

**ASIAN ASSOCIATION FOR DYNAMIC OSTEOSYNTHESIS
(LIMITED BY GUARANTEE)**

REPORT OF THE COUNCIL MEMBERS

and

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Billy Ho and Associates CPA Limited
何耀明會計師事務所有限公司
Certified Public Accountants (Practising)



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**ASIAN ASSOCIATION FOR DYNAMIC OSTEOSYNTHESIS
(LIMITED BY GUARANTEE)**

REPORT OF THE COUNCIL MEMBERS

The Council Members have pleasure in presenting to members their annual report together with the audited financial statements of Asian Association for Dynamic Osteosynthesis (the "Association") for the year ended 30 June 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Association are to promote the research on the principles and applications of dynamic osteosynthesis.

RESULTS

The results of the Association for the year ended 30 June 2020 and its state of affairs at that date are set out in the financial statements on pages 6 to 10.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are set out in note (6) to the financial statements.

COUNCIL MEMBERS

The Council Members of the Association during the year and up to the date of this report were:-

Leung Kwok Sui
Shen Wan Yiu
Tsui Hon For
Tang Ning

In accordance with article 51 of the Association's Articles of Association, all Council Members elected at the preceding annual general meeting shall retire from office at the forthcoming annual general meeting, but shall be eligible for re-election.

COUNCIL MEMBERS' INTERESTS

No transactions, arrangements or contracts of significance to which the Association was a party and in which an Council Member had a material interest subsisted at the end of the year or at any time during the year.

At no time during the year was the Association a party to any arrangements to enable a Council Member of the Association to acquire benefits by means of the acquisition of debentures of the Association or any other body corporate.

INDEMNITY OF COUNCIL MEMBERS

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the Council Members of the Company is currently in force and was in force throughout this year.

MANAGEMENT CONTRACTS

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

BUSINESS REVIEW

The Association, which falls within the reporting exemption for the year under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622), is exempted from preparing a business review.

**ASIAN ASSOCIATION FOR DYNAMIC OSTEOSYNTHESIS
(LIMITED BY GUARANTEE)**

REPORT OF THE COUNCIL MEMBERS (CONTINUED)

AUDITORS

The financial statements for the year have been audited by Messrs. Billy Ho and Associates CPA Limited, Certified Public Accountants (Practising) who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Council Members


Tang Ning
President

Hong Kong.
Dated : 10 March 2021.

Billy Ho and Associates CPA Limited

何耀明會計師事務所有限公司

Certified Public Accountants (Practising)

Honourable Founder

Ho Yiu Ming, Billy MH

Directors:

Ho Mo Han, Miranda

MBA, AICPA, CPA (Practising), ATiHK

Lo Chin Man

BBA(Hons), FCCA, CPA (Practising), LL.B. (Hons)

Ho Yat Wan, Alec

MIS, BSc(Acc), AICPA, CPA (Practising), CISA

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77 Mody Road, Tsimshatsui East, Kowloon.

九龍尖沙咀東麼地道七十七號

華懋廣場十一樓 1103-4 室

Telephone 電話: (852) 2395 3111

Facsimile 傳真: (852) 2789 0180

Web site 網站: www.bhacpa.com

Email 電郵: inquiry@bhac.com.hk

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF ASIAN ASSOCIATION FOR DYNAMIC OSTEOSYNTHESIS (Incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Asian Association for Dynamic Osteosynthesis (the "Association") set out on pages 6 to 10, which comprise the statement of financial position as at 30 June 2020, and the income statement 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 Association 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 for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 *Auditor's 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 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 auditor's report thereon

The Council Members are responsible for the other information. The other information comprises the information included in the Council Members' report, 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, 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.

Billy Ho and Associates CPA Limited

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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE COUNCIL MEMBERS OF
ASIAN ASSOCIATION FOR DYNAMIC OSTEOSYNTHESIS
(Incorporated in Hong Kong with limited liability)**

Responsibilities of Council Members and those charged with governance for the financial statements

The Council Members are responsible for the preparation of the 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 Council 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 Council Members are 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 Council Members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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

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 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 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.

Billy Ho and Associates CPA Limited

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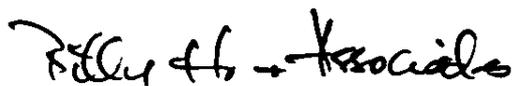
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INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE COUNCIL MEMBERS OF
ASIAN ASSOCIATION FOR DYNAMIC OSTEOSYNTHESIS
(Incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 auditor's 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 auditor's report. However, future events or conditions may cause the Association 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.



Billy Ho and Associates CPA Limited
Certified Public Accountants (Practising)

Lo Chin Man
Practising Certificate No. P03155

Hong Kong.
Dated: 10 March 2021.

**ASIAN ASSOCIATION FOR DYNAMIC OSTEOSYNTHESIS
(LIMITED BY GUARANTEE)**

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

(Expressed in Hong Kong Dollars)

	<u>2020</u>	<u>2019</u>
Income		
Member subscriptions	\$ 22,188	\$ 36,349
Sponsorship	342,823	706,439
Tuition, fees and manual	40,000	283,848
	<u>405,011</u>	<u>1,026,636</u>
Expenditure		
Accountancy fee	13,700	13,100
Audit fee	18,000	17,200
Bank charges	900	1,660
Expenses for symposium	42,195	75,750
Legal and professional fee	-	2,000
Loss on exchange	-	23
Printing stationery	500	1,950
Repairs and maintenance	-	8,500
Research fund paid	-	6,240
Scholarship and sponsorship paid	78,605	79,316
Secretarial fee	1,505	1,505
Telephone and fax	1,727	1,904
	<u>157,132</u>	<u>209,148</u>
Surplus for the year	<u>\$ 247,879</u>	<u>\$ 817,488</u>

The annexed notes form an integral part of these financial statements.

**ASIAN ASSOCIATION FOR DYNAMIC OSTEOSYNTHESIS
(LIMITED BY GUARANTEE)**

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

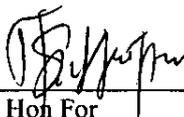
(Expressed in Hong Kong Dollars)

	<u>NOTES</u>	<u>2020</u>	<u>2019</u>
NON-CURRENT ASSET			
Property, plant and equipment	(6)	\$ -	\$ -
CURRENT ASSETS			
Account receivable		-	307,586
Cash at bank and on hand		4,961,656	4,379,791
		4,961,656	4,687,377
LESS: CURRENT LIABILITY			
Accruals and other payable	(7)	58,100	31,700
NET CURRENT ASSETS		58,100	4,655,677
NET ASSETS		\$ 4,903,556	\$ 4,655,677
FINANCED BY:-			
ACCUMULATED SURPLUS	(8)	\$ 4,903,556	\$ 4,655,677

Approved and authorised for issue by the Council Members on 10 March 2021.



Tang Ning
Chairman



Tsui Hon For
Honorary Secretary

The annexed note forms an integral part of these financial statements.

**ASIAN ASSOCIATION FOR DYNAMIC OSTEOSYNTHESIS
(LIMITED BY GUARANTEE)**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

(Expressed in Hong Kong Dollars)

(1) GENERAL INFORMATION

The Association limited by guarantee is incorporated in Hong Kong. Its registered office is situated at Department of Orthopaedic & Traumatology, Room 74034, 5/F., Clinical Science Building, Prince of Wales Hospital, Shatin, New Territories, Hong Kong.

The principal activities of the Association are to promote the research on the principles and applications of dynamic osteosynthesis.

(2) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Association 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") 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 Association is a going concern.

The measurement base adopted is the historical cost convention.

(3) SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Revenue is recognised on the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Association and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in surplus or deficit as follows:

- (i) Membership fees are recognised on a cash basis which approximates the recognition on a straight-line basis over the period of membership.
- (ii) Sponsorship income is recognised when the right to receive the payment is established according to the substance of the relevant agreement.
- (iii) Tuition, registration fees and manual income are recognised upon completion of the relevant services provided.

(b) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Depreciation is calculated using the straight-line method to allocate costs to residual values over estimated useful lives on the following basis:

Office equipment	20% per annum
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**ASIAN ASSOCIATION FOR DYNAMIC OSTEOSYNTHESIS
(LIMITED BY GUARANTEE)**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

(Expressed in Hong Kong Dollars)

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Receivables

Receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective rate method, less impairment losses for bad and doubtful debts. The impairment loss is measured as the difference between the asset's carrying amount and its present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition.

(d) Impairment of non-financial assets

At each end of reporting period, the Association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

(e) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Association has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(4) THE COUNCIL MEMBERS' EMOLUMENTS

The Council Members served the Association on voluntary basis and are not remunerated.

(5) TAXATION

No provision for profits tax has been made in the financial statements as the Association is an Approved Charitable Institution under section 88 of the Inland Revenue Ordinance.

**ASIAN ASSOCIATION FOR DYNAMIC OSTEOSYNTHESIS
(LIMITED BY GUARANTEE)**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

(Expressed in Hong Kong Dollars)

(6) PROPERTY, PLANT AND EQUIPMENT

	<u>Office equipment</u>
<u>Cost</u>	
At 1/7/2019 and 30/6/2020	\$ 86,552
 <u>Accumulated depreciation</u>	
At 1/7/2019 and 30/6/2020	86,552
 <u>Net book value</u>	
At 30/6/2020 and 30/6/2019	\$ -

(7) TRADE AND OTHERS PAYABLE

	<u>2020</u>	<u>2019</u>
Accrued charges	\$ 33,100	\$ 31,700
Receipts in advance	25,000	-
	\$ 58,100	\$ 31,700

(8) ACCUMULATED SURPLUS

Movement in components of accumulated fund of the Association.

	<u>Accumulated surplus</u>
At 1 July 2018	\$ 3,083,819
Surplus for the year	817,488
At 30 June 2019	4,655,677
Surplus for the year	247,879
At 30 June 2020	\$ 4,903,556

(9) LIMITED BY GUARANTEE

The Association is limited by guarantee and has no share capital. The liability of each of its members is limited to the extent of an amount not exceeding \$10.00 for each member.