

Lok Hong Social Service Association

Report and financial statements

Year ended 31 March 2013

Lok Hong Social Service Association
Reports and financial statements

| Content | Pages |
|-----------------------------------|--------------|
| Report of the honorary auditors | 2 |
| Statement of comprehensive income | 4 |
| Balance sheet | 5 |
| Notes to the financial statements | 6 |

Honorary Auditors' Report to the committee members of Lok Hong Social Service Association

(A non profit making charity organisation set up under Societies Ordinance in Hong Kong)

We have audited the enclosed financial statements which have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

Respective responsibilities of committee members and auditors

It is a responsibility of the committee members to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion solely to you, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Basis of opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

香港中環干諾道中111號永安中心21樓2105室
2105 Wing On Centre 111 Connaught Road Central Hong Kong

電話 Tel (852) 2246 6888 電郵 Email info@akamcpa.com

傳真 Fax (852) 2246 8448 www.akamcpa.com

3

Anthony Kam & Associates Ltd.
關孝財會計師行有限公司

Certified Public Accountants

Hong Kong China Indonesia Malaysia Singapore

Honorary Auditors' Report to the committee members of Lok Hong Social Service Association (Continued)

(A non profit making charity organisation set up under Societies Ordinance in Hong Kong)

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Association's affairs as at 31 March 2013 and of its surplus for the year then ended in accordance with Hong Kong Financial Reporting Standards.

Anthony Kam & Associates Ltd

Certified Public Accountants

Hong Kong,

29 August 2013

Kam Hau Choi Anthony

Practising Certificate Number P02558

Lok Hong Social Service Association
Statement of comprehensive income
Year ended 31 March 2013

| | Notes | 2013 HK\$ | 2012 HK\$ |
|------------------------------------------------------------------------|-------|--------------------|--------------------|
| Income | | | |
| Net street fund raising | | 57,585 | 92,227 |
| Donation from Ms YUEN Kim Ping for specific purposes | 5 | 200,000 | 200,000 |
| Donation from Ms HUNG Chung Yee for specific purposes | 5 | - | 30,000 |
| Donation from Ms LEE Yuk Fong for specific purposes | 5 | 100,000 | 65,310 |
| Donation from Albert Young Foundation Limited for specific purposes | 5 | 300,000 | - |
| Donation for specific purposes | 5 | 4,288 | 17,316 |
| Other donation | | 188,202 | 206,764 |
| | | <u>850,075</u> | <u>611,617</u> |
| Expenditure | | | |
| Audit fee | | - | - |
| Animal care product charges | | 107,387 | 38,623 |
| Animal shelter renovation project | | 32,780 | 19,050 |
| Animal storage fee | | 20,000 | 55,200 |
| Bank charges | | - | 50 |
| Depreciation | | 19,249 | 12,265 |
| Food and travelling allowance for volunteers | | 35,072 | 54,345 |
| Internet expense | | 16,535 | 10,781 |
| Material for therapeutic activities | | 36,158 | 33,814 |
| Medical care for stray animals | | 130,961 | 71,129 |
| Messing | | 44,991 | 45,047 |
| Postage, printing and stationery | | 86,900 | 79,861 |
| Repair and maintenance | | 23,146 | 6,348 |
| Sundries | | 45,391 | 43,659 |
| Transportation and travelling | | 37,968 | 25,986 |
| Utilities expense | | 23,425 | 25,165 |
| Cost of digital video disc | | 25,100 | 12,000 |
| | | <u>685,063</u> | <u>533,323</u> |
| Surplus/(Deficit) for the year | | 165,012 | 78,294 |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | 165,012 | 78,294 |
| Accumulated deficit brought forward | | (1,949,139) | (2,027,433) |
| Accumulated deficit carried forward | | <u>(1,784,127)</u> | <u>(1,949,139)</u> |

Lok Hong Social Service Association
Balance sheet - 31 March 2013

| | | 2013 | 2012 |
|------------------------------------|-------|--------------------|--------------------|
| | Notes | HK\$ | HK\$ |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 58,460 | 32,790 |
| Current assets | | | |
| Deposits paid | | 2,600 | 2,600 |
| Cash and bank | | 775 | 12,961 |
| | | <u>3,375</u> | <u>15,561</u> |
| Current liabilities | | | |
| Amount due to the president | 7 | 1,845,962 | 1,997,490 |
| Other payables and accrued charges | | 100,000 | 55,310 |
| Net current liabilities | | <u>(1,842,587)</u> | <u>(1,981,929)</u> |
| | | <u>(1,784,127)</u> | <u>(1,949,139)</u> |
| Charity fund balance | | | |
| Funds | | <u>(1,784,127)</u> | <u>(1,949,139)</u> |

Approved and authorised for issue by the Executive Committee on 29 Aug 2013

| | |
|----------------|---|
| |) |
| |) |
| |) |
| |) |
| |) |
| |) |
| CHAN Sau Yiu |) |
| President |) |
| |) |
| |) |
| |) |
| SUM Yin Ling |) |
| Vice-president |) |

Lok Hong Social Service Association
Notes to the financial statements - 31 March 2013

1 Organization status

The Association is registered under the Societies Ordinance and is a non-profit making charity organisation. The officers of the Association are jointly and severally responsible for discharging the debts and liabilities of the Association.

The address of its registered office and principal place of business is at 4/F 392 Prince Edward Road, Kowloon City, Kowloon, Hong Kong.

2 Principal accounting policies

Fixed assets

Fixed assets are stated at cost less depreciation and accumulated impairment losses. Depreciation of fixed assets is calculated to write off their cost on the straight line basis over their expected useful lives to the Association. The principal annual rates used for this purpose are:

| | |
|------------------------|-----|
| Furniture and fixtures | 20% |
|------------------------|-----|

The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognized in the income and expenditure account.

3 Impairment of assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that its fixed assets and investments other than investment properties may be impaired or an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its net selling price and value in use. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

4 Taxation

No provision for Hong Kong profits tax has been made in the financial statements as the Association is exempt under Section 88 of the Inland Revenue Ordinance.

Lok Hong Social Service Association
Notes to the financial statements - 31 March 2013

5 Donation for specific purposes

| | 2013 | 2012 |
|-------------------------------------------------------|----------------|----------------|
| | HK\$ | HK\$ |
| Income | | |
| Donation from Ms YUEN Kim Ping for specific purposes | 200,000 | 200,000 |
| Donation from Ms HUNG Chung Yee for specific purposes | - | 30,000 |
| Donation from Ms LEE Yuk Fong for specific purposes | 100,000 | 65,310 |
| Donation from Albert Young Foundation | | |
| Limited for specific purposes | 300,000 | - |
| Donation for specific purposes | 4,288 | 17,316 |
| | <u>604,288</u> | <u>312,626</u> |
| Expenses | | |
| Animal shelter renovation project | 32,780 | 19,050 |
| Animal care product charges | 107,387 | 38,623 |
| Animal storage fee | 20,000 | 55,200 |
| Food and travelling allowance for volunteers | 35,072 | - |
| Material for therapeutic activities | 36,158 | 33,814 |
| Medical care for stray animal | 130,961 | 71,129 |
| Postage, printing and stationery | 86,900 | - |
| Repair and maintenance | 23,146 | - |
| Sundries | 45,391 | 43,659 |
| Transportation and travelling | 37,968 | 25,986 |
| Utilities expenses | 23,425 | 25,165 |
| Cost of digital video disc | 25,100 | - |
| | <u>604,288</u> | <u>312,626</u> |
| Surplus/(deficit) of the project | <u>-</u> | <u>-</u> |

6 Property, plant and equipment

| | Furniture and fixtures HK\$ |
|-------------------------------------------------------|-----------------------------------|
| Cost | |
| Brought forward | 234,805 |
| Additions | 44,919 |
| Carried forward | <u>279,724</u> |
| Accumulated depreciation and impairment losses | |
| Brought forward | 202,015 |
| Charge for the year | 19,249 |
| Carried forward | <u>221,264</u> |
| Net carrying amount at 31 March 2013 | <u>58,460</u> |
| Net carrying amount at 31 March 2012 | <u>32,790</u> |

Lok Hong Social Service Association
Notes to the financial statements - 31 March 2013

7 Amount due to the president

The amount is interest free, unsecured and has no fixed terms of repayment. The president has indicated that the loan will not be recalled until sufficient fund is available in the Association.