

**HONG KONG ALLIANCE FOR RARE DISEASES**

**OFFICERS' REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD 1ST JANUARY 2020  
TO 16TH NOVEMBER 2020  
(DATE OF CESSATION OF BUSINESS)**

HONG KONG ALLIANCE FOR RARE DISEASES  
(incorporated in Hong Kong as a Registered Society)

REPORT OF THE OFFICERS

The officers submit their report together with the audited financial statements for the period 1st January 2020 to 16th November 2020 (date of cessation of business).

CESSATION OF BUSINESS

The Society ceased its business on 16th November 2020 and has become dormant since then.

PRINCIPAL ACTIVITIES

The Society was a charitable organisation and was engaged in providing education and a platform, in order to increase public awareness of rare diseases, strengthen exchanges, support and assist in the study of rare diseases.

RESULTS

The results of the Society for the period 1st January 2020 to 16th November 2020 (date of cessation of business) are set out in the income statement on page 6 of the financial statements.

DONATION

Charitable donation made by the Society during the period amounted to HK\$2,309,888.

OFFICERS

The officers during the period and up to the date of this report were:

Tsang Kin Ping	(Officer)
Fong Wai Kuk	(Assistant Officer)
Tso Yee Man	(Secretary General)
Leung Chat Kan	(Treasurer)

In accordance with Article 8 of the Constitution of the Society, the Officer and Assistant Officer shall be elected from amongst Committee Members at a meeting of the Board. The elected President shall recommend two members to be appointed as the Secretary General and the Treasurer. Such recommendation is tabled for approval by all Members at a general meeting. The elected officers shall hold office for a period of two years but, being eligible, offer themselves for re-election.

## OFFICERS' INTERESTS

Except for the related party transaction as disclosed in Note 8 to the financial statements, no other contracts of significance in relation to the Society's business to which the Society was a party and in which an officer of the Society had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

At no time during the period was the Society a party to any arrangements to enable the officers of the Society to acquire benefits by means of admission of membership in the Society or any other body corporate.

## PERMITTED INDEMNITY PROVISIONS

At any time during the period and up to the date of this report, there were no permitted indemnity provisions in force for the benefit of any of the officers of the Society.

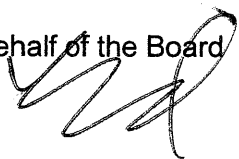
## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Society were entered into or existed during the period.

## AUDITORS

The financial statements have been audited by Vincent Kwok & Co. who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Tsang Kin Ping  
President

HONG KONG, 21 JUN 2021



VINCENT KWOK & CO. *Certified Public Accountants*

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**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
HONG KONG ALLIANCE FOR RARE DISEASES  
(incorporated in Hong Kong as a Registered Society)**

**Opinion**

We have audited the financial statements of Hong Kong Alliance for Rare Diseases set out on pages 6 to 12, which comprise the statement of financial position as at 16th November 2020 (date of cessation of business), and the income statement and statement of changes in fund for the period 1st January 2020 to 16th November 2020 (date of cessation of business), and notes to the financial statements, including a summary of significant accounting policies.

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

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard issued by the HKICPA. Our responsibilities under those standards are further described in the 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 officers are responsible for the other information. The other information comprises the information included in the officers' report, other than 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.

## **Responsibilities of Officers and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, the officers are 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 officers either intend to liquidate the Society or to cease operations, or have 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**

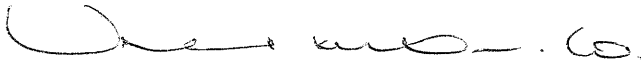
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, we exercise professional judgement and maintain professional scepticism 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 officers.
- Conclude on the appropriateness of the officers' 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.

**Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)**

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.



Vincent Kwok & Co.

Honorary Auditors

Certified Public Accountants

HONG KONG, 21 JUN 2021

HONG KONG ALLIANCE FOR RARE DISEASES  
(incorporated in Hong Kong as a Registered Society)

INCOME STATEMENT  
FOR THE PERIOD 1ST JANUARY 2020 TO 16TH NOVEMBER 2020  
(DATE OF CESSATION OF BUSINESS)

	Note	1.1.2020 to 16.11.2020 HK\$	1.1.2019 to 31.12.2019 HK\$
REVENUE	3	701,144	1,714,243
OTHER INCOME	3	106,154	52,409
STAFF COSTS		(282,621)	(480,054)
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(2,430,799)	(823,156)
		(2,607,266)	(1,250,801)
(DEFICIT)/ SURPLUS FOR THE PERIOD/ YEAR	4	(1,906,122)	463,442
ACCUMULATED SURPLUS BROUGHT FORWARD		1,906,122	1,442,680
ACCUMULATED SURPLUS CARRIED FORWARD		-	1,906,122

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

HONG KONG ALLIANCE FOR RARE DISEASES  
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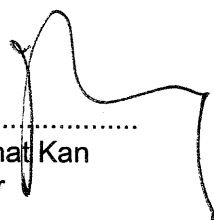
STATEMENT OF FINANCIAL POSITION  
AS AT 16TH NOVEMBER 2020 (DATE OF CESSATION OF BUSINESS)

	Note	16.11.2020 HK\$	31.12.2019 HK\$
<b>CURRENT ASSETS</b>			
Accounts receivable		-	8,213
Prepayments and deposits		-	70,006
Amount due from a related company	7	-	3,510
Cash and bank balances		-	1,870,188
		-----	-----
		-	1,951,917
		-----	-----
<b>CURRENT LIABILITIES</b>			
Accruals		-	2,045
Receipt in advance		-	43,750
		-----	-----
		-	45,795
		-----	-----
<b>NET CURRENT ASSETS</b>		-	1,906,122
		=====	=====
<b>FUND</b>			
<b>ACCUMULATED SURPLUS</b>		-	1,906,122
		=====	=====

Approved on behalf of the Board by:



.....  
Tsang Kin Ping  
Officer



.....  
Leung Chat Kan  
Treasurer

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



HONG KONG ALLIANCE FOR RARE DISEASES  
(incorporated in Hong Kong as a Registered Society)

STATEMENT OF CHANGES IN FUND  
FOR THE PERIOD 1ST JANUARY 2020 TO 16TH NOVEMBER 2020  
(DATE OF CESSATION OF BUSINESS)

	Accumulated surplus HK\$
At 1st January 2019	1,442,680
Surplus for the year	463,442
At 31st December 2019	----- 1,906,122
Deficit for the period	(1,906,122)
At 16th November 2020	----- - =====

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

1 REPORTING ENTITY

Hong Kong Alliance for Rare Diseases is a registered Society under the Societies Ordinance. The registered address is Flat H, 26/F., Fullview Court, 32 Fortress Hill Road, Hong Kong.

The Society was a charitable organisation and was engaged in providing education and a platform, in order to increase public awareness of rare diseases, strengthen exchanges, support and assist in the study of rare diseases. The Society ceased its business on 16th November 2020 and has become dormant since then.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

The Society is registered under the Societies Ordinance (Cap. 151). The Society prepares and presents its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants.

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

The measurement basis adopted is the historical cost convention.

(b) Revenue recognition

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

- (i) donations income is recognised when received or receivable according to donation agreements;
- (ii) government subvention is recognised on an accrual basis as according to the agreement with the relevant council;
- (iii) membership fee income is recognised when received or receivable;
- (iv) expenses reimbursement is recognised when received and receivable; and
- (v) sundry income is recognised when received and receivable.

(c) Related parties

A party is considered to be related if the Society and the party are subject to common control or significant influence. Related parties may be individuals or other entities.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

### (d) Employee benefits

The Society operates a defined contribution Mandatory Provident Fund retirement benefits scheme ("the MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become statement payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Society in an independently administered fund. The Society's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Society's employer voluntary contributions, which are refunded to the Society when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the statement of financial position. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

## 3 REVENUE AND OTHER INCOME

The Society was engaged in providing education and a platform, in order to increase public awareness of rare diseases, strengthen exchanges, support and assist in the study of rare diseases. Total amounts of revenue and other income recognised during the period/ year are as follows:

	1.1.2020 to 16.11.2020 HK\$	1.1.2019 to 31.12.2019 HK\$
Revenue		
Donations income	568,154	1,526,083
Government subvention		
- From Social Welfare Department	131,250	185,000
Membership fee income	1,740	3,160
	<u>701,144</u>	<u>1,714,243</u>
Other income		
Expenses reimbursement	26,926	41,374
Subsidy from employment support scheme	66,450	-
Sundry income	12,778	11,035
	<u>106,154</u>	<u>52,409</u>
Revenue and other income	<u>807,298</u>	<u>1,766,652</u>

4 (DEFICIT)/ SURPLUS FOR THE PERIOD/ YEAR

1.1.2020	1.1.2019
to	to
16.11.2020	31.12.2019
HK\$	HK\$

(Deficit)/ surplus for the period/ year is stated after charging the following:

Staff costs		
Salaries and wages	272,000	456,900
Mandatory provident fund contributions	10,621	23,154
	=====	=====

5 INCOME TAX EXPENSE

Hong Kong profits tax has not been provided as the Society was exempted from tax under the provisions of section 88 of the Inland Revenue Ordinance (year ended 31st December 2019: Same).

6 OFFICERS' EMOLUMENTS

The officers received no fees or other emoluments for their services rendered to the Society during the period (year ended 31st December 2019: HK\$Nil).

7 AMOUNT DUE FROM A RELATED COMPANY

The amount due from a related company was unsecured, interest free and fully repaid during the period.

8 RELATED PARTY TRANSACTION

During the period, the Society undertook the following transaction with a related party in the normal course of its business:

	1.1.2020	1.1.2019
	to	to
	16.11.2020	31.12.2019
	HK\$	HK\$
Donation to a related company	2,309,888	-
	=====	=====

Note

The donation to a related company was determined by the management of the Society.

9 STATUS OF SOCIETY

The Society was a non-profit making company registered in Hong Kong which was a Registered Society and not having share capital.

10 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised by the Society's board of officers on 21 JUN 2021