

ANGEL OF DIABETIC LIMITED
糖尿天使有限公司

Reports and financial statements

For the year ended 31 December 2020



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Angel of Diabetic Limited
糖尿天使有限公司

Report and financial statements
For the year ended 31 December 2020

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(Expressed in Hong Kong dollars)

Angel of Diabetic Limited

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

Principal objectives

The principal objectives of the Company during the course of the year were continuing to promote and support medical care and education in all respects to diabetics and teach, study, develop and organize related activities in respect of medical care and education to diabetics and other related activities on a non-profit making basis.

Results

The results of the Company for the year ended 31 December 2020 and the state of the Company's affairs as at that date are set out in the financial statements on page 5 to 6.

Fixed assets

Details of movements during the year in property, plant and equipment of the Company are set out in note 7 to the financial statements.

Shares and debenture issued

The Company has not issued any shares or debentures during the year.

Directors

The names of the persons who were directors of the Company during the year and up to the date of this report are:

Madam Yu Ngan Mei Kammie

Madam Taam Lai Woon

Madam Lai Kong Pui Sim

Mr. Chan Yuk Chuen

(Appointed on 22 September 2020)

Mr. Yu Kwok Chu

(Resigned on 22 September 2020)

In accordance with the Company's Articles of Association, Madam Yu Ngan Mei Kammie is the permanent director and shall hold office until she resign and other directors will retire from office at the end of every two years and, being eligible, offer themselves for re-election.

Director's service contracts

No director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Arrangements to purchase shares and debentures

At no time during the year was the Company a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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Equity-linked arrangements

During the year and at the end of the year, the Company entered into or subsisted of no equity-linked agreement.

Director's interest in contracts of significance

Save as disclosed in note 10 to the financial statements, no other contract of significance to which the Company was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Permitted indemnity provisions

At no time during the year and at the time of approval of this report, there are no or any permitted indemnity provisions in force for the benefit of the directors of the Company.

Management contracts

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

Business review

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

Other matters

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

Auditor

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. C. K. Yuen & Co. as auditor of the Company.

On behalf of the Board



Madam Yu Ngan Mei Kammie
Chairlady
Hong Kong, 31 August 2021

Independent auditor's report to the members of

Angel of Diabetic Limited ("the Company")

糖尿天使有限公司

(incorporated in Hong Kong with limited by guarantee)

Opinion

We have audited the financial statements of Angel of Diabetic Limited set out on pages 5 to 14, which comprise the statement of financial position at 31 December 2020, the income and expenditure account 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 of the Company are prepared, in all material respects, in accordance with the 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 Hong Kong Companies Ordinance.

Basis of opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to PN 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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 directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report set out on pages 1 to 2, but does not include the financial statements and our auditor's 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 on the other information obtained prior to the date of this auditor's report, 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 directors and those charged with governance for the financial statements

The directors 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 directors 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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



Independent auditor's report to the members of

Angel of Diabetic Limited ("the Company")

糖尿天使有限公司

(incorporated in Hong Kong with limited by guarantee)

Auditor's 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 auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. 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.

A further description of our responsibilities for the audit of the financial statements is located at HKICPA's website at "http://www.hkicpa.org.hk/file/media/section6_standards/standards/Audit-n-assurance/auditre/fs_cf.pdf". This description forms part of our auditor's report.

A handwritten signature in black ink, appearing to read "C. K. Yuen", is positioned above the printed name of the auditor.

C. K. Yuen & Co.
Certified Public Accountants (Practising)
Registration number : 2210
Hong Kong, 31 August 2021

Angel of Diabetic Limited

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Income and expenditure account**For the year ended 31 December 2020**

		<u>2020</u>	<u>2019</u>
	Notes	HK\$	HK\$
Income			
Sales income	2	1,736,024	1,085,280
Donations received	2	190,304	102,294
Sponsorship received	2	1,411,200	1,359,578
Program income	2	9,700	22,603
糖心行動基金	3	-	46,173
Financial Support Scheme for Self-help Organisations of Persons with Disabilities/Chronic Illnesses	4	187,500	210,000
Membership fee received		144,860	81,040
Grant from government subsidy		218,678	-
Interest received	2	1,378	2,151
		<u>3,899,644</u>	<u>2,909,119</u>
Expenditure			
糖心行動基金		6,400	59,186
Program expenses		763,683	715,575
Material costs		1,119,908	758,110
		<u>1,889,991</u>	<u>1,532,871</u>
		2,009,653	1,376,248
Administrative expenses	8	<u>1,683,844</u>	1,843,663
Surplus (deficit) before tax		<u>325,809</u>	(467,415)
Income tax expense	5	-	-
Surplus (deficit) for the year		<u><u>325,809</u></u>	<u><u>(467,415)</u></u>

The notes on pages 8 to 14 form parts of these financial statements.

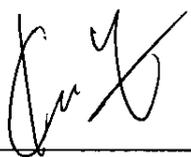
Angel of Diabetic Limited

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Statement of financial position at 31 December 2020

	Notes	<u>2020</u> HK\$	<u>2019</u> HK\$
Assets			
Non-current assets			
Property, plant and equipment	7	<u>120,000</u>	<u>-</u>
Current assets			
Bank balances and cash		862,370	510,414
Accounts receivable		119,285	126,335
Utility deposits and prepayment		4,450	4,598
		<u>986,105</u>	<u>641,347</u>
Current liabilities			
Accounts payable and accruals		284,843	145,894
Amount due to a director	9	138	138
		<u>284,981</u>	<u>146,032</u>
Net current assets		<u>701,124</u>	<u>495,315</u>
Net assets		<u>821,124</u>	<u>495,315</u>
Represented by			
Accumulated funds	11	<u>821,124</u>	<u>495,315</u>

The financial statements on pages 5 to 14 was approved and authorised for issue by the Board of Directors on 31 August 2021 and are signed by:



Madam Yu Ngan Mei Kammie
Director



Mr. Chan Yuk Chuen
Director

The notes on pages 8 to 14 form parts of these financial statements.

Angel of Diabetic Limited

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Statement of cash flows**For the year ended 31 December 2020**

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Cash flows from operating activities		
Cash receipts in operations	3,906,694	3,038,898
Cash paid in operations	(3,434,738)	(3,346,475)
Depreciation of property, plant and equipment	40,000	-
Net cash generated by (used in) operating activities	<u>511,956</u>	<u>(307,577)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(160,000)	-
Net cash used in investing activities	<u>(160,000)</u>	<u>-</u>
Cash flows from financing activities		
Repayment to a director	-	(227)
Net cash used in financing activities	<u>-</u>	<u>(227)</u>
Net increase (decrease) in cash and cash equivalents	351,956	(307,804)
Cash and cash equivalents at the beginning of year	510,414	818,218
Cash and cash equivalents at the end of year	<u>862,370</u>	<u>510,414</u>
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	<u>862,370</u>	<u>510,414</u>

The notes on pages 8 to 14 form parts of these financial statements.

Angel of Diabetic Limited

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Notes to the financial statements

For the year ended 31 December 2020

1. Reporting entity

Angel of Diabetic Limited is a non-private company limited incorporated in Hong Kong under the predecessor Hong Kong Companies Ordinance (Chapter 32) as a company limited by guarantee on 6 August 2009 and domiciled in Hong Kong. The registered address of the Company is located at Shop 4, LG2, Yat King House, Lai King Estate, Kwai Chung, New Territories, Hong Kong.

The Company is engaged in continuing to promote and support medical care and education in all respects to diabetics and teach, study, develop and organize related activities in respect of medical care and education to diabetics and other related activities on a non-profit making basis.

Under the provisions of the Company's Memorandum and Articles of Association, the liability of the members is limited and every member shall, in the event of the Company being wound up, contribute such amount as may be required to meet the liabilities of the Company but not exceeding HK\$10 each.

On 3 November 2009, the Company was approved by the Inland Revenue Department to be a charitable institution or trust of a public character, which is entitled to exemption from tax under Section 88 of the Inland Revenue Ordinance.

These financial statements are presented in Hong Kong Dollars (HK\$), which is the same as the functional currency of the Company and rounded to the nearest one dollar

2. Basis of preparation and significant accounting policies

The Company qualifies for the reporting exemption as a small guarantee company under sections 359(1)(a) and 363 of the Hong Kong Companies Ordinance (Chapter 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) 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 Company is a going concern.

The measurement base used in preparing these financial statements is the historical cost convention.

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

Income recognition

All funds received and donations are recognised on the cash received basis. Provided it is probable that the economic benefits will flow to the Company and the income and costs, if applicable, can be measured reliably, as follows:

Funds received and donations

Donations-in-kind received are not recorded and reflected in the financial statements as it is usually not practicable or possible to obtain or determine their precise fair value.

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2. Basis of preparation and significant accounting policies (continued)

Income recognition (continued)

Receipt in functions

These receipts are cash intake on functions held by the Company.

Interest income

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment determined as the difference between the sales proceeds and the carrying amount of the asset is recognised in income and expenditure account.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight line method. The following annual rates are used for the depreciation of property, plant and equipment:

Motor vehicles	25%
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Impairment of assets

An assessment is made at each reporting date to determine whether there is any indication of impairment or reversal of previous impairment, including items of its tangible and intangible assets. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the statement of profit or loss. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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2. Basis of preparation and significant accounting policies (continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in income and expenditure account on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to income and expenditure account on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivables as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in income and expenditure account in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Receivables

Receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income and expenditure account.

Payables

Payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Employee benefit obligations

Salaries, annual bonus, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Components of cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are also included as a component of cash and cash equivalents for the statement of cash flows.

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2. Basis of preparation and significant accounting policies (continued)

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (i.e. the reporting entity).

- (a) A person or a close member of that person's family is related to the reporting entity if that person:
- (i) has control or joint control of the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;
- (b) An entity is related to the reporting entity if any of the following conditions applies:
- (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. 糖心行動基金

	<u>2020</u>	<u>2019</u>
	<u>HK\$</u>	<u>HK\$</u>
Donations income from:		
General charitable fund-raising events #	-	46,173
	<u>-</u>	<u>46,173</u>
Expenditure		
General charitable fund-raising events #	-	-
Others	-	59,186
	<u>-</u>	<u>59,186</u>
	<u>-</u>	<u>(13,013)</u>

For the fund raised from general charitable, the net income had been used for its own general operating fund.

#: Analysis on general charitable fund-raising events held during the year ended 31 December 2019

	<u>Public subscription permits no.</u>				<u>Total</u>
	<u>2018/298/1</u>	<u>2019/043/1</u>	<u>2019/188/1</u>	<u>2019/204/1</u>	
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
Donation received	3,843	8,445	2,758	31,127	46,173
Volunteer allowances	-	-	-	-	-
Net income	<u>3,843</u>	<u>8,445</u>	<u>2,758</u>	<u>31,127</u>	<u>46,173</u>

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4. Financial Support Scheme for Self-help Organisations of Persons with Disabilities/Chronic Illnesses

The Financial Support Scheme for Self-help Organisations of Persons with Disabilities/Chronic Illnesses is funded by Social Welfare Department.

5. Income tax expenses

No provision for Hong Kong profits tax has been made (2019: Nil) as the Company is exempted from tax under Section 88 of the Inland Revenue Ordinance.

6. Directors' remuneration

Directors' remuneration of the Company disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance (Chapter 622) is as follows:

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Fees	-	-
Other emoluments		
- Salaries and other benefits	474,000	-
- Contributions to retirement benefits schemes	22,500	-
	<u>496,500</u>	<u>-</u>

7. Property, plant and equipment

	<u>Motor vehicles</u>
	HK\$
Cost	
Balance at 1 January 2020	-
Additions	160,000
Balance at 31 December 2020	<u>160,000</u>
Accumulated depreciation	
Balance at 1 January 2020	-
Charge for the year	40,000
Balance at 31 December 2020	<u>40,000</u>
Carrying amounts	
Balance at 31 December 2020	<u>120,000</u>
Balance at 31 December 2019	<u>-</u>

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8. Administrative expenses

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Audit fee	8,000	8,000
Bank charges	28,260	19,637
Capital expense written off	44,066	19,275
Contribution for mandatory provident fund	35,056	71,076
Depreciation	40,000	-
Directors' remuneration	496,500	-
Donations	-	3,360
Entertainment	258	600
Insurance	13,996	14,513
Messing and welfare	62,806	115,231
Motor vehicle expenses	32,189	-
Office supplies	14,677	8,052
Postage and courier charges	7,175	24,234
Printing and stationery	42,960	42,328
Rent and rates	55,224	62,258
Repairs and maintenance	7,053	2,937
Secretarial fee	1,105	1,105
Staff salaries and allowances	726,036	1,203,073
Subscription fee	2,286	-
Sundry expenses	10,564	6,739
Telephone	49,847	40,939
Travelling	-	182,635
Water and electricity	5,786	17,671
	<u>1,683,844</u>	<u>1,843,663</u>

9. Amount due to a director

The amount due is unsecured, interest free and has no fixed term of repayment.

10. Related party transactions

During the year, the Company had entered into transactions with a related party:

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Related party		
Program expenses	<u>26,000</u>	<u>-</u>

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11. Accumulated funds

	General fund	糖心行動基金	Self-help Organisations of Persons with Disabilities/ Chronic Illnesses Fund	獎券基金	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
Balance at 1 January 2019	563,598	270,048	111,371	17,713	962,730
Deficit for the year	(467,415)	-	-	-	(467,415)
Transfer of reserves	33,083	18,933	(44,216)	(7,800)	-
Balance at 1 January 2020	129,266	288,981	67,155	9,913	495,315
Surplus for the year	325,809	-	-	-	325,809
Transfer of reserves	(20,820)	-	20,820	-	-
Balance at 31 December 2020	434,255	288,981	87,975	9,913	821,124