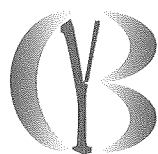


Report of the Directors

Audited Financial Statements

LIFELONG ANIMAL PROTECTION CHARITY LIMITED

31 December 2020



Chan & Yee CPA & Co.

陳余會計師事務所

Certified Public Accountants

LIFELONG ANIMAL PROTECTION CHARITY LIMITED

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LIFELONG ANIMAL PROTECTION CHARITY LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of Lifelong Animal Protection Charity Limited ("LAP") for the year ended 31 December 2020.

Principal activities

LAP is a non-profit making organisation. LAP's principal activities have not changed during the year and consist of protecting and preventing cruelty to animals, accepting donations and disbursing the donations in Hong Kong.

Results and dividends

LAP's result for the year ended 31 December 2020 and its state of affairs at that date are set out in the financial statements on pages 4 to 9.

Property, plant and equipment

Details of movement in the property, plant and equipment of LAP are set out in note 7 to the financial statements.

Directors

The directors of LAP during the year and up to the date of this report were:

Sheila McClelland
John William Elphinstone

In accordance with article 10 of LAP's Articles of Association, all directors shall retire from office at the forthcoming annual general meeting and be eligible for re-election.

Directors' interests

At no time during the year was LAP a party to any arrangements to enable the LAP's directors to acquire benefits by means of the acquisition of debentures of LAP or shares in or debentures of any other body corporate.

Directors' interests in contracts

None of the directors had a beneficial interest in any material contract to which LAP was a party during the year.

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

Business review

LAP falls within the reporting exemption for the financial year and accordingly, it is able to claim an exemption under section 388(3)(a) of the Companies Ordinance from preparing a business review.

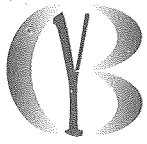
Auditors

Chan & Yee CPA & Co. retire and a resolution for their reappointment as auditor of LAP will be proposed at the forthcoming annual general meeting.

On behalf of the Board



Sheila McClelland
Director
8 November 2021



Chan & Yee CPA & Co.

陳余會計師事務所

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LIFELONG ANIMAL PROTECTION CHARITY LIMITED
(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Lifelong Animal Protection Charity Limited ("LAP") set out on pages 4 to 9, which comprise the statement of financial position as at 31 December 2020, and the income and expenditure account 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 LAP 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 ("HKSA") 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 LAP 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.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors 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 directors 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 directors are responsible for assessing LAP'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 directors either intend to liquidate LAP or to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF LIFELONG ANIMAL PROTECTION CHARITY LIMITED
(Incorporated in Hong Kong and limited by guarantee)

Auditor's Responsibilities for the Audit of the Financial Statements

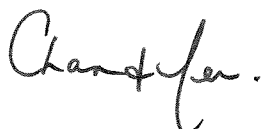
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 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 HKSAs 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 HKSAs, 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 LAP's internal control.
- ♦ 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 LAP'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 LAP 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.



Chan & Yee CPA & Co.
Certified Public Accountants (Practising)
Hong Kong
8 November 2021

LIFELONG ANIMAL PROTECTION CHARITY LIMITED

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2020

	2020 HK\$	2019 HK\$
<u>INCOME</u>		
Donations	4,306,849	2,594,720
Sales income	1,209,149	811,442
Bank interest income	4,572	742
Other income	<u>12,769</u>	<u>24,031</u>
	5,533,339	3,430,935
 <u>LESS: EXPENDITURE</u>		
Accounting fee	4,500	4,500
Animal adoption events expenses	-	36,877
Animal centres expenses	28,427	38,844
Animal foods for self use and resale	241,727	189,186
Animal medical and consultation fee	2,099,044	1,510,499
Animal product for self use and resale	151,231	115,002
Animal transportation fee	70,093	79,363
Audit fee	5,500	5,500
Bank charges and interest	62,603	33,805
Building management fee and rates	2,400	2,400
Computer expense	19,000	11,000
Depreciation	151,794	174,296
Dog training fee	-	27,660
Insurance	3,003	3,002
Printing and stationery expenses	27,719	20,946
Promotion	30,450	-
Repairs and maintenance	-	3,650
Rent	600,000	635,000
Sundry expenses	10,530	19,711
Telephone and internet	15,236	13,920
Travelling	12,240	-
Utility expenses	30,699	64,158
	<u>3,566,196</u>	<u>2,989,319</u>
 SURPLUS FOR THE YEAR	 <u><u>1,967,143</u></u>	 <u><u>441,616</u></u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

LIFELONG ANIMAL PROTECTION CHARITY LIMITED

STATEMENT OF FINANCIAL POSITION

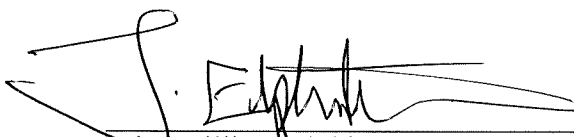
As at 31 December 2020

	Notes	2020 HK\$	2019 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	7	261,953	267,747
CURRENT ASSETS			
Cash and cash equivalents		2,855,381	1,507,439
Donations receivable from Paypal		1,314,689	763,864
Deposits paid		180,300	180,300
Prepayments		64,930	19,000
Other receivable		4,732	-
		<u>4,420,032</u>	<u>2,470,603</u>
CURRENT LIABILITIES			
Accruals		35,890	35,583
Accounts payable		148,504	105,346
Due to directors	8	55,157	122,130
		<u>239,551</u>	<u>263,059</u>
NET CURRENT ASSETS		<u>4,180,481</u>	<u>2,207,544</u>
NET ASSETS		<u>4,442,434</u>	<u>2,475,291</u>
RESERVES AND FUNDS			
Funds	9	<u>4,442,434</u>	<u>2,475,291</u>

Authorised for issue by the Board on - 8 NOV 2021 :



Sheila McClelland
Director



John William Elphinstone
Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

LIFELONG ANIMAL PROTECTION CHARITY LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2020

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment of items of property, plant and equipment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income and expenditure account. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Furniture and equipment	20%
Decoration	20%

Donations receivable

Donations receivable is stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income and expenditure account.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Leases

Leases where substantially all the rewards and risks of ownership of assets are not transferred to the lessee are accounted for as operating leases. Rental expenses applicable to such operating leases are charged to the income and expenditure account on the straight-line basis over the lease terms.

5. DIRECTORS' REMUNERATION

The directors did not receive any fees or emoluments in respect of their services rendered to LAP during the year (2019: Nil).

6. INCOME TAX

No provision for Hong Kong profits tax has been made since LAP is a charitable institution and is exempt under Section 88 of the Hong Kong Inland Revenue Ordinance from Hong Kong profits tax (2019: Exempted).

LIFELONG ANIMAL PROTECTION CHARITY LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2020

7. PROPERTY, PLANT AND EQUIPMENT

	Furniture and equipment HK\$	Decoration HK\$	Total HK\$
Cost:			
At 1 January 2020	140,681	730,800	871,481
Additions	<u>11,400</u>	<u>134,600</u>	<u>146,000</u>
At 31 December 2020	<u>152,081</u>	<u>865,400</u>	<u>1,017,481</u>
Accumulated depreciation:			
At 1 January 2020	100,424	503,310	603,734
Charge for the year	<u>20,754</u>	<u>131,040</u>	<u>151,794</u>
At 31 December 2020	<u>121,178</u>	<u>634,350</u>	<u>755,528</u>
Net carrying amount:			
At 1 January 2020	<u>40,257</u>	<u>227,490</u>	<u>267,747</u>
At 31 December 2020	<u>30,903</u>	<u>231,050</u>	<u>261,953</u>

8. DUE TO DIRECTORS

The amounts due to directors are unsecured, non-interest bearing and have no fixed repayment terms.

9. CHANGES IN FUNDS

	HK\$
Balance at 1 January 2020	2,475,291
Surplus for the year	<u>1,967,143</u>
Balance at 31 December 2020	<u>4,442,434</u>

LIFELONG ANIMAL PROTECTION CHARITY LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2020

10. OPERATING LEASE COMMITMENT

LAP had the following total future minimum lease payments payable under non-cancellable operating leases:

	2020 HK\$	2019 HK\$
Not later than one year	460,000	340,000
Later than one year	60,000	-
	<u>520,000</u>	<u>340,000</u>

11. EVENTS AFTER REPORTING PERIOD

Subsequent to the end of the reporting period on 10 May 2021 and 11 May 2021, the Company signed tenancy agreements with a total future minimum lease payments payable under non-cancellable operating leases of HK\$966,000.

12. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors on 8 November 2021.