

*Central file*  
**Anthony Kam & Associates Ltd.**

**關孝財會計師行有限公司**

Certified Public Accountants

China Hong Kong Indonesia Malaysia Singapore  
Taiwan United Kingdom United States

**Lok Hong Social Service Association**

**Report and financial statements  
Year ended 31 March 2014**

**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 state of the Association's affairs as at 31 March 2014 and of its surplus for the year then ended in accordance with Hong Kong Financial Reporting Standards.



Certified Public Accountants

Hong Kong,

- 2 JUL 2014

Kam Hau Choi Anthony

Practising Certificate Number P02558

**Lok Hong Social Service Association**  
**Statement of comprehensive income**  
**Year ended 31 March 2014**

	2014 HK\$	2013 HK\$
<b>Income</b>		
Net street fund raising	63,978	57,585
Donation from Ms YUEN Kim Ping	200,000	200,000
Donation from Ms LEE Yuk Fong	20,000	100,000
Donation from Albert Young Foundation	-	300,000
Donation for specific purposes	-	4,288
Other donation	199,772	188,202
	<u>483,750</u>	<u>850,075</u>
<b>Expenditure</b>		
Audit fee	-	-
Animal care product charges	75,108	107,387
Animal shelter renovation project	7,200	32,780
Animal storage fee	-	20,000
Depreciation	30,529	19,249
Food and travelling allowance for volunteers	26,250	35,072
Internet expense	15,383	16,535
Material for therapeutic activities	7,952	36,158
Medical care for stray animals	21,631	130,961
Messing	41,425	44,991
Postage, printing and stationery	56,635	86,900
Repair and maintenance	12,942	23,146
Sundries	30,840	45,391
Transportation and travelling	38,386	37,968
Utilities expense	24,658	23,425
Cost of digital video disc	24,000	25,100
	<u>412,939</u>	<u>685,063</u>
Surplus/(Deficit) for the year	70,811	165,012
Other comprehensive income for the year	-	-
Total comprehensive income for the year	70,811	165,012
Accumulated deficit brought forward	(1,784,127)	(1,949,139)
Accumulated deficit carried forward	<u>(1,713,316)</u>	<u>(1,784,127)</u>



**Lok Hong Social Service Association**  
**Statement of financial position - 31 March 2014**

		2014	2013
	Notes	HK\$	HK\$
<b>Non-current assets</b>			
Property, plant and equipment	5	90,128	58,460
<b>Current assets</b>			
Deposits paid		2,600	2,600
Cash and bank		3,888	775
		<u>6,488</u>	<u>3,375</u>
<b>Current liabilities</b>			
Amount due to the president	6	1,809,932	1,845,962
Other payables and accrued charges		-	100,000
<b>Net current liabilities</b>		<u>(1,809,932)</u>	<u>(1,842,587)</u>
		<u>(1,713,316)</u>	<u>(1,784,127)</u>
<b>Charity fund balance</b>			
Funds		<u>(1,713,316)</u>	<u>(1,784,127)</u>

Approved and authorised for issue by the Executive Committee on - 2 JUL 2014



CHAN Sau Yiu  
 President



SUM Yin Ling  
 Vice-president

## **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 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 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 2014**

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**5 Property, plant and equipment**

	Furniture and equipment HK\$
Cost	
Brought forward	279,724
Additions	62,197
Less: fully depreciated assets	(189,278)
Carried forward	<u>152,643</u>
Accumulated depreciation and impairment losses	
Brought forward	221,264
Charge for the year	30,529
Less: fully depreciated assets	(189,278)
Carried forward	<u>62,515</u>
Net carrying amount at 31 March 2014	<u><u>90,128</u></u>
Net carrying amount at 31 March 2013	<u><u>58,460</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.