in either the current or prior year.



## **12 Financial instruments**

Exposure to credit, liquidity, interest rate, foreign currency and price risks arises in the normal course of the Foundation's operation. These risks are limited by the Foundation's financial management policies and practices described below.

### **(a) Credit risk**

The Foundation's credit risk is primarily attributable to other receivables and listed investments. Management manages this risk as follows:

In respect of other receivables, individual credit evaluations are performed on all debtors. Normally, the Foundation does not obtain collateral from the debtors.

Investments are normally only in liquid securities quoted on a recognised stock exchange and with counterparties that have high credit ratings. Given their credit ratings, management does not expect any investment counterparty to fail to meet its obligations.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The Foundation does not provide any guarantees which would expose the Foundation to credit risk.

### **(b) Liquidity risk**

The Foundation's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities to satisfy its foreseeable obligations as they fall due.

### **(c) Interest rate risk**

The Foundation's interest rate risk arises primarily from investments in held-to-maturity securities and available-for-sale securities, cash and cash equivalents and deposits with banks. The fair value of the Foundation's fixed rate financial instruments will be affected by changes in prevailing external interest rate. The cash flows receivable from the Foundation's variable rate financial instruments will vary with changes in prevailing external interest rates.

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**12 Financial instruments (continued)**

**(c) Interest rate risk (continued)**

**(i) Interest rate profile**

The following table details the interest rate profile of the Foundation's interest bearing financial instruments at the balance sheet date:

	2007		2006	
	<i>Effective interest rate</i>	<i>Amount</i>	<i>Effective interest rate</i>	<i>Amount</i>
Cash and cash equivalents	2.14%	\$ 8,521,713	2.80%	\$ 6,057,026
Deposits with bank	5.75%	2,000,000	3.88% - 4.00%	2,063,088
Held-to-maturity securities	4.18% - 4.90%	3,137,803	5.08%	1,557,173
Available-for-sale securities	3.65%	1,981,948	-	-

**(ii) Sensitivity analysis**

At 31 December 2007, it is estimated that a general increase/decrease by 1 per cent in interest rates, with all other variables held constant, would decrease/increase the Foundation's surplus and equity by approximately \$156,415 (2006: \$96,773).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The assumption of increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual balance sheet date. The analysis is performed on the same basis for 2006.

**(d) Foreign currency risk**

The Foundation is exposed to foreign currency risks primarily arising from financial instruments that are denominated in the United States dollars ("USD"). As the Hong Kong dollar ("HKD") is pegged to the USD, the Foundation considers the risk of movements in exchange rates between the HKD and the USD to be insignificant.

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## 12 Financial instruments (continued)

### (d) Foreign currency risk (continued)

As all the Foundation's financial instruments at 31 December 2007 and 2006 were denominated in either HKD or USD, the management does not expect that there will be any significant currency risk associated with them.

The following table details the Foundation's exposure at the balance sheet date to currency risk arising from recognised assets or liabilities denominated in a currency other than the Foundation's functional currency.

	<i>2007</i>	<i>2006</i>
	<i>United</i>	<i>United</i>
	<i>States</i>	<i>States</i>
	<i>Dollars</i>	<i>Dollars</i>
Non-current financial assets	660,216	200,245
Cash and cash equivalents	<u>444,895</u>	<u>13,380</u>
	<u>1,105,111</u>	<u>213,625</u>

As the pegged rate between the HKD and the USD would be materially unaffected by any charges in movement in value of the USD against other currencies, no sensitivity analysis is prepared.

### (e) Price risk

The Foundation is exposed to price changes arising from investments classified as available-for-sale securities (see note 6).

The Foundation's investments are held for long term strategic purposes and indexed to United States dollar denominated fixed income securities. The fair value of which is affected by changes in the market price of the underlying fixed income securities.

At 31 December 2007, it is estimated that a general increase/decrease of 5% in fixed income security prices, with all other variables held constant, would increase/decrease the Foundation's fund by approximately \$99,097 (2006: \$Nil).

The sensitivity analysis has been determined assuming that the reasonably possible changes in the fixed income security prices had occurred at the balance sheet date and had been applied to the exposure to price risk in existence at that date. It is also assumed that the fair values of the Foundation's investments would change in accordance with the historical correlation with the relevant fixed income security prices, that none of the Foundation's available-for-sale investments would be considered impaired as a result of a reasonably possible decrease in the relevant fixed income security prices and that all other variables remain constant. The stated changes represent management's assessment of reasonably possible changes in the relevant fixed income security prices over the period until the next annual balance sheet date.

Children's Heart Foundation

(Limited by guarantee)

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**12 Financial instruments (continued)****(f) Fair values**

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2007 and 2006 except as follows:

	2007		2006	
	<i>Carrying amount</i>	<i>Fair value</i>	<i>Carrying amount</i>	<i>Fair value</i>
Held-to-maturity securities	\$ 3,137,803	\$ 3,141,192	\$ 1,557,173	\$ 1,555,244

**(g) Estimation of fair values**

The following summaries the major methods and assumptions used in estimating the fair values of financial instruments.

*Securities*

Fair value is based on quoted market prices at the balance sheet date without any deduction for transactions costs.

**13 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2007**

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2007 and which have not been adopted in these financial statements.

The Foundation is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations 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 Foundation's results of operations and financial position.