

黃永善會計師行
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
香港黏多醣症暨罕有遺傳病互助小組
(set-up in Hong Kong under Societies Ordinance)

Opinion

We have audited the financial statements of 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 Society") set out on pages 1 to 10, which comprise the statement of financial position as at 31st December 2020, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Society as at 31st December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Council of Management is responsible for the other information. The other information comprises the information included in the detailed statement of surplus or deficit but does not include the financial statements and our auditors' report thereon.

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF 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
(set-up in Hong Kong under Societies Ordinance)

Responsibilities of the Council of Management and
Those Charged with Governance for the Financial Statements

The Council of Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the 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.

In preparing the financial statements, the Council of Management is responsible for assessing the Society'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 of Management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. This report is made solely to you, as a body, and for no other purposes. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council of Management.
- Conclude on the appropriateness of the Council of Management 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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Society to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF 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
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Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


 W. S. Wong & Co.
 Certified Public Accountants

Hong Kong, 17th April 2021

香港黏多醴症暨罕有遺傳病互助小組

HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP

STATEMENT OF SURPLUS OR DEFICIT

FOR THE YEAR ENDED 31ST DECEMBER 2020

(Expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		\$	\$
Revenue	4	760,138	1,112,940
Administrative expenses		(129,545)	(69,326)
Other operating expenses		<u>(679,189)</u>	<u>(619,331)</u>
Surplus / (deficit) before taxation	5	(48,596)	424,283
Income tax expense	6	<u>-</u>	<u>-</u>
Surplus / (deficit) for the year		<u>(48,596)</u>	<u>424,283</u>
Attributable to the members of the Society		<u>(48,596)</u>	<u>424,283</u>

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

香港黏多醣症暨罕有遺傳病互助小組

HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2020

(Expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		\$	\$
Surplus / (deficit) for the year		(48,596)	424,283
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(48,596)</u>	<u>424,283</u>
Attributable to the members of the Society		<u>(48,596)</u>	<u>424,283</u>

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

香港黏多醣症暨罕有遺傳病互助小組

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

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2020

(Expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		\$	\$
CURRENT ASSETS			
Accounts receivable		1,447	-
Cash and bank balances	7	<u>2,074,281</u>	<u>2,124,324</u>
TOTAL CURRENT ASSETS		<u>2,075,728</u>	<u>2,124,324</u>
CURRENT LIABILITIES			
Accruals	8	<u>1,500</u>	<u>1,500</u>
TOTAL CURRENT LIABILITIES		<u>1,500</u>	<u>1,500</u>
NET CURRENT ASSETS		<u>2,074,228</u>	<u>2,122,824</u>
NET ASSETS		<u>2,074,228</u>	<u>2,122,824</u>
RESERVES			
Accumulated fund		<u>2,074,228</u>	<u>2,122,824</u>
TOTAL EQUITY		<u>2,074,228</u>	<u>2,122,824</u>



Chau Po Yuen (Council Member)



Chung Siu Ming (Council Member)

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

香港黏多醣症暨罕有遺傳病互助小組

HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2020

(Expressed in Hong Kong Dollars)

	<u>Accumulated fund</u>
	\$
Balance at 1st January 2019	<u>1,698,541</u>
Surplus for the year	424,283
Other comprehensive income	<u>-</u>
Total comprehensive income for the year	<u>424,283</u>
Balance at 31st December 2019	<u>2,122,824</u>
Deficit for the year	(48,596)
Other comprehensive income	<u>-</u>
Total comprehensive income for the year	<u>(48,596)</u>
Balance at 31st December 2020	<u><u>2,074,228</u></u>

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HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2020

(Expressed in Hong Kong Dollars)

	<u>2020</u>	<u>2019</u>
	\$	\$
Cash flows from operating activities		
Surplus / (deficit) before taxation	(48,596)	424,283
Adjustment for interest income	<u>(544)</u>	<u>(1,189)</u>
Net cash generated from / (used in) operation	(49,140)	423,094
Increase in accounts receivable	(1,447)	-
Decrease in accruals	<u>-</u>	<u>(3,000)</u>
Net cash generated from / (used in) operating activities	<u>(50,587)</u>	<u>420,094</u>
Cash flows from investing activities		
Interest received	<u>544</u>	<u>1,189</u>
Net cash generated from investing activities	<u>544</u>	<u>1,189</u>
Net increase / (decrease) in cash and cash equivalents	(50,043)	421,283
Cash and cash equivalents at the beginning of the year	<u>2,124,324</u>	<u>1,703,041</u>
Cash and cash equivalents at the end of the year	<u>2,074,281</u>	<u>2,124,324</u>
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	<u>2,074,281</u>	<u>2,124,324</u>

香港黏多醣症暨罕有遺傳病互助小組

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 香港黏多醣症暨罕有遺傳病互助小組 (“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. Adoption of new and revised standards

The Society has adopted the following relevant revised Hong Kong Financial Reporting Standards for the first time for the current year financial statements :-

Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKAS 1 and HKAS 8	Definition of Material

The adoption of these amendments has had no significant effect on the financial statements.

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) Receivables

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

香港黏多醣症暨罕有遺傳病互助小組

**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)

(a) Financial instruments (cont'd)

(ii) 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 subjected to an insignificant risk of changes in value.

(iii) Payables

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

(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 year 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 year when received and receivable.

4. Revenue

	<u>2020</u>	<u>2019</u>
	\$	\$
Donation income	759,594	1,110,531
Interest income	544	1,189
Subscription fee	<u>-</u>	<u>1,220</u>
	<u>760,138</u>	<u>1,112,940</u>

香港黏多醣症暨罕有遺傳病互助小組

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

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

5. Surplus / (deficit) before taxation

	<u>2020</u>	<u>2019</u>
	\$	\$
Surplus / (deficit) before taxation has been arrived at after charging :-		
Auditors' remuneration	1,500	1,500
	====	====

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

香港黏多醣症暨罕有遺傳病互助小組

HONG KONG MUCOPOLYSACCHARIDOSES &
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NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

9. Capital management (cont'd)

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 2020 was \$2,074,228 (2019 - \$2,122,824). Movements of adjusted capital during the year are set out in the statement of changes in equity.

10. Financial risk management

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

	<u>2020</u>	<u>2019</u>
	\$	\$
Financial assets		
Loans and receivable		
Accounts receivable	1,447	-
Cash and bank balances	<u>2,074,281</u>	<u>2,124,324</u>
	<u>2,075,728</u>	<u>2,124,324</u>
Financial liabilities		
Financial liabilities at amortised costs		
Accruals	<u>1,500</u>	<u>1,500</u>
	<u>2,074,228</u>	<u>2,122,824</u>

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.

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HONG KONG MUCOPOLYSACCHARIDOSES &
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NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

10. Financial risk management (cont'd)

(a) Market risk (cont'd)

(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.

(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 year

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 year 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 on 17th April 2021.

For Management Purposes Only

香港黏多醣症暨罕有遺傳病互助小組

HONG KONG MUCOPOLYSACCHARIDOSES &
RARE GENETIC DISEASES MUTUAL AID GROUP

DETAILED STATEMENT OF SURPLUS OR DEFICIT

FOR THE YEAR ENDED 31ST DECEMBER 2020

(Expressed in Hong Kong Dollars)

	\$
Income	
Donation income	759,594
Interest income	<u>544</u>
	<u>760,138</u>
Expenditure	
Accounting fee	1,800
Activities expenses	357,435
Auditors' remuneration	1,500
Bank charges	1,954
Postage	419
Printing and stationery	47
Souvenir and gift	10,298
Sponsorship to patients	321,754
Sundry expenses	6,629
Transportation and travelling	26,170
Website expenses	<u>80,728</u>
	<u>808,734</u>
Deficit before taxation	(48,596)
Income tax expense	<u>-</u>
Deficit for the year	<u><u>(48,596)</u></u>