

香港眼角膜關懷協會  
HONG KONG CORNEA CONCERN ASSOCIATION

REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee have pleasure in presenting their annual report together with the audited financial statements for the year ended 30th September 2017.

PRINCIPAL ACTIVITIES

The main objectives of the Association are to promote and develop the union spirit, friendship and welfare among the cornea patients and family, to visit and care for the patients in hospitals and to organise activities for members to exchange knowledge and news in cornea.

RESULTS

The results of the Association for the year ended 30th September 2017 and the state of affairs of the Association at that date are set out in the financial statements on pages 1 to 11.

EXECUTIVE COMMITTEE

The members of the Executive Committee during the year and up to the date of this report are :-

陳麗華	(appointed on 8/10/2017)
陳麗嫦	
王碧茜	
賀小梅	
郭笑英	
陳翠蓮	
黃旭華	(resigned on 8/10/2017)
林勤漢	(resigned on 8/10/2017)

In accordance with Article 2(8) of Chapter 3 of the Association's Articles of Association, all existing members of the Executive Committee shall continue to remain in office.

AUDITORS

The financial statements have been audited by Messrs. W. S. Wong & Co., who retire and, being eligible, offer themselves for re-election.

On behalf of the Executive Committee



陳麗嫦  
Chairman

Hong Kong, 6th March 2018

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF**

**HONG KONG CORNEA CONCERN ASSOCIATION 香港眼角膜關懷協會**

(set-up in Hong Kong under Societies Ordinance)

**Opinion**

We have audited the financial statements of Hong Kong Cornea Concern Association 香港眼角膜關懷協會 (“the Association”) set out on pages 1 to 11, which comprise the statement of financial position as at 30th September 2017, 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 Association as at 30th September 2017, 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 Association 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 Executive Committee is responsible for the other information. The other information comprises the information included in the Report of the Executive Committee 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 CORNEA CONCERN ASSOCIATION 香港眼角膜關懷協會**

(set-up in Hong Kong under Societies Ordinance)

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

The Executive Committee 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 Executive Committee 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 Executive Committee is responsible for assessing the Association'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 Executive Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 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 financial statements.

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 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committee'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 Association'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 Association to cease to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT (CONT'D)**  
**TO THE MEMBERS OF**  
**HONG KONG CORNEA CONCERN ASSOCIATION 香港眼角膜關懷協會**  
(set-up in Hong Kong under Societies Ordinance)

**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 et al.*  
W. S. Wong & Co.  
Certified Public Accountants

Hong Kong, 6th March 2018

香港眼角膜關懷協會  
**HONG KONG CORNEA CONCERN ASSOCIATION**

**STATEMENT OF SURPLUS OR DEFICIT**

**FOR THE YEAR ENDED 30TH SEPTEMBER 2017**

(Expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		\$	\$
Revenue	4	1,450	3,120
Other income	5	236,418	207,971
Administrative expenses		(229,889)	(225,250)
Other operating expenses		<u>(70,486)</u>	<u>(59,815)</u>
Deficit before taxation	6	(62,507)	(73,974)
Income tax expense	7	<u>-</u>	<u>-</u>
Deficit for the year		<u>(62,507)</u>	<u>(73,974)</u>

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

香港眼角膜關懷協會  
**HONG KONG CORNEA CONCERN ASSOCIATION**

**STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30TH SEPTEMBER 2017**

(Expressed in Hong Kong Dollars)

	<u>2017</u>	<u>2016</u>
	\$	\$
Deficit for the year	(62,507)	(73,974)
Other comprehensive income	———-	———-
Deficit for the year	(62,507)	(73,974)
	=====	=====

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

香港眼角膜關懷協會  
**HONG KONG CORNEA CONCERN ASSOCIATION**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30TH SEPTEMBER 2017**

(Expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		\$	\$
<b>CURRENT ASSETS</b>			
Prepayment		2,997	3,920
Cash and bank balances	8	<u>288,936</u>	<u>346,830</u>
<b>TOTAL CURRENT ASSETS</b>		<u>291,933</u>	<u>350,750</u>
<b>CURRENT LIABILITIES</b>			
Creditors and accruals	9	<u>6,780</u>	<u>3,090</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>6,780</u>	<u>3,090</u>
<b>NET CURRENT ASSETS</b>		<u>285,153</u>	<u>347,660</u>
<b>NET ASSETS</b>		<u>285,153</u>	<u>347,660</u>
<b>RESERVES</b>			
General Fund		<u>285,153</u>	<u>347,660</u>
<b>TOTAL EQUITY</b>		<u>285,153</u>	<u>347,660</u>



陳麗嫦 (Chairman)



陳麗華 (Hon-Treasurer)

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

香港眼角膜關懷協會  
**HONG KONG CORNEA CONCERN ASSOCIATION**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30TH SEPTEMBER 2017**

(Expressed in Hong Kong Dollars)

	General <u>Fund</u>
	\$
Balance at 1st October 2015	<u>421,634</u>
Deficit for the year	(73,974)
Other comprehensive income	<u>-</u>
Total comprehensive income for the year	<u>(73,974)</u>
Balance at 30th September 2016	<u>347,660</u>
Deficit for the year	(62,507)
Other comprehensive income	<u>-</u>
Total comprehensive income for the year	<u>(62,507)</u>
Balance at 30th September 2017	<u>285,153</u> =====



香港眼角膜關懷協會  
**HONG KONG CORNEA CONCERN ASSOCIATION**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30TH SEPTEMBER 2017**

(Expressed in Hong Kong Dollars)

	<u>2017</u>	<u>2016</u>
	\$	\$
<b>Cash flows from operating activities</b>		
Deficit before taxation	(62,507)	(73,974)
Adjustment for interest income	<u>(28)</u>	<u>(31)</u>
Operating deficit before changes in working capital	(62,535)	(74,005)
(Increase) / decrease in prepayment	923	(1,920)
Increase / (decrease) in creditors and accruals	<u>3,690</u>	<u>(1,500)</u>
<b>Net cash used in operating activities</b>	<u>(57,922)</u>	<u>(77,425)</u>
<b>Cash flows from investing activities</b>		
Interest received	<u>28</u>	<u>31</u>
<b>Net cash generated from investing activities</b>	<u>28</u>	<u>31</u>
<b>Net decrease in cash and cash equivalents</b>	(57,894)	(77,394)
<b>Cash and cash equivalents at the beginning of the year</b>	<u>346,830</u>	<u>424,224</u>
<b>Cash and cash equivalents at the end of the year</b>	288,936 =====	346,830 =====
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash and bank balances	288,936 =====	346,830 =====

香港眼角膜關懷協會  
**HONG KONG CORNEA CONCERN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Hong Kong Dollars)

1. General

- (a) Hong Kong Cornea Concern Association 香港眼角膜關懷協會 (“the Association”) is a charitable organisation set-up under the Hong Kong Societies Ordinance.
- (b) The registered office address as well as the principal place of business of the Association is Ground Floor, Wang Lai House, Wang Tau Hom Estate, Kowloon, Hong Kong.
- (c) The principal activities of the Association are to promote and develop the union spirit, friendship and welfare among the cornea patients and family, to visit and care for the patients in hospitals and to organise activities for members to exchange knowledge and news in cornea.

2. Application of new and revised standards

The Association has adopted the following relevant revised Hong Kong Accounting Standard (“HKAS”) for the first time for the current year financial statements :-

Amendments to HKAS 1

Disclosure Initiative

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 Association 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 subjected to an insignificant risk of changes in value.

香港眼角膜關懷協會  
**HONG KONG CORNEA CONCERN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Hong Kong Dollars)

3. Principal accounting policies (cont'd)

(a) Financial instruments (cont'd)

(ii) 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 Association 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) Retirement benefit costs

Payments to defined contribution retirement plan are charged as expenses when employees have rendered services entitling them to the contributions.

(d) Recognition of income

Membership fee and donation income are recognised when received, grant from Social Welfare Department is recognised when received and receivable whereas interest income is recognised on time basis.

4. Revenue

Revenue represents the membership fee received.

香港眼角膜關懷協會  
**HONG KONG CORNEA CONCERN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Hong Kong Dollars)

5. Other income

	<u>2017</u>	<u>2016</u>
	\$	\$
Donation income from :-		
Care for People with Disabilities Association	6,290	-
Others	20,100	12,940
Grant from Social Welfare Department	210,000	195,000
Interest income	<u>28</u>	<u>31</u>
	<u>236,418</u>	<u>207,971</u>
	=====	=====

6. Deficit before taxation

	<u>2017</u>	<u>2016</u>
	\$	\$
Deficit before taxation has been arrived at after charging :-		
Auditors' remuneration	1,500	1,500
Staff costs	188,055	173,880
	<u>189,555</u>	<u>175,380</u>
	=====	=====

The Association operates defined contribution retirement scheme for all employees. The assets of the scheme are held separately from those of the Association under the control of trustees.

The Association's contributions to mandatory provident fund scheme (included in staff costs) amounted to \$8,955 (2016 - \$8,280).

No remuneration was paid to the members of the Executive Committee in current year and prior year.

7. Income tax expense

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

8. 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.

香港眼角膜關懷協會  
**HONG KONG CORNEA CONCERN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Hong Kong Dollars)

9. Creditors and accruals

Creditors and accruals principally comprise amounts outstanding for ongoing costs and their carrying amount approximates their fair value.

10. Capital management

The Association's objectives when managing capital are to safeguard the Association's ability to continue as a going concern and to support the Association's stability and growth.

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

The Association monitors capital by reviewing the level of capital that is at the disposal of the Association ("adjusted capital"). Adjusted capital comprises all components of reserves. The adjusted capital of the Association at 30th September 2017 was \$285,153 (2016 - \$347,660). The decrease of adjusted capital was due to deficit for the year.

11. Financial risk management

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

	<u>2017</u>	<u>2016</u>
	\$	\$
Financial assets		
Loans and receivable		
Cash and bank balances	<u>288,936</u>	<u>346,830</u>
Financial liabilities		
Financial liabilities at amortised costs		
Creditors and accruals	<u>6,780</u>	<u>3,090</u>
	282,156	343,740
	=====	=====

香港眼角膜關懷協會  
**HONG KONG CORNEA CONCERN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Hong Kong Dollars)

11. Financial risk management (cont'd)

The Association'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 Association's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect on the Association'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 Association has no exposure to foreign exchange risk as all the financial assets and financial liabilities of the Association are denominated in Hong Kong dollars.

(ii) Interest rate risk

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

(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 Association follows a policy of prudence in managing its cash and bank balances and maintains a high level of liquidity.

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

(c) Credit risk

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

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

香港眼角膜關懷協會  
**HONG KONG CORNEA CONCERN ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Hong Kong Dollars)

12. 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 not yet effective for the year will not have a material impact on the financial statements.

13. Approval of financial statements

The financial statements were approved by the Executive Committee and authorised for issue on 6th March 2018.

香港眼角膜關懷協會  
**HONG KONG CORNEA CONCERN ASSOCIATION**  
**DETAILED STATEMENT OF SURPLUS OR DEFICIT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2017**

(Expressed in Hong Kong Dollars)

	\$
<b>Income</b>	
Membership fees	<u>1,450</u>
<b>Other income</b>	
Donation income from :-	
Care for People with Disabilities Association	6,290
Others	20,100
Grant for Self-help Organisations of Persons with Disabilities from Social Welfare Department (Schedule 1)	210,000
Interest income	<u>28</u>
	<u>236,418</u>
	<u>237,868</u>
<b>Expenditure</b>	
Auditors' remuneration	1,500
Expenditure for seminars and functions	21,402
Expenditure on Grant for Self-help Organisations of Persons with Disabilities (Schedule 1)	206,987
Expenditure on Grant from Chan Dang Social Services Foundation	16,022
Expenditure on Grant from Ng Teng Fong Charitable Foundation Limited	<u>54,464</u>
	<u>300,375</u>
<b>Deficit for the year</b>	<u>(62,507)</u> =====



香港眼角膜關懷協會  
**HONG KONG CORNEA CONCERN ASSOCIATION**

**INCOME AND EXPENDITURE ON GRANT FOR SELF-HELP ORGANISATIONS**

**OF PERSONS WITH DISABILITIES**

**FOR THE YEAR ENDED 30TH SEPTEMBER 2017**

(Expressed in Hong Kong Dollars)

	\$
<b>Income</b>	
Grant for Self-help Organisations of Persons with Disabilities / Chronic Illnesses from Social Welfare Department	<u>210,000</u>
<b>Expenditure</b>	
Functions and activities	6,089
Insurance	1,501
Internet charges	4,056
Mandatory provident fund contributions	8,955
Miscellaneous	1,616
Postage	561
Printing and stationery	2,655
Salaries and allowances	179,100
Telephone	<u>2,454</u>
	<u>206,987</u>
<b>Surplus for the year</b>	3,013 =====