

THE BIRTHRIGHT SOCIETY LIMITED
出生權維護會有限公司

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2021

THE BIRTHRIGHT SOCIETY LIMITED

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THE BIRTHRIGHT SOCIETY LIMITED

EXECUTIVE COMMITTEE MEMBERS - 2021

Dr. Au-Yeung Kar Kit, Peter (Chairman)

Mr. Fong Leung Juck, Leo (Vice-Chairman)

Mr. Chan Yuk Lun, Bernard (Hon. Treasurer)

Mrs. Fu Kwan Oi Wai, Susanna (Hon. Secretary)

Committee Members:

Ms. Lam Koi Lok

Ms. Leung Chung Shing

Ms. Leung Hoi Ki, Nicole

THE BIRTHRIGHT SOCIETY LIMITED

REPORT OF THE EXECUTIVE COMMITTEE MEMBERS

The Executive Committee Members have pleasure in presenting their report together with the audited financial statements of the Society for the year ended 30th June 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Society are to make available to pregnant women counseling and other services so as to ensure that the birthright of their children and their own human dignity may be safeguarded and to provide educational programme that promote respect for human life.

RESULTS AND APPROPRIATION

Results of the Society for the year ended 30th June 2021 and state of the Society's affairs at that date are set out in the financial statements on pages 6 to 13.

The Society is restricted from distribution of its surplus by its Articles of Association.

PERMITTED INDEMNITY PROVISION

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of the Executive Committee Members of the Society.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of the Executive Committee Members of the Society.

EXECUTIVE COMMITTEE MEMBERS

The Executive Committee Members of the Society during the year were:

Dr. Au-Yeung Kar Kit, Peter (Chairman)
Mr. Fong Leung Juck, Leo (Vice-Chairman)
Mr. Chan Yuk Lun, Bernard (Hon. Treasurer)
Mrs. Fu Kwan Oi Wai, Susanna (Hon. Secretary)
Ms. Lam Koi Lok
Ms. Leung Chung Shing
Ms. Leung Hoi Ki, Nicole

In accordance with Article 30 of the Society's Articles of Association, all existing Executive Committee Members will retire at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the Society were entered into or existed during the year.

BUSINESS REVIEW

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

On behalf of the Executive Committee

Dr. Au-Yeung Kar Kit, Peter
Chairman

Hong Kong,

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

THE BIRTHRIGHT SOCIETY LIMITED

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of The Birthright Society Limited ("the Society") set out on pages 6 to 13, which comprise the statement of financial position as at 30th June 2021, and the statement of surplus or deficit and other comprehensive income, statement of changes in equity and cash flow 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 give a true and fair view of the financial position of the Society as at 30th June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") 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") 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 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Executive Committee Members are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Executive Committee Members' report set out on pages 2 to 3 and detailed income and expenditure account set out on page 14, 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 Executive Committee Members and Those Charged with Governance for the Financial Statements

The Executive Committee Members are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRSPE issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Executive 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 Executive Committee Members 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 Executive Committee Members 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.

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

F. S. Li & Co.
Certified Public Accountants

Hong Kong,

THE BIRTHRIGHT SOCIETY LIMITED

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH JUNE 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
DONATIONS	59,700.00	59,000.00
MEMBERSHIP FEES	400.00	600.00
LUCKY DRAW TICKET INCOME	-	18,200.00
BANK INTEREST INCOME	<u>16,238.61</u>	<u>45,921.00</u>
	76,338.61	123,721.00
ADMINISTRATION EXPENSES	<u>(148,170.50)</u>	<u>(183,124.40)</u>
DEFICIT AND TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	<u><u>(71,831.89)</u></u>	<u><u>(59,403.40)</u></u>

THE BIRTHRIGHT SOCIETY LIMITED

STATEMENT OF FINANCIAL POSITION AT 30TH JUNE 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
CURRENT ASSETS		
Utility deposits	14,250.00	14,250.00
Interest receivable and prepayments	16,818.50	28,305.01
Fixed deposits	2,475,843.60	2,564,772.31
Bank and cash balances	<u>111,005.25</u>	<u>82,421.92</u>
	<u><u>2,617,917.35</u></u>	<u><u>2,689,749.24</u></u>
Represented by:		
ACCUMULATED SURPLUS	<u><u>2,617,917.35</u></u>	<u><u>2,689,749.24</u></u>

The financial statements on pages 6 to 13 were approved and authorized for issue by the Executive Committee on

Mr. Chan Yuk Lun, Bernard
Executive Committee Member

Mrs. Fu Kwan Oi Wai, Susanna
Executive Committee Member

THE BIRTHRIGHT SOCIETY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH JUNE 2021

	<u>Accumulated surplus</u> HK\$
Balance at 30th June 2019	2,749,152.64
Deficit/Total comprehensive expense for the year ended 30th June 2020	<u>(59,403.40)</u>
Balance at 30th June 2020	2,689,749.24
Deficit/Total comprehensive expense for the year ended 30th June 2021	<u>(71,831.89)</u>
Balance at 30th June 2021	<u><u>2,617,917.35</u></u>

THE BIRTHRIGHT SOCIETY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit for the year	(71,831.89)	(59,403.40)
Adjustment for:		
Bank interest income	<u>(16,238.61)</u>	<u>(45,921.00)</u>
Operating deficit before working capital changes	(88,070.50)	(105,324.40)
Decrease in prepayments	<u>-</u>	<u>24.00</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(88,070.50)</u>	<u>(105,300.40)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank interest received	27,725.12	47,274.75
Net decrease/(increase) in fixed deposits of more than 3 months to maturity from date of deposit	<u>88,928.71</u>	<u>(13,306.62)</u>
NET CASH FROM INVESTING ACTIVITIES	<u>116,653.83</u>	<u>33,968.13</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	28,583.33	(71,332.27)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>82,421.92</u>	<u>153,754.19</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>111,005.25</u>	<u>82,421.92</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Fixed deposits	2,475,843.60	2,564,772.31
Bank and cash balances	<u>111,005.25</u>	<u>82,421.92</u>
	2,586,848.85	2,647,194.23
<u>Less:</u> Fixed deposits of more than 3 months to maturity from date of deposit	<u>(2,475,843.60)</u>	<u>(2,564,772.31)</u>
	<u>111,005.25</u>	<u>82,421.92</u>

THE BIRTHRIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2021

1. Reporting entity

The Birthright Society Limited is a company incorporated under the Hong Kong Companies Ordinance and is limited by members' guarantee and does not have share capital. The liability of each member is limited to the extent of an amount not exceeding HK\$10. The address of its registered office and principal place of operation is Unit 22, Ground Floor, Cheung Tung House, Tung Tau (II) Estate, Kowloon, Hong Kong. Its principal activities are to make available to pregnant women counseling and other services so as to ensure that the birthright of their children and their own human dignity may be safeguarded and to provide education programme that promote respect for human life.

2. Statement of compliance

The Society falls within reporting exemption for the reporting period under section 359(1) of the Hong Kong Companies Ordinance. Nevertheless, these financial statements have been prepared in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") issued by the Hong Kong Institute of Certified Public Accountants and the applicable requirements of the Hong Kong Companies Ordinance.

3. Basis of preparation

The financial statements have been prepared under the historical cost convention.

4. Principal accounting policies

(a) Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Society and when the revenue can be measured reliably.

- (i) Donation income and membership fees are recognized on an accrual basis when receipts thereof are certain.
- (ii) Lucky draw ticket income is recognized on a receipt basis.
- (iii) Interest income is recognized as it accrues using the effective interest method.

(b) Functional and presentation currencies

The Society's functional currency and presentation currency are Hong Kong dollars.

4. Principal accounting policies

(c) Financial instruments

To account for financial instruments (financial assets and liabilities), the Society chooses to apply the recognition and measurement provision of Hong Kong Financial Reporting Standard 9 "Financial Instruments" of Hong Kong Financial Reporting Standards and the disclosure requirements of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of HKFRSPE.

(d) Utility deposits and interest receivable

Utility deposits and interest receivable are initially recognized at fair value and thereafter stated at amortized cost using the effective interest rate method less allowance for expected credit loss unless the effect of discounting would be immaterial, in which case they are stated at cost less allowance for expected credit losses.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposit with banks within 3 months to maturity from date of deposit, less bank overdrafts.

(f) Assets held under operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Payments made under operating leases are charged to surplus or deficit on a straight line basis over the lease periods.

(g) Related parties

For the purposes of these financial statements, related party includes a person and entity as defined below:

- (i) A person or a close member of that person's family is related to the Society if that person:
 - (a) has control or joint control of the Society;
 - (b) has significant influence over the Society; or
 - (c) is a member of the key management personnel of the Society or of a parent of the Society.
- (ii) An entity is related to the Society if any of the following conditions applies:
 - (a) The entity and the Society are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) 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).
 - (c) Both entities are joint ventures of the same third party.
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (e) The entity is a post-employment benefit plan for the benefit of employees of either the Society or an entity related to the Society. If the Society is itself such a plan, the sponsoring employers are also related to the Society.

4. Principal accounting policies (continued)

(g) Related parties

(ii) (f) The entity is controlled or jointly controlled by a person identified in (i).

(g) A person identified in (i)(a) 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).

5. Deficit for the year

Deficit for the year is stated after charging the following items:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Staff costs		
Honorarium	71,400.00	70,500.00
Rental paid under operating lease	<u>30,444.00</u>	<u>30,444.00</u>

6. Executive Committee Members' remuneration and other interests

The Executive Committee Members did not receive and would not receive any remuneration or interests as mentioned in sections 383(1)(a), (b), (c) and (d) of the Hong Kong Companies Ordinance during the year (2020 - Same).

No consideration was provided to or receivable by third parties for services of the Executive Committee Members or their services in other capacity while as Executive Committee Members (2020 - Same).

7. Taxation

The Society is exempted from Hong Kong taxation under section 88 of the Hong Kong Inland Revenue Ordinance (2020 - Same).

8. Commitments under operating lease

At the end of the reporting period, the Society had the following future minimum lease payments under non-cancellable operating lease in respect of land and building:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Within one year	<u>7,611.00</u>	<u>7,611.00</u>

THE BIRTHRIGHT SOCIETY LIMITED

Notes to the financial statements

For the year ended 30th June 2021

9. Categories of financial assets and financial liabilities

	<u>2021</u> HK\$	<u>2020</u> HK\$
<u>Financial assets - at amortized cost</u>		
Utility deposits	14,250.00	14,250.00
Interest receivable	3,599.00	15,085.51
Fixed deposits	2,475,843.60	2,564,772.31
Bank and cash balances	111,005.25	82,421.92
	<u>2,604,697.85</u>	<u>2,676,529.74</u>
<u>Financial liabilities - at amortized cost</u>	<u>-</u>	<u>-</u>

FOR MANAGEMENT INFORMATION PURPOSES

THE BIRTHRIGHT SOCIETY LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
INCOME		
Donations	59,700.00	59,000.00
Membership fees	400.00	600.00
Lucky draw ticket income	-	18,200.00
Bank interest income	16,238.61	45,921.00
	<u>76,338.61</u>	<u>123,721.00</u>
Less: EXPENDITURE		
Honorarium	71,400.00	70,500.00
Postage	564.40	500.00
Telephone	3,377.00	2,014.00
Rent and rates	31,614.00	31,830.00
Repair and maintenance	-	2,500.00
Printing and stationery	1,752.30	1,749.00
Programme expenses	27,300.00	38,150.00
Travelling expenses	-	18.00
Membership fees	585.00	585.00
Publicity and advertising	2,690.40	2,690.40
Public relation expenses	-	3,588.00
Donation paid	-	18,200.00
Sundry expenses	8,887.40	10,800.00
	<u>148,170.50</u>	<u>183,124.40</u>
DEFICIT FOR THE YEAR	<u><u>(71,831.89)</u></u>	<u><u>(59,403.40)</u></u>

This statement is not specified financial statement as defined in section 436 of the Hong Kong Companies Ordinance. The specified financial statements have not yet been delivered to the Registrar of Companies. The auditor's report on the specified financial statements of the Society for the year ended 30th June 2021 was not qualified, did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report, and did not contain a statement under section 406(2) or 407(2) or (3) of the Hong Kong Companies Ordinance.