

THE ASIAN FOUNDATION  
FOR THE PREVENTION OF BLINDNESS

(Company limited by guarantee and not having a share capital)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2020

歐陽啟華會計師事務所  
**K. W. AU YEUNG & CO.**

Chartered Certified Accountants  
Certified Public Accountants



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THE ASIAN FOUNDATION FOR THE PREVENTION OF BLINDNESS

(Company limited by guarantee and not having a share capital)

REPORT OF THE EXECUTIVE COMMITTEE

The members of the board of the Executive Committee have pleasure to present their annual report together with the accompanying audited financial statements for the year ended 31st December, 2020.

**PRINCIPAL ACTIVITIES**

The principal activities of the Foundation are to investigate and make known the causes of blindness and to promote any measure designed to prevent, reduce and remedy diseases, conditions and causes which produce blindness.

**DONATIONS**

During the year, the Foundation made equipment donations amounting to HK\$17,768,320.49 (2019 – HK\$14,813,022).

**BOARD OF EXECUTIVE COMMITTEE**

The members of the board of the Executive Committee who served during the year and at the date of this report were:-

Mr. Sun Kwok Wah Peter

Dr. Chow Pak Chin

Ms. Leung Yuet Ming, JP

Mr. Lai Shiu Ming Jimmy

Mr. Wan Kam To

Mr. Ngan Chi Wing

Mr. Chan Kai Ho

Mr. Sun Ho Hin Jack

Mr. Chiu Sai Fung

In accordance with the Foundation's Articles of Association, all members of the Executive Committee shall retire from the board at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

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#### MANAGEMENT CONTRACT

At no time during the year were there any management contracts entered into by which a person undertakes the management and/ or administration of the whole or any substantial part of any business of the Foundation.

#### PERMITTED INDEMNITY PROVISIONS

At no time during the year or at the end thereof were there any permitted indemnity provisions in force for the benefit of one or more committee members of the Foundation.

#### BUSINESS REVIEW

The Foundation falls within reporting exemption for the year. Accordingly, the company is exempted from preparing a business review.

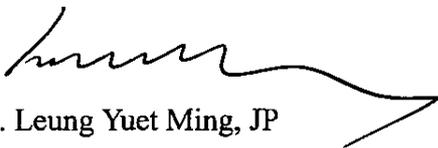
#### AUDITORS

The financial statements have been audited by Messrs. K. W. Au Yeung & Co., Chartered Certified Accountants, Certified Public Accountants, who will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

#### APPROVAL OF EXECUTIVE COMMITTEE'S REPORT

This report has been approved by the committee members on 16th August, 2021.

On behalf of the Executive Committee



Ms. Leung Yuet Ming, JP

President

Hong Kong

# K. W. AU YEUNG & CO.

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Certified Public Accountants

Room B, 20/F, Loong Wan Building, 8 North Point Road, North Point, Hong Kong  
香港北角北角道 8 號隆運大廈 20 字樓 B 室  
Tel 電話 : 2547 9925 Fax 傳真 : 2547 9975

歐陽啟華會計師事務所  
英國特許公認會計師  
香港執業會計師

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF THE ASIAN FOUNDATION FOR THE PREVENTION OF BLINDNESS

(Incorporated in Hong Kong with liability limited by guarantee and not having a share capital)

#### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of The Asian Foundation For The Prevention Of Blindness ("the Foundation") set out on pages (7) to (13) which comprise the statement of financial position as at 31st December, 2020, the statement of changes in accumulated fund, the income statement and the 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 of the Foundation are prepared, in all material respects, in accordance with the 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 Hong Kong Companies Ordinance.

#### Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to PN900 (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 "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Foundation 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.

#### Information other than the financial statements and auditors' report thereon

The committee members are responsible for the other information. The other information comprises the executive committee report, 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.

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# K. W. AU YEUNG & CO.

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Certified Public Accountants

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Room B, 20/F, Loong Wan Building, 8 North Point Road, North Point, Hong Kong  
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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 committee members and those charged with governance for the financial statements**

The committee members are responsible for the preparation of financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the committee members 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 committee members are responsible for assessing the Foundation'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 committee members either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 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.

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Further descriptions of the auditors' responsibilities for the audit of the financial statements are detailed in the appendix to the auditors' report.

*Kw Au Yeung & Co.*

Chartered Certified Accountants

Certified Public Accountants

Hong Kong, 16th August, 2021

# K. W. AU YEUNG & CO.

Chartered Certified Accountants  
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## THE ASIAN FOUNDATION FOR THE PREVENTION OF BLINDNESS

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### APPENDIX TO THE AUDITORS' REPORT

As part of an audit in accordance with HKSAs, we exercise professional judgement 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 Foundation's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members; and
- conclude on the appropriateness of the committee members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the Foundation'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 Foundation 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.

THE ASIAN FOUNDATION FOR THE PREVENTION OF BLINDNESS  
(Company limited by guarantee and not having a share capital)  
INCOME STATEMENT  
FOR THE YEAR ENDED 31ST DECEMBER, 2020  
(Expressed in Hong Kong Dollars)

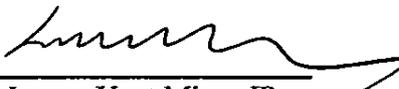
	<u>2020</u>	<u>2019</u>
<b>INCOME</b>		
· Donations received	10,171,131.10	23,914,652
· Bank interest received	102,003.21	63,603
· Subsidy to employers under employment support scheme	54,000.00	-
· Exchange gain	-	59
	<u>10,327,134.31</u>	<u>23,978,314</u>
<b>LESS: EXPENDITURE</b>		
Accountancy fee	8,500.00	6,000
Audit fee	7,200.00	7,200
Bank charges	1,355.45	14,363
Bank interest paid	-	6
Ceremony expenses	1,000.00	549,766
Company secretarial fee	6,355.00	12,205
Courier and postages	366.00	886
Depreciation	5,201.48	3,651
Entertainment	8,848.00	12,780
Equipment donations	17,768,320.49	14,813,022
Insurance	4,213.99	4,213
MPF contribution	11,013.35	9,600
Office administration expenses	-	50,000
Office rent	60,000.00	60,000
Printing and stationery	1,468.80	2,897
Repairs and maintenance	-	1,388
Salary	220,267.00	192,000
Sundry expenses	41,636.00	56,726
Telephone & internet services	7,850.40	6,428
Travelling	5,030.10	133,671
	<u>18,158,626.06</u>	<u>15,936,802</u>
(Deficit) surplus for the year	<u>(7,831,491.75)</u>	<u>8,041,512</u>

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

THE ASIAN FOUNDATION FOR THE PREVENTION OF BLINDNESS  
 (Company limited by guarantee and not having a share capital)  
 STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2020  
 (Expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>NON-CURRENT ASSET</b>			
Furniture and equipment	3	15,078.43	12,530
<b>CURRENT ASSETS</b>			
Prepayment		2,502.70	5,032
Fixed deposit		4,000,000.00	5,000,000
Other account receivable		-	108,220
Interest receivable		2,104.11	1,678
Cash and bank balances		5,631,081.61	14,175,366
		9,635,688.42	19,290,296
<b>CURRENT LIABILITIES</b>			
Other account payable		-	1,811,542
Accrued expenses		9,450.00	18,475
		9,450.00	1,830,017
<b>NET CURRENT ASSETS</b>		<b>9,626,238.42</b>	<b>17,460,279</b>
<b>NET ASSETS</b>		<b>9,641,316.85</b>	<b>17,472,809</b>
<b>FINANCED BY:</b>			
Accumulated fund		9,641,316.85	17,472,809

Approved by:

  
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 Ms. Leung Yuet Ming, JP  
 (President & CEO)

  
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 Mr. Ngan Chi Wing  
 (Vice President)

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

THE ASIAN FOUNDATION FOR THE PREVENTION OF BLINDNESS  
 (Company limited by guarantee and not having a share capital)  
 STATEMENT OF CHANGES IN ACCUMULATED FUND  
 FOR THE YEAR ENDED 31ST DECEMBER, 2020  
 (Expressed in Hong Kong Dollars)

	<u>HK\$</u>
Balance at 1st January, 2019	9,431,296.86
Surplus for the year	8,041,511.74
Balance at 31st December, 2019	<u>17,472,808.60</u>
Balance at 1st January, 2020	17,472,808.60
(Deficit) for the year	(7,831,491.75)
Balance at 31st December, 2020	<u>9,641,316.85</u>

THE ASIAN FOUNDATION FOR THE PREVENTION OF BLINDNESS  
(Company limited by guarantee and not having a share capital)  
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		
(Deficit) surplus for the year	(7,831,491.75)	8,041,512
Adjustment for:		
· Depreciation	<u>5,201.48</u>	<u>3,651</u>
Operating (deficit) surplus before working capital changes	(7,826,290.27)	8,045,163
Decrease (increase) in prepayment	2,529.00	(3,019)
Decrease (increase) in other account receivable	108,220.00	(108,220)
(Increase) decrease in interest receivable	(426.03)	1,692
(Decrease) increase in other account payable	(1,811,542.07)	1,811,542
(Decrease) increase in accrued expenses	<u>(9,025.61)</u>	<u>2,905</u>
Cash (used in) generated from operations	<u>(9,536,534.98)</u>	<u>9,750,063</u>
Cash flows from investing activity		
Payment to acquire fixed assets	<u>(7,750.00)</u>	<u>(7,877)</u>
Net cash used in investing activity	<u>(7,750.00)</u>	<u>(7,877)</u>
Net (decrease) increase in cash and cash equivalents	(9,544,284.98)	9,742,186
Cash and cash equivalents at beginning of the year	19,175,366.59	9,433,180
Cash and cash equivalents at end of the year	<u><u>9,631,081.61</u></u>	<u><u>19,175,366</u></u>

ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

Fixed deposit	4,000,000.00	5,000,000
Cash and bank balances	<u>5,631,081.61</u>	<u>14,175,366</u>
	<u><u>9,631,081.61</u></u>	<u><u>19,175,366</u></u>

THE ASIAN FOUNDATION FOR THE PREVENTION OF BLINDNESS  
(Company limited by guarantee and not having a share capital)  
NOTES TO THE FINANCIAL STATEMENTS  
(Expressed in Hong Kong Dollars)

1. GENERAL AND PRINCIPAL ACTIVITIES

The Asian Foundation for the Prevention of Blindness is a company incorporated in Hong Kong with liability limited by guarantee and without share capital. The liability of individual member is limited by guarantee not exceeding an amount of HK\$10.00 for each member.

The address of its registered office and principal place of business is located at Block A3, 10/F, Yee Lim Industrial Centre, 2-28 Kwai Lok Street, Kwai Chung, New Territories. The principal activities of the Foundation are to investigate and make known the causes of blindness and to promote any measures designed to prevent, reduce and remedy diseases, conditions and causes which produce blindness.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Foundation qualifies for the reporting exemption as a small guarantee company under Section 359(1)(a) of the Hong Kong Companies Ordinance (Cap.622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS).

These financial statements comply with the SME-FRS issued by the Hong Kong Institute of Certified Public Accountants and have been prepared under the accrual basis of accounting and on the basis that the Foundation is a going concern.

The measurement base adopted is the historical cost accounting convention.

The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(a) Recognition of revenue

Donations received is recognised when the Foundation's entitlement to receive payment has been established.

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(b) Project expenditure

Project expenditure is expensed in the year in which it is incurred.

(c) Furniture and equipment

Furniture and equipment are stated at cost less accumulated depreciation and impairment losses.

The depreciable amount of an item of furniture and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. No depreciation is provided on furniture and fixtures which has been fully depreciated. The principal annual rate used for depreciation is as follows:

Office equipment - 20%

(d) Foreign currency translation

Foreign currency transactions during the year are translated into Hong Kong Dollars at the approximate exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at rates ruling at the end of the reporting period. All exchange differences are dealt with in the income statement.

(e) Taxation

Provision for taxation is not required as the Foundation has been exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance.

No provision for Hong Kong profits tax has been made in the accounts as the Foundation continued to be a charitable organisation under Section 88 of the Inland Revenue Ordinance and therefore exempted from all kind of taxes payable with effect from 16th October, 1981.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank that are readily convertible into known amounts of cash and which are subject to an insignificant risks of changes in value, having been within three months of maturity at acquisition.

(g) Employee benefits

Employee benefits are all forms of consideration given by an enterprise in exchange for service rendered by employees. All short-term employee benefits, such as wages, salaries, annual bonuses and paid annual leave, are expensed as they fall due. Post-employment benefits are employee benefits which are payable after termination of employment by the company.

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### 3. FURNITURE AND EQUIPMENT

	<u>Office equipment</u>	<u>Furniture and fixtures</u>	<u>Total</u>
Cost			
At 1st January, 2020	\$26,989.39	\$45,559.54	\$72,548.93
Addition during the year	7,750.00	0.00	7,750.00
At 31st December, 2020	<u>\$34,739.39</u>	<u>\$45,559.54</u>	<u>\$80,298.93</u>
Aggregate depreciation			
At 1st January, 2020	\$14,459.48	\$45,559.54	\$60,019.02
Charges for the year	5,201.48	0.00	5,201.48
At 31st December, 2020	<u>\$19,660.96</u>	<u>\$45,559.54</u>	<u>\$65,220.50</u>
Net book value			
At 31st December, 2020	<u>\$15,078.43</u>	<u>\$0.00</u>	<u>\$15,078.43</u>
At 1st January, 2020	<u>\$12,529.91</u>	<u>\$0.00</u>	<u>\$12,529.91</u>

### 4. EXECUTIVE COMMITTEE MEMBER'S BENEFITS AND INTERESTS

Information disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance and the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:-

	<u>2020</u>	<u>2019</u>
Acting as directors and provision of management services		
Emoluments	-	-
Provident fund contribution	-	-
Benefits in kinds	-	-

### 5. COMMITMENT

At 31st December, 2020, the Foundation had entered into sales contracts with equipment supplier to assemble mobile eye treatment centres and the outstanding amount was HK\$634,230.00 (2019 - HK\$11,567,640).

### 6. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were duly approved and authorised for issue by the Foundation's President and Honorary Treasurer on 16th August, 2021.