# Health Care and Promotion Fund:

# 2016-17 Annual Report

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**Health Care and Promotion Fund (HCPF)**

The HCPF was established in 1995 to provide financial support for activities related to health promotion, preventive care and related research; and patients in need of treatment not available in Hong Kong, particularly in respect of rare diseases. In 2006, the HCPF Committee decided to revise the scope the HCPF to focus primarily on health promotion activities and disease prevention. Since its establishment, the HCPF has funded 304 projects with a total funding support of $96.76 million. The abstracts and the budget of all approved HCPF projects are available at the website http://rfs.fhb.gov.hk.

In order to create synergy and provide more flexibility in the support of health and medical research and health promotion efforts, on 28 May 2016, the Legislative Council Finance Committee approved to incorporate the HCPF into the Health and Medical Research Fund (HMRF). The consolidation will take effect in 2017-18.

Funding applications for the HCPF are invited annually (HCPF Open Call) from local public bodies and non-governmental organisations (NGOs) in accordance with the HCPF thematic priorities which are updated from time to time taking into account advice from the Non-Communicable Disease Division and Primary Care Office of the Department of Health and the Hospital Authority. At present, the HCPF provides funding to support the following types of projects –

(a) Health Promotion (HP) Projects (funding ceiling: $300,000 per project) – which aim to help people adopt healthier lifestyles by enhancing awareness, changing adverse health behaviours or creating a conducive environment that supports good health practices. Where necessary, consideration will be given to extending a funded HP project subject to the total amount of funding not exceeding $500,000;

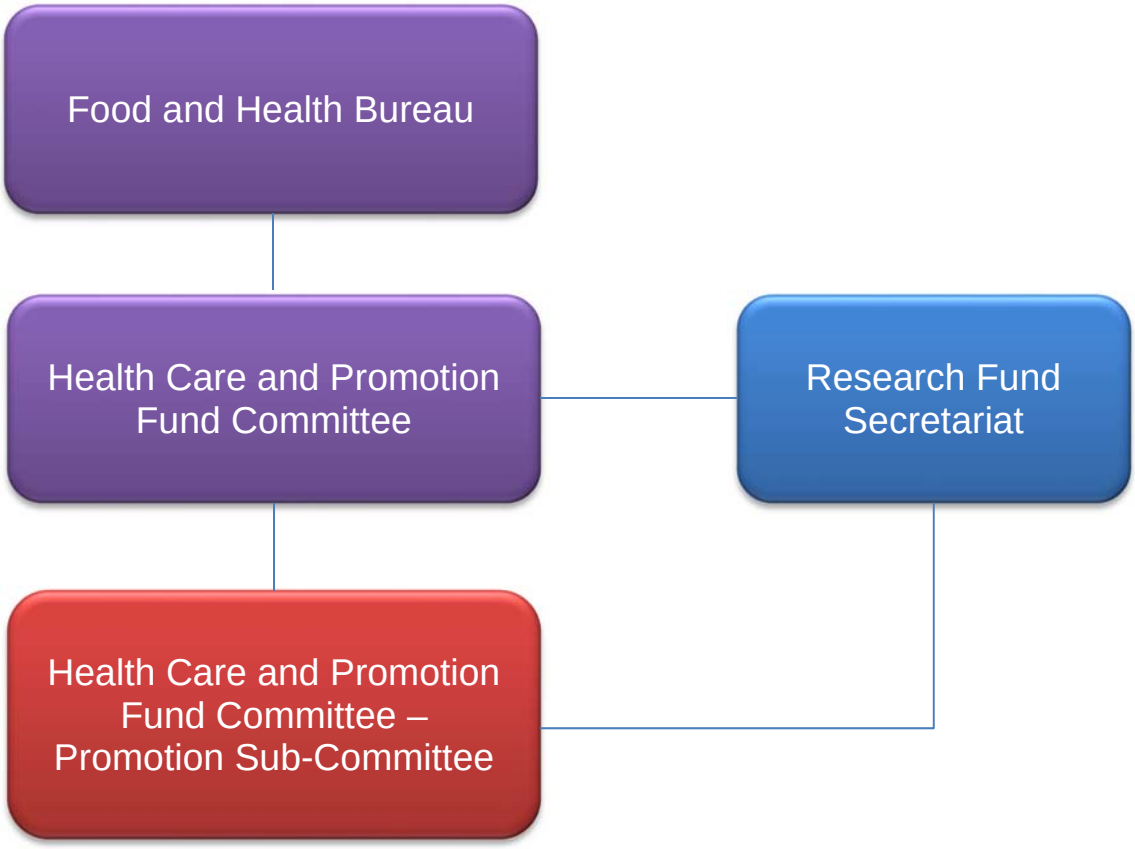
(b) Seed Funding Scheme (SFS) Projects (introduced in 2007; funding ceiling: $500,000 per project) – which aim to facilitate mobilisation of local resources to promote health in the community and encourage partnership between public bodies, private organisations and NGOs; and

(c) Government-commissioned Health Promotion Programmes – which aim to support evidence-based health promotion programmes in the community to echo relevant health policies of the Government. Potential areas include but are not

limited to mental health, organ donation, reduction in salt and sugar intake, cancer prevention and breastfeeding.

In addition, the HCPF organises symposiums from time to time to provide a platform for experts, community partners and health care professionals to share their knowledge and achievements in various sectors, and in particular to recognise and acknowledge the outstanding projects funded under HCPF. The next symposium will be held by the HMRF on 16 June 2017 to showcase the synergy of consolidating the HCPF and the HMRF.

**Governance**




Chaired by the Secretary for Food and Health, the HCPF Committee was set up to provide strategic steer for funding health care and promotion projects and oversee the administration of the HCPF, including the processing of funding applications received under the HCPF Open Calls. Its terms of reference are as follows –

(a) to develop the procedures for inviting applications for health projects, preventive care, research or other related activities and the criteria for vetting them;

(b) to approve applications and allocate funds for health promotion projects, preventive care, research or other related activities;

(c) to monitor the progress and evaluate the outcome of approved health promotion projects, preventive care, research or other related activities; and

(d) to supervise the management and investment of the Fund.

A Promotion Sub-Committee (PSC) is set up under the HCPF Committee to assess funding applications and make recommendations on individual applications, including the amount of funding support required from the HCPF. It also monitors approved projects and evaluates completed projects against stated objectives.

The membership of the HCPF Committee and its PSC is at ***Appendix A***. Their operation is supported by the Research Fund Secretariat of the Research Office under the Food and Health Bureau.

**Highlights of 2016-17**

*2016 HCPF Open Call*

The 2016 HCPF Open Call was issued in April 2016 and by the closing date of 29 July 2016, a total of 126 funding applications were received. In accordance with the updated thematic priorities (***Appendix B***) and the established assessment criteria[1], 9 HP projects and 3 SFS projects received funding support under the HCPF with a total commitment of $4.02 million.

During the year, the PSC held five sessions to assess funding applications received in the 2016 HCPF Open Call and to evaluate the final reports of 13 completed projects.

[1] Assessment criteria include relevance to thematic priorities, scientific evidence of effectiveness of the proposed health promotion activities, innovation, evaluation plan of programme effectiveness, impact and sustainability of the programme, cross-sector collaboration, potential to build community capacity in health promotion, feasibility, justification of requested budget, and track record of the Administering Institution and applicants.

*HP Projects*

Of the 262 HP projects funded under the HCPF, 233 projects have been completed, including 16 projects completed during the year. The HP Projects cover a wide range of areas such as smoking prevention programmes for the youth, training on food labelling for mothers and their children, mental health ambassadors programme in schools and universities, healthy diet among the elderly, managing hypertension and diabetes and promoting healthy lifestyle in ethnic minorities, sports injury prevention among youngsters, enhancing public awareness of dementia and promotion of organ donation.

*SFS Projects*

Of the 40 SFS projects funded under the HCPF, 29 projects have been completed, including 5 projects completed during the year. The SFS has supported projects on alcohol prevention programmes in schools, promotion of smoking cessation at smoking hotspots, promotion of sports among children with special educational needs, childhood obesity intervention, healthy living in the district, reducing stigma towards persons in recovery of mental illness, parenting programme, healthy workplace, mobile application on management of diabetes, and designing healthy meals for the elderly.

*Government-commissioned Health Promotion Programmes*

Two Community Partnership Programmes on Mental Health Promotion in Hong Kong commenced in the first quarter of 2017. They aim at (a) devising, implementing, and evaluating interventions in the community to promote mental well-being and increase public awareness about mental health and (b) developing evidence-based interventions and training materials that could be further adopted by different community partners in longer-term.

*Consolidation of HCPF and HMRF*

The incorporation of the HCPF into the HMRF will take effect in 2017-18. To streamline operation after the consolidation, the governance structure of the HMRF and the HCPS was reviewed. The HCPF and the HCPF Committee will be renamed as Health Care and Promotion Scheme and Health Care and Promotion Committee (HCPC) respectively. The HCPC will continue to provide strategic steer for funding health promotion projects.

*Financial Position*

The cash balance[2] and the uncommitted fund balance (in cash basis) of the HCPF as at 31 March 2017 is $28.03 million and $5.25[3] million respectively. The audited accounts for the HCPF for the 2016-17 financial year ended 31 March 2017 is at ***Appendix C***.

[2] The cash balance comprised cash and cash equivalents and bank deposits held by the Hospital Authority (recorded as amount due from the Hospital Authority in the audited accounts for the HCPF (renamed as Health Care and Promotion Scheme on 28 April 2017). The Hospital Authority is the custodian and bookkeeper of the HCPF.

[3] The uncommitted balance represented cash balance ($28.03 million) less funds committed but not yet recognised ($19.70 million) and accounts payable ($3.08 million).

**Appendix A**

# Membership of the Health Care and Promotion Fund Committee and its Promotion Sub-Committee (as at 31 March 2017)

## *(A) Health Care and Promotion Fund Committee*

**Chairperson**
Secretary for Food and Health

**Members**
Dr CHAN Wai-man

Ms Mabel CHAU Man-ki

Dr Eugenie LEUNG Yeuk-sin

Prof David MAN Wai-kwong

Mr TSE Hung-sum

Dr Gene TSOI Wai-wang

Ms Deborah WAN Lai-yau

Mr WONG Cheuk-kin

Prof Martin WONG Chi-sang

Director of Health (or representative)

Chief Executive of Hospital Authority (or representative)

Deputy Secretary for Food and Health (Health)2, Food and Health Bureau

**Secretary**
Head of Research Office, Food and Health Bureau

## *(B) Promotion Sub-Committee members*

### Terms of Reference:

The terms of reference for the Promotion Sub-Committee are –

(a) to review and assess applications for promotion projects and make recommendations for funding by the Health Care and Promotion Fund Committee;

(b) to monitor the approved projects, and

(c) to evaluate completed projects against stated objectives and report the progress and outcome to the Health Care and Promotion Fund Committee as appropriate.

### Chairpersons

Ms Mabel CHAU Man-ki

Dr Gene TSOI Wai-wang

Ms Deborah WAN Lai-yau

Prof Martin WONG Chi-sang

### Members

Prof CHAIR Sek-ying

Dr Felix CHAN Hon-wai

Mr Leslie CHAN Kwok-pan

Dr CHAN Wai-chi

Dr CHAN Wai-man

Dr David CHAO Vai-kiong

Prof Gladys CHEING Lai-ying

Dr Rachel CHENG Pui-yan

Dr Regina CHING Cheuk-tuen

Dr Cissy CHOI Yu-sze

Dr CHOW Chun-bong

Dr CHOW Yuk-yin

Dr Thomas CHUNG Wai-hung

Dr Anne FUNG Yu-kei

Dr Daniel HO Sai-yin

Mr KWOK Lit-tung

Ms Ruby KWOK Lai-ping

Mr LAI Chi-tong

Dr Andrew LAM Kwok-cheung

Dr Eugenie LEUNG Yeuk-sin

Mr James LEUNG Wing-yee

Prof Alice LOKE YUEN Jean-tak

Dr Lobo LOUIE Hung-tak

Mrs Cynthia LUK HO Kam-wan

Prof David MAN Wai-kwong

Ms Cycbie MOK Ching-man

Dr Roger NG Man-kin

Dr Andrew SIU Man-hong

Dr Stanley TAM Kui-fu

Dr Joyce TANG Shao-fen

Prof Agnes TIWARI Fung-yee

Mr TSE Hung-sum

Dr Wendy TSUI Wing Sze

Dr William WONG Chi-wai

Dr WONG Chun-por

Dr Michelle WONG Man-ying

Prof Samuel WONG Yeung-shan

Dr Kitty WU Kit-ying

Prof Maurice YAP Keng-hung

Ms Sania YAU Sau-wai

Mr Silva YEUNG Tak-wah

Ms Lisa YIP Sau-wah

Prof Doris YU Sau-fung

Prof Patrick YUNG Shu-hang

**Secretary**

Consultant (Research Office)
Food and Health Bureau

**Appendix B**

# Thematic Priorities of the Health Care and Promotion Fund for 2016 Open Call

## I. Tobacco control

While smoking is well known to cause many fatal diseases and cancers, continuous effort is required to put "what we know" into "what we do". Measures to prevent and reduce tobacco exposure include –

(a) Motivating smokers, in particular middle-aged men and women as well as elderly, to cease smoking and empowering them to forego cigarettes during the times of day when they face their toughest smoking triggers and peers; and
(b) Exhorting youth, women or high-stress career workers not to start smoking and also to abstain from tobacco use and connecting them with proven evidence of its damage to health.

With an increasing promotion of e-cigarettes worldwide, there are valid concerns that use of e-cigarettes may enhance the attractiveness of smoking and users may eventually switch to cigarette smoking. Besides, the trade also tries to promote e-cigarettes as smoking cessation aids. In August 2014, the World Health Organization (WHO) issued a report on e-cigarette which expresses the evidence for the effectiveness of e-cigarette as a method for quitting smoking is limited and does not allow conclusions to be reached. Meanwhile, no e-cigarette has yet been evaluated and approved for smoking cessation by a governmental agency at the moment. Therefore, WHO recommends that efforts should be made to regulate these products appropriately, so as to minimise consequences that may contribute to the tobacco epidemic and to optimise the potential benefits to public health. Measures to prevent the use of e-cigarette include –

(a) Discouraging the general public particularly youth from using e-cigarette, the contents of which are heterogeneous; and
(b) Warning them about the possible harms of e-cigarettes.

## II. Lifestyle, nutrition and physical activity

Adopting a healthy lifestyle, such as balanced diet and regular physical exercise, is fundamental for the prevention of chronic diseases. While the government initiatives are taking a stronger lead, community involvement should also be used to foster active living, encourage healthy eating, tackle obesity and promote a health-supportive workplace. Successful community involvement is based upon information and dialogue. An informed community can be part of the decision-making process and

thus benefit from –

(a) Enabling optimal young child feeding practices such as improving the nutritional quality of young children's diet, increasing consumption of fresh fruits and vegetables and reducing intake of processed food like artificially sweetened snacks and beverages, promoting developmentally appropriate feeding skills and behaviours;
(b) Increasing the knowledge and support the healthy eating and physical activities of women and their families during pregnancy and lactation;
(c) Effectively conveying the healthy eating and lifestyle promotion message to the ethnic minorities taking into consideration their cultural practices, in particular families with the young children, pregnant and breastfeeding women.
(d) Improving the choice of affordable healthy food and beverages to families and decision makers of schools;
(e) Effectively conveying to and supporting the younger generation the practice of healthy lifestyle, such as avoiding excessive screen time activities including internet addiction, unsafe sexual activities, alcohol and drug misuse, and maintaining balanced diet ;
(f) Increasing the public's awareness and knowledge of balanced diet in an easy-to-understand manner, for instance by taking the food pyramid as reference, so as to increase fruit and vegetables consumption and reduce salt, sugar and fat consumption in their diet;
(g) Incentivising employers to create a safe and healthy working environment that promotes work safety, reduces risk of occupational hazards and supports the working population to practise health-enhancing behaviours. Actions include modification of the physical environment, enhancement of organisational policies and provision of task-related health knowledge to the employees; and
(h) Encouraging the public to actively participate in physical activities in lieu of sedentary lifestyle.

## III. Mental well-being

Good mental health is an integral part of good overall health. Mental well-being promotion incorporates any action taken to maximise mental health and well-being among population and individuals by addressing the potentially modifiable determinants of mental health. Family, school, workplace and community are all important settings for mental well-being promotion. Actions are required to maintain and enhance mental well-being by –

(a) Building mentally friendly policies, practices and atmospheres that reduce/relieve stress experienced by individuals;

(b) Promoting social values that respect difference and diversity;
(c) Raising public awareness and understanding of the ways to mental well-being as well as mental health literacy (e.g. common mental disorders and dementia);
(d) Reducing stigma against people with and recovering from mental disorders;
(e) Building relevant knowledge and personal skills that are targeted at the whole population, and tailored for different life stages and different settings (e.g. school and workplace), according to the specific needs, risks and protective factors;
(f) Establishing community partnership to provide supportive environments and empower the public to engage in actions to promote mental well-being;
(g) Empowering parents, carers and teachers to understand, promote and respond to issues related to the mental health and well-being of children and adolescents;
(h) Promoting mental health and well-being for employers and employees in workplace settings; and
(i) Encouraging active and healthy ageing.

## IV. Injury prevention

Injuries cause significant mortality and morbidity in the community. Emphasis is placed on injury prevention which covers domestic injuries, sports injuries, falls and drowning/near drowning by –

(a) Encouraging community stakeholders to take the lead in coordinating actions to prevent or reduce injuries;
(b) Identifying environmental and behavioural risk factors of vulnerable populations;
(c) Facilitating effective communication of injury data, development and implementation of prevention programmes that involve more extensive collaboration among public and private sectors, academics, professional groups and non-governmental organisations; and
(d) Evaluating the effectiveness and health benefit of existing or past local programmes on safety promotion and injury prevention.

## V. Reducing alcohol-related problems

Alcohol consumption is a well-proven and yet highly reversible risk factor for copious health and societal problems. Special attention has to be paid to the increasing trend of underage drinking and alcohol-related harms. Effective measures are through –

(a) Identifying and engaging stakeholders that can represent a diverse constituency such as health professionals, academia, educational institutions, sports sector

and parents, to denounce the use or promotion of alcohol;

(b) Educating the public about immediate and long-term harmful effects of alcohol consumption, in particular the carcinogenic effects of alcohol, along with diseases related to alcoholism (e.g. liver cirrhosis, stroke, coronary heart disease and hypertension), and alcohol-related harms (e.g. road traffic accidents, domestic violence and sexual assault);

(c) Helping young adults make informed decisions on alcohol use at the point of purchase or consumption;

(d) Preventing binge drinking, in particular among young adults;

(e) Enabling young people to resist peer pressure to drink and stay vigilant to misleading marketing tactics deployed by the alcohol industry; and

(f) Empowering parents to discuss with their children on alcohol-related issues.

## VI. Promoting family doctor model of care

The family doctor model of care, which emphasises continuity of care, holistic care and preventive care, is essential to provision of primary care and achieving better health. Awareness and understanding of this model needs to be further promoted in the community so that patients will be more receptive to the care of their family doctor and reduce doctor-shopping behaviour. The required activities include –

(a) Promoting the benefits of having a family doctor as the first point of contact in the healthcare system for continuous, comprehensive, coordinated and person-centred care;

(b) Empowering the public to improve their own health and that of their family members by establishing a long term partnership with their family doctors and adopting a preventive approach in improving health; and

(c) Identifying the barriers to establish a long term partnership with one family doctor and recommend cost-effective measures to overcome such barriers.

## VII. Empowering patients and the community in the management of chronic diseases and strengthening preventive care in children and older adults

Reference frameworks on hypertension and diabetes as well as specific population group including older adults and children in the primary care settings are being promulgated by the government. These frameworks provide common reference to healthcare professionals for the provision of quality primary care in the community, as well as emphasizing the importance of empowering patients, carers and the public to play an active role in health improvement, and disease prevention and management. The required activities include –

(a) Equipping patients with diabetes mellitus and hypertension with the necessary knowledge and skills to properly manage these two chronic diseases and prevent complications and actively partner with their family doctors and allied health professionals in managing their diseases;
(b) Promoting to the general public the benefits and importance of supporting their family members, neighbours and friends with diabetes mellitus and hypertension in managing their health conditions; and
(c) Raising the public's awareness on the importance of health promotion and disease prevention for children and older adults.

## VIII. Cancer prevention

Cancer is a major public health problem in Hong Kong. There is an increasing trend in the number of new cancer cases and registered cancer deaths as a result of various factors including ageing population and population growth. It is projected that the number of new cases of colorectal cancer, prostate cancers and female breast cancers will further increase. Primary prevention is of the utmost importance in reducing cancer risk. On the other hand, early detection of cancer symptoms and evidence-based screening for suitable cancers may lead to early treatment and better health outcome. The required activities include –

(a) Raising public awareness and changing behaviour for primary prevention of cancer and related risk factors, such as unhealthy diet, physical inactivity, obesity, smoking and consumption of alcohol, and unsafe sex;
(b) Promoting cancer awareness and empowering the public to recognise early warning symptoms of cancer, so as to seek prompt medical attention for early detection;
(c) Promoting public awareness of evidence-based screening strategies, such as screening for cervical cancer and colorectal cancer;
(d) Enhancing the public understanding about the potential pros and cons of screening tests, and the risk and potential harm of over-diagnosis and over-treatment for certain cancers, in particular for breast, colorectal and prostate cancers in order to make an informed choice; and
(e) Facilitating underprivileged groups such as new immigrants, low income groups, marginalized groups and ethnic minority groups to receive regular cervical cancer screening.

**Appendix B**

## IX. Breastfeeding

Breastfeeding provides optimal nutritional, immunological and emotional nurturing for growth and development of infants and is an effective way in primary prevention of chronic conditions in later life. Multi-level actions taken by health professionals and the community to support mothers to achieving optimal breastfeeding practices, in terms of exclusiveness and duration, include –

(a) Promoting the awareness and compliance with the International Code of Marketing of Breastmilk Substitutes among the relevant stakeholders;
(b) Promoting breastfeeding as the norm of infant and young child feeding to the general public, in particular the younger generation, through effective communication strategies;
(c) Empowering family members, in particular fathers and grandparents, and carers in supporting mothers to achieve exclusive and sustained breastfeeding;
(d) Empowering and engaging healthcare professionals, especially for those working in the private sector, in supporting breastfeeding mothers by building relevant knowledge and personal skills on breastfeeding management and creating a breastfeeding friendly environment in the healthcare facilities;
(e) Encouraging and enabling community stakeholders to provide effective mother-to-mother support;
(f) Engaging and motivating employers and management of public venues to create breastfeeding friendly environments that support mothers to breastfeed in workplace and public venues respectively; and
(g) Identifying and empowering specific subgroups of mothers who may have more barriers to initiate and sustain breastfeeding, e.g. teenage mothers, mothers of disadvantaged families and ethnic minority.

## X. Healthy Use of Internet and Electronic Screen Products

With the increasing use of new technology in learning and the affordable package to keep oneself online with various electronic screen products, children start contacting such technology and using these products at a much younger age, even before they enter schools; primary school students are starting to browse Internet for homework assignment and majority of students are spending significant amount of time everyday online for learning, entertainment and social networking. According to the e-Report of the Advisory Group on Health Effects on Use of Internet and Electronic Screen Products, inappropriate and excessive use of these products will result in adverse health effects especially to children and adolescents. The required activities include –

(a) Raising public awareness on the potential health risks in inappropriate and excessive use of Internet and electronic screen products;
(b) Promoting health messages and practice on appropriate use of Internet and electronic screen products through different channels and media to the general public; and
(c) Enhancing parents, students and teachers to adopt appropriate practice and measures on healthy use of Internet and electronic screen products.

## XI. Organ Donation

Traditional beliefs and family factors, such as the traditional mindset of full body burial, objection by family members, the issue being irrelevant to young people, and elderly people who consider their organs as not suitable, together with certain misunderstandings and worries about the process of organ transplantation and organ donation registration have led to reservations about organ donation. Therefore, it is important to enhance public understanding about organ donation so as to alleviate their concerns and to increase their willingness to donate organs after death. The required activities include –

(a) Strengthening publicity and promotion to enable the public to realise how organ donation may save a person's life or significantly improve their health and quality of life, and reduce their misunderstandings and worries;
(b) Encouraging the public to express their wish of donating organs to family members so that they could accomplish their wish to benefit others after death; and
(c) Encouraging the public to become prospective organ donors through online registration at the Centralised Organ Donation Register or sending organ donation registration forms to the Department of Health.

Appendix C

*Audited Accounts*

# ***Health Care and Promotion Scheme***

*(formerly known as Health Care and Promotion Fund)*

*For the year ended 31 March 2017*

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# Independent Auditor's Report

To the Research Council (the "Council")
**Health Care and Promotion Scheme**
*(formerly known as Health Care and Promotion Fund)*
For the year ended 31 March 2017

## Opinion

We have audited the accounts of the Health Care and Promotion Scheme (the "Scheme") funded by the Hong Kong Special Administrative Region ("HKSAR") Government set out on pages 4 to 8, which comprise the balance sheet as at 31 March 2017, and the statement of income and expenditure for the year then ended and statement of changes in fund for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accounts of the Scheme for the year ended 31 March 2017 have been properly prepared, in all material respects, in accordance with the accounting policies of the Scheme as set out in Note 2 to the accounts.

## Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the accounts" section of our report. We are independent of the Scheme 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.

## Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the accounts, which describes the basis of accounting. As a result, the accounts may not be suitable for another purpose. Our report is intended for the Council to table at the Legislative Council or other related parties of the HKSAR Government (if necessary), and should not be used for any other purpose. Our opinion is not modified in respect of this matter.

## Other Information

The Council of the Scheme is responsible for the other information. The other information comprises the information included in this annual report but does not include the accounts and our auditor's report thereon.

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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.



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MAZARS

# Independent Auditor's Report

To the Research Council (the "Council")
**Health Care and Promotion Scheme**
*(formerly known as Health Care and Promotion Fund)*
For the year ended 31 March 2017

## Responsibilities of the Council

The Council is responsible for the preparation of the accounts in accordance with the accounting policies of the Scheme as set out in Note 2 to the accounts, and for such internal control as the Council determines is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Council is responsible for assessing the Scheme'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 Council intends to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Accounts

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

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

- Identify and assess the risks of material misstatement of the accounts, 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 entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

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## Independent Auditor's Report

To the Research Council (the "Council")
**Health Care and Promotion Scheme**
*(formerly known as Health Care and Promotion Fund)*
For the year ended 31 March 2017

**Auditor's Responsibilities for the Audit of the Accounts (continued)**

- Conclude on the appropriateness of the Council's 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 Scheme'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 accounts 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 Scheme 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.

*Certified Public Accountants*
Hong Kong, 30 OCT 2017

The engagement director on the audit resulting in this independent auditor's report is:
**Or Ming Chiu**
Practising Certificate number: P04786

## Health Care and Promotion Scheme
*(formerly known as Health Care and Promotion Fund)*

## Balance Sheet
As at 31 March 2017

| | *Note* | **2017** *HK$* | 2016 *HK$* |
|---|---|---|---|
| **Current Assets** | | | |
| Interest receivable | | **488** | 290 |
| Amount due from the Hospital Authority | *3* | **24,403,451** | 30,012,758 |
| Cash and cash equivalents | | **3,817,082** | 4,762,672 |
| | | **28,221,021** | 34,775,720 |
| **Current Liabilities** | | | |
| Accounts payable | | **3,084,294** | 3,062,366 |
| **Net Assets** | | **25,136,727** | 31,713,354 |
| ***Represented by:*** | | | |
| Accumulated fund | | **25,136,727** | 31,713,354 |
| **Total Equity** | | **25,136,727** | 31,713,354 |

*Approved and authorised for issue by the Research Council on 30 October 2017*

**Dr. Edmond MA Siu-keung**
*Secretary of Research Council*

## Health Care and Promotion Scheme
*(formerly known as Health Care and Promotion Fund)*

## Statement of Income and Expenditure
For the year ended 31 March 2017

| | Note | **2017** ***HK$*** | 2016 *HK$* |
|---|---|---|---|
| **Income** | | | |
| Interest income | | **400,684** | 438,722 |
| **Expenditure** | | | |
| Grants | | **6,958,251** | 5,582,224 |
| Administrative fees | *4* | **19,060** | 17,011 |
| | | **6,977,311** | 5,599,235 |
| **Deficit for the year** | | **(6,576,627)** | (5,160,513) |
| **Other comprehensive income** | | **-** | - |
| **Total comprehensive loss for the year** | | **(6,576,627)** | (5,160,513) |

## Health Care and Promotion Scheme

*(formerly known as Health Care and Promotion Fund)*

## Statement of Changes in Fund

For the year ended 31 March 2017

| | **2017** | 2016 |
|---|---|---|
| | ***HK$*** | *HK$* |
| **Total fund at beginning of year** | **31,713,354** | 36,873,867 |
| **Total comprehensive loss** | **(6,576,627)** | (5,160,513) |
| **Total fund at end of year** | **25,136,727** | 31,713,354 |

**Health Care and Promotion Scheme**
*(formerly known as Health Care and Promotion Fund)*

**Notes to the Accounts**
For the year ended 31 March 2017

## 1. GENERAL INFORMATION

The Health Care and Promotion Scheme (the "Scheme"), formerly known as Health Care and Promotion Fund, was established by the Hong Kong Government in 1995 with an injection of HK$80 million approved by the Finance Committee of the Legislative Council for the purpose of increasing health promotion and disease prevention. The objective of the Scheme is to provide funding support to health promotion projects that empower people to adopt healthier lifestyles by enhancing awareness, changing adverse health behaviours or creating a conducive environment that supports good health practices.

As from 28 April 2017, the Scheme has been incorporated into the Health and Medical Research Fund (the "Fund"). The Research Council chaired by the Secretary for Food and Health supervises the management and investment of the Fund. The Research Fund Secretariat is housed in the Research Office of the Food and Health Bureau ("FHB"), which is responsible for providing administrative and logistic support to the Scheme. The Hospital Authority ("HA") acts as an agent for providing accounting services to the Scheme which includes keeping the accounts of the Scheme and investing the capital money not required immediately in accordance with the guidelines approved by the Research Council.

## 2. PRINCIPAL ACCOUNTING POLICIES

### (a) Basis of preparation

The principal accounting policies adopted in the preparation of the accounts of the Scheme are set out below. The accounts have been prepared on a going concern and accrual bases, and under the historical cost convention.

### (b) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Scheme and when the revenue can be measured reliably.

Interest income from bank deposits is recognised on a time proportion basis using the effective interest method.

### (c) Expenditure

(i) Grants are recognised on an accrual basis upon receiving of claims from grant applicants for reimbursements of expenses.

(ii) Administrative fees are recognised on an accrual basis. Audit fee of the Scheme is borne by the FHB.

**Health Care and Promotion Scheme**
*(formerly known as Health Care and Promotion Fund)*

**Notes to the Accounts**
For the year ended 31 March 2017

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### (d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, having been within three months of maturity when acquired.

### (e) Accounts payable

Accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

## 3. AMOUNT DUE FROM THE HOSPITAL AUTHORITY

The amount due from the Hospital Authority represents principal and accrued interest income of bank deposits held by the Hospital Authority for the Scheme. The amount due is unsecured and has no fixed terms of repayment. Interest income accrued on these bank deposits is recognised as income in the Scheme's statement of income and expenditure.

## 4. ADMINISTRATIVE FEES

| | **2017** | 2016 |
|---|---|---|
| | ***HK$*** | *HK$* |
| Publicity | **13,890** | 12,983 |
| Other administrative fees | **5,170** | 4,028 |
| | **19,060** | 17,011 |