

**Lok Hong Social Service Association**

**Report and financial statements  
Year ended 31 March 2016**

**Lok Hong Social Service Association**  
**Reports and financial statements**

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## **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.

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**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 financial position of the Association's as at 31 March 2016 and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.

**AKAM**

Certified Public Accountants  
Hong Kong,

26 JUL 2016  
Kam Hau Choi Anthony  
Practising Certificate Number P02558

**Lok Hong Social Service Association**  
**Statement of profit or loss and other comprehensive income**  
**Year ended 31 March 2016**

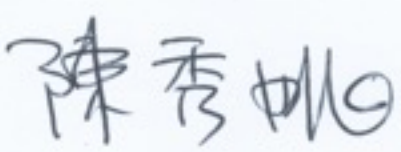
	2016 HK\$	2015 HK\$
<b>Income</b>		
Net street fund raising	113,432	96,678
Donation from Ms YUEN Kim Ping	200,000	200,000
Donation from Ms LEE Yuk Fong	75,000	80,000
Donation from Grampian Developments Limited	90,000	30,000
Other donation	230,157	317,201
	<u>708,589</u>	<u>723,879</u>
<b>Expenditure</b>		
Audit fee	-	-
Animal care product charges	31,959	68,204
Animal shelter renovation project	19,770	11,599
Depreciation	34,488	26,408
Food and travelling allowance for volunteers	49,124	39,116
Internet expense	21,338	30,671
Material for therapeutic activities	15,102	14,280
Medical care for stray animals	89,327	98,127
Messing	56,529	45,405
Postage, printing and stationery	56,554	89,082
Repair and maintenance	42,196	53,436
Sundries	48,193	50,001
Transportation and travelling	68,271	37,206
Utilities expense	36,838	28,324
Cost of digital video disc		-
	<u>569,689</u>	<u>591,859</u>
Total surplus/(deficit) for the year	<u><u>138,900</u></u>	<u><u>132,020</u></u>

All donation income and expenses of the Association have been transacted through HSBC bank account number 014-250377-001.

**Lok Hong Social Service Association**  
**Statement of financial position - 31 March 2016**

		2016	2015
	Notes	HKS	HKS
<b>Non-current assets</b>			
Property, plant and equipment	5	33,191	63,720
<b>Current assets</b>			
Deposits paid		2,600	2,600
Cash and bank		10,847	4,841
		<u>13,447</u>	<u>7,441</u>
<b>Current liabilities</b>			
Amount due to the president	6	(1,489,034)	(1,652,457)
<b>Net current liabilities</b>		<u>(1,475,587)</u>	<u>(1,645,016)</u>
		<u>(1,442,396)</u>	<u>(1,581,296)</u>
<b>Charity fund balance</b>			
Accumulated deficit		<u>(1,442,396)</u>	<u>(1,581,296)</u>

Approved and authorised for issue by the Executive Committee on 26 JUL 2016


  
 CHAN Sau Yiu
   
 President

**Lok Hong Social Service Association**  
**Statement of changes in equity - 31 March 2016**

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	Accumulated deficit HK\$
At 1 April 2014	(1,713,316)
Surplus for the year	<u>132,020</u>
At 31 March 2015	(1,581,296)
Surplus for the year	<u>138,900</u>
At 31 March 2016	<u><u>(1,442,396)</u></u>

**Lok Hong Social Service Association**  
**Statement of cashflows - 31 March 2016**

	2016 HK\$	2015 HK\$
<b>Cash flows from donations</b>		
Surplus for the year	138,900	132,020
Adjustment for:		
Depreciation	30,529	26,408
Operating profit before working capital changes	<u>169,429</u>	<u>158,428</u>
Increase/(decrease) in operating liabilities		
Amount due to the chairman	(163,423)	(157,475)
Other payables	-	-
Cash generated from operation	<u>6,006</u>	<u>953</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	<u>-</u>	<u>-</u>
<b>Net increase/(decrease)</b>		
<b>in cash and cash equivalent</b>	6,006	953
Cash and cash equivalent at beginning of year	<u>4,841</u>	<u>3,888</u>
Cash and cash equivalent at end of year	<u><u>10,847</u></u>	<u><u>4,841</u></u>
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and cash equivalents	<u><u>10,847</u></u>	<u><u>4,841</u></u>



**Lok Hong Social Service Association**  
**Notes to the financial statements - 31 March 2016**

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## **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 4/F 392 Prince Edward Road, Kowloon City, Kowloon, Hong Kong.

## **2 Significant 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 equipment	20%
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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 2016**

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**5 Property, plant and equipment**

	Furniture and equipment HK\$
Cost	
Brought forward	152,643
Additions	-
Carried forward	<u>152,643</u>
Accumulated depreciation and impairment losses	
Brought forward	88,923
Charge for the year	<u>30,529</u>
Carried forward	<u>119,452</u>
Net carrying amount at 31 March 2016	<u><u>33,191</u></u>
Net carrying amount at 31 March 2015	<u><u>63,720</u></u>

**6 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.