

**HONG KONG MUCOPOLYSACCHARIDOSES & RARE GENETIC
DISEASES MUTUAL AID GROUP**

香港黏多醣症暨罕有遺傳病互助小組

THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1ST APRIL 2015 TO 31ST DECEMBER 2015

黃永善會計師行
W. S. WONG & CO.
Certified Public Accountants

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W. S. Wong & Co.

PARTNERS

STEVEN Y. M. LEUNG (梁宇銘會計師)
B Soc Sc, M Acc, CPA(AUST), ACA, FCCA, FTIHK, FCPA(Practising)

FRANCIS S. T. LEUNG (梁紹棠會計師)
B Com, ACA, FCCA, ASA, FCPA(Practising)

CERTIFIED PUBLIC ACCOUNTANTS

ASSOCIATES

PAUL K. F. TAM (譚國輝會計師)
BBA, ACA, FCCA, FCPA(Practising)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP
(set-up in Hong Kong under Societies Ordinance)

We have audited the financial statements of Hong Kong Mucopolysaccharidoses & Rare Genetic Diseases Mutual Aid Group ("the Society") set out on pages 1 to 10, which comprise the statement of financial position as at 31st December 2015, and the statement of surplus or deficit, statement of surplus or deficit and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Responsibilities of the Council of Management for the financial statements

The Council of Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and for such internal control as the Council of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

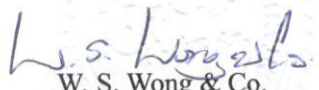
We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements 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 judgment, 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 of financial statements that give a true and fair view 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 Council of Management, 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Society as at 31st December 2015 and of its financial performance and cash flows for the period then ended in accordance with Hong Kong Financial Reporting Standards.


W. S. Wong & Co.
Certified Public Accountants

Hong Kong, 23rd May 2016

香港灣仔皇后大道東二二八號中華大廈十六字樓
16th Floor, Jonsim Place, 228 Queen's Road East, Wanchai, Hong Kong
電話Tel: (852) 2893 7838 傳真Fax: (852) 2838 7300 電郵E-mail: mail@wswongcpa.com.hk

**HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP**

STATEMENT OF SURPLUS OR DEFICIT

FOR THE PERIOD FROM 1ST APRIL 2015 TO 31ST DECEMBER 2015

(Expressed in Hong Kong Dollars)

	<u>Note</u>	<u>1/4/2015 to 31/12/2015</u>	<u>Year ended 31/3/2015</u>
		\$	\$
Revenue	4	518,134	564,106
Administrative expenses		(64,318)	(45,908)
Other operating expenses		<u>(169,823)</u>	<u>(358,530)</u>
Surplus before taxation	5	283,993	159,668
Income tax expense	6	-	-
Surplus for the period		<u>283,993</u>	<u>159,668</u>
Attributable to the members of the Society		<u>283,993</u>	<u>159,668</u>

The accompanying notes form an integral part of the financial statements.

**HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP**

**STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1ST APRIL 2015 TO 31ST DECEMBER 2015**

(Expressed in Hong Kong Dollars)

	<u>Note</u>	<u>1/4/2015 to 31/12/2015</u>	<u>Year ended 31/3/2015</u>
		\$	\$
Suprlus for the period		283,993	159,668
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>283,993</u>	<u>159,668</u>
Attributable to the members of the Society		<u>283,993</u>	<u>159,668</u>

The accompanying notes form an integral part of the financial statements.

**HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP**

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2015

(Expressed in Hong Kong Dollars)

	<u>Note</u>	<u>31/12/2015</u>	<u>31/3/2015</u>
		\$	\$
CURRENT ASSETS			
Cash and bank balances	7	<u>1,347,352</u>	<u>1,064,859</u>
TOTAL CURRENT ASSETS		<u>1,347,352</u>	<u>1,064,859</u>
CURRENT LIABILITIES			
Accruals	8	<u>1,500</u>	<u>3,000</u>
TOTAL CURRENT LIABILITIES		<u>1,500</u>	<u>3,000</u>
NET CURRENT ASSETS		<u>1,345,852</u>	<u>1,061,859</u>
NET ASSETS		<u>1,345,852</u>	<u>1,061,859</u>
RESERVES			
Accumulated fund		<u>1,345,852</u>	<u>1,061,859</u>
TOTAL EQUITY		<u>1,345,852</u>	<u>1,061,859</u>

Chan

Council Member

CHAU PO YUEN

Chung Siu Ming

Council Member

CHUNG SIU MING

The accompanying notes form an integral part of the financial statements.

HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1ST APRIL 2015 TO 31ST DECEMBER 2015

(Expressed in Hong Kong Dollars)

	<u>Accumulated fund</u>
	\$
Balance at 1st April 2014	<u>902,191</u>
Surplus for the year	159,668
Other comprehensive income	<u>-</u>
Total comprehensive income for the year	<u>159,668</u>
Balance at 31st March 2015	<u>1,061,859</u>
Surplus for the period	283,993
Other comprehensive income	<u>-</u>
Total comprehensive income for the period	<u>283,993</u>
Balance at 31st December 2015	<u><u>1,345,852</u></u>

**HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP**

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1ST APRIL 2015 TO 31ST DECEMBER 2015

(Expressed in Hong Kong Dollars)

	1/4/2015 to 31/12/2015	Year ended 31/3/2015
	\$	\$
Cash flows from operating activities		
Surplus before taxation	283,993	159,668
Adjustment for interest income	<u>(31)</u>	<u>(56)</u>
Net cash generated from operation	283,962	159,612
Increase / (decrease) in accruals	<u>(1,500)</u>	<u>1,500</u>
Net cash generated from operating activities	<u>282,462</u>	<u>161,112</u>
Cash flows from investing activities		
Interest received	<u>31</u>	<u>56</u>
Net cash generated from investing activities	<u>31</u>	<u>56</u>
Net increase in cash and cash equivalents	282,493	161,168
Cash and cash equivalents at the beginning of the period	<u>1,064,859</u>	<u>903,691</u>
Cash and cash equivalents at the end of the period	<u>1,347,352</u>	<u>1,064,859</u>
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	<u>1,347,352</u>	<u>1,064,859</u>

HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP
NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

1. General

- (a) Hong Kong Mucopolysaccharidoses & Rare Genetic Diseases Mutual Aid Group (“the Society”) is a charitable organization set up under the Hong Kong Societies Ordinance.
- (b) The registered address as well as the principal place of business of the Society is Ground Floor, Wang Lai House, Wang Tau Hom Estate, Wong Tai Sin, Kowloon, Hong Kong.
- (c) The principal activity of the Society is to provide support to mucopolysaccharidoses and rare genetic diseases patients and their families.

2. Change of accounts closing date

During the period, the Society changed its accounts closing date from 31st March to 31st December and as such the comparative figures in the statement of surplus or deficit, statement of surplus or deficit and other comprehensive income, statement of change in equity, statement of cash flows and their relative notes cannot be entirely comparable.

3. Principal accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. The principal accounting policies adopted are as follows :-

(a) Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Society becomes a party to the contractual provisions of the instruments.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand 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.

(ii) Payables

Payables are initially measured at fair value and are subsequently measured at amortised costs using the effective interest rate method.

**HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP**
NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

3. Principal accounting policies (cont'd)

(b) Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the Society operated ("the functional currency").

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of surplus or deficit.

(c) Recognition of income

Income are recognised in the relevant period when received and receivable.

4. Revenue

	1/4/2015 to 31/12/2015	Year ended 31/3/2015
	\$	\$
Activities income	-	860
Donation income	417,243	495,457
Interest income	31	56
Sponsoring income	100,000	67,573
Subscription fee	<u>860</u>	<u>160</u>
	<u>518,134</u>	<u>564,106</u>

5. Surplus before taxation

	1/4/2015 to 31/12/2015	Year ended 31/3/2015
	\$	\$
Surplus before taxation has been arrived at after charging :-		
Auditors' remuneration	<u>1,500</u>	<u>1,500</u>

HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP
NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

5. Surplus before taxation (cont'd)

No remuneration was paid to the members of the Council of Management of the Society during the period and prior year.

6. Income tax expense

No provision for Hong Kong profits tax has been made as the Society is a charitable institution and is exempted from tax under section 88 of the Hong Kong Inland Revenue Ordinance.

7. Cash and bank balances

Cash and bank balances represent cash in hand and demand deposits at bank and their carrying amount approximates their fair value.

8. Accruals

Accruals comprise amounts outstanding for ongoing costs and their carrying amount approximates their fair value.

9. Capital management

The Society's objectives when managing capital are :-

- To safeguard the Society's ability to continue as a going concern; and
- To support the Society's stability and growth.

The Society actively and regularly reviews and manages its capital structure to ensure optimal capital structure.

The Society monitors capital by reviewing the level of capital that is at the disposal of the Society ("adjusted capital"). Adjusted capital comprises all components of reserves. The adjusted capital of the Society at 31st December 2015 was \$1,345,852 (31/3/2015 - \$1,061,859). Movements of adjusted capital during the period are set out in the statement of changes in equity.

**HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP**

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

10. Financial risk management

Details of financial assets and financial liabilities of the Society are summarised as follows :-

	<u>31/12/2015</u>	<u>31/3/2015</u>
	\$	\$
Financial assets		
Loans and receivable		
Cash and bank balances	1,347,352	1,064,859
Financial liabilities		
Financial liabilities at amortised costs		
Accruals	1,500	3,000
	1,345,852	1,061,859
	1,345,852	1,061,859

The Society's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), liquidity risk and credit risk. The Society's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effect on the Society's performance.

(a) Market risk

Market risk is the risk of loss arising from movements in observable market variables, such as foreign exchange rates and interest rates.

(i) Foreign exchange risk

The Society has no exposure to foreign exchange risk as all the financial assets and financial liabilities of the Society are denominated in Hong Kong dollars.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of the Society's financial instruments will fluctuate due to changes in market interest rates. The management is of the opinion that the Society's exposure to interest rate risk is insignificant as there is no expected significant change in market interest rates.

HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP
NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

10. Financial risk management (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due, and it results from amount and maturity mismatches of assets and liabilities. The Society follows a policy of prudence in managing its cash and bank balances and maintains adequate level of liquidity.

All the financial liabilities of the Society are repayable on demand.

(c) Credit risk

The Society is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

The Society's maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

As at the accounts closing date, there was no financial asset that was past due.

11. Hong Kong Financial Reporting Standards issued but not yet effective for the period

The management is of the opinion that all new and revised Hong Kong Financial Reporting Standards that have been issued but are not yet effective for the period will not have a material impact on the financial statements.

12. Approval of financial statements

The financial statements were approved by the Council of Management and authorised for issue 23rd May 2016.

HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP
DETAILED STATEMENT OF SURPLUS OR DEFICIT
FOR THE PERIOD FROM 1ST APRIL 2015 TO 31ST DECEMBER 2015

(Expressed in Hong Kong Dollars)

	\$
Income	
Donation income	417,243
Interest income	31
Sponsoring income	100,000
Subscription fee	<u>860</u>
	<u>518,134</u>
 Expenditure	
Activities expenses	75,696
Auditors' remuneration	1,500
Bank charges	600
Medical treatment	33,024
Postage	269
Printing and stationery	23,048
Public education	55,000
Souvenir and gift	8,256
Sponsorship to patients	6,300
Sundry expenses	100
Training and conference	6,103
Transportation and travelling	4,517
Website expenses	<u>19,728</u>
	<u>234,141</u>
 Surplus before taxation	 283,993
Income tax expense	 <u>-</u>
 Surplus for the period	 283,993 <u><u>=====</u></u>