

Audited Financial Statements

**Lifelong Animal Protection
Charity Limited**

For the year ended 31 December 2015

Lifelong Animal Protection Charity Limited

Directors' Report

The directors submit herewith their report and audited financial statements of Lifelong Animal Protection Charity Limited (the "Association") for the year ended 31 December 2015.

Activities

The Association is a non-profit organisation. Its activities are: -

Protecting and preventing cruelty to animals, and accepting donations and disbursing the donations in Hong Kong.

Financial results

The financial results of the Association for the year ended 31 December 2015 and its state of affairs at that date are set out in the financial statements on pages 4 to 13.

Business review

The Association falls within the reporting exemption for the financial year.

Directors

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

Sheila McClelland
John William Elphinstone
Jennifer Chan

In accordance with the Charity's Article of Association, all the members of the Executive Committee shall retire from office and be eligible for re-election.

Arrangements for acquisition of debentures

At no time during the year was the Association a party to any arrangements to enable directors of the Association to acquire benefits by means of the acquisition of debentures of the Association or any other company.

Material interests in transactions, arrangements or contracts

After consideration, except as disclosed in note 14 to the financial statements, the directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Association's business to which the Association was a party and in which a director of the Association has a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Management contracts

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

Equity-linked agreements

No equity-linked agreements into which the Association entered subsisted at any time during the year.

Permitted indemnity provisions

No permitted indemnity provision was in force during the year, or is in force at the date of this report, for the benefit of a then director or a director of the Association (whether made by the Association or otherwise).

Auditor

A resolution will be submitted to the annual general meeting to re-appoint Latitude CPA Limited, Certified Public Accountants, as the auditor of the Association.

Approved by the Board of Directors and signed on its behalf by



President

Sheila McClelland

- 8 MAR 2017



Independent Auditor's Report

To the members of

Lifelong Animal Protection Charity Limited

(incorporated in Hong Kong with limited liability)

We have audited the financial statements of Lifelong Animal Protection Charity Limited ("the Company") set out on pages 4 to 13, which comprise the statement of financial position as at 31 December 2015, the income and expenditure account, statement of changes in fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Latitude CPA Limited
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Independent Auditor's Report (Continued)

To the members of

Lifelong Animal Protection Charity Limited

(incorporated in Hong Kong with limited liability)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Latitude CPA Ltd.

Latitude CPA Limited
Certified Public Accountants
Law Ka Lok
Director
Practising Certificate Number - P04116

Hong Kong,
Date
- 8 MAR 2017

Lifelong Animal Protection Charity Limited

Income And Expenditure Account

For the year ended 31 December 2015

	Note	2015 HK\$	2014 HK\$
Income			
Donation	7	1,748,888	1,209,077
Sales income	7	111,461	-
Sundry income	7	5,200	-
Bank interest income	7	7	6
		<u>1,865,556</u>	<u>1,209,083</u>
Expenditure			
Accounting fee		4,500	4,500
Animal foods for self use and resale		160,678	1,900
Animal foods for self use and resale - closing inventory		(1,761)	-
Audit fee		5,000	5,000
Bank Charges		18,062	8,088
Cleaning		5,670	-
Computer expense		17,743	-
Depreciation		38,173	-
Directors' remuneration		-	-
Medical and consultation fee		912,759	887,321
Pet product for self use and resale		77,612	1,500
Pet product for self use and resale - closing inventory		(851)	-
Pet transportation fee		166,433	27,000
Professional fee		1,300	-
Printing and stationery expenses		14,116	17,300
Promotion fee		3,788	17,760
Rent		120,000	-
Stamp duty		905	-
Sundry expenses		68,523	3,383
Telephone and internet		6,078	-
Traveling		5,141	-
Utility expenses		16,752	-
		<u>1,640,621</u>	<u>973,752</u>
Surplus for the year		<u><u>224,935</u></u>	<u><u>235,331</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

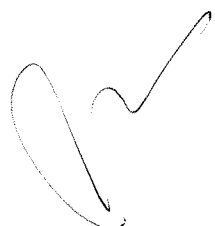
As at 31 December 2015

	Note	2015 HK\$	2014 HK\$
Non-Current assets			
Property, plant and equipment	10	<u>152,690</u>	<u>-</u>
Current assets			
Deposit paid		67,150	3,200
Donation receivable		61,664	-
Cash and cash equivalents	11	933,733	850,948
Inventory	12	<u>2,612</u>	<u>-</u>
		<u>1,065,159</u>	<u>854,148</u>
Less: Current liabilities			
Accruals		9,500	9,500
Account payable		233,350	94,584
		<u>242,850</u>	<u>104,084</u>
Net current assets		<u>822,309</u>	<u>750,064</u>
Net assets		<u>974,999</u>	<u>750,064</u>
RESERVES AND FUNDS			
Funds		<u>974,999</u>	<u>750,064</u>

Approved by the Board of Directors on 8 MAR 2017



Director



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

Statements of Changes in Fund

At 31 December 2015

	General Fund HK\$	Subscriber's and member's fund HK\$	Total HK\$
Balance as at 31 December 2014	750,064	-	750,064
Surplus for the year	224,935	-	224,935
Balance at 31 December 2015	974,999	-	974,999

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 Cash Flows

For the year ended 31 December 2015

	<i>Note</i>	2015 <i>HK\$</i>	2014 <i>HK\$</i>
OPERATING ACTIVITIES			
Surplus for the year		224,935	235,331
Adjustment for non-operating and non-cash items:			
Bank interest income	7	(7)	(6)
Depreciation	10	38,173	-
Changes in working capital			
Deposit paid		(63,950)	(3,200)
Donation receivable		(61,664)	
Inventory		(2,612)	-
Account payable		138,766	94,584
Accruals		-	(12,500)
Net cash from operating activities		273,641	314,209
Cash flow from investing activities			
Bank interest income		7	6
Purchase of property, plant and equipment		(190,863)	-
		(190,856)	6
Cash flow from financing activities			
		-	-
Net increase in cash and cash equivalents		82,785	314,215
Cash and cash equivalents at 1 January	11	850,948	536,733
Cash and cash equivalents at 31 December	11	933,733	850,948

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

Notes to the Financial Statements

For the year ended 31 December 2015

1. GENERAL INFORMATION

Lifelong Animal Protection Charity Limited is incorporated in Hong Kong with limited by guarantee and not having a share capital on 26 November 2003. The address of its registered office is Room 1004, Tung Che Commercial Centre, 246 Des Voeux Road West, Sai Ying Pun, Hong Kong.

2. LIMITATION OF LIABILITY

Under the provisions of the association's memorandum, every member shall, in the event of the dissolution of the association, be responsible for the debts and obligations of the association to the extent not exceeding HK\$100 per member.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the accounts

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

Impact of the Hong Kong Companies Ordinance (Cap. 622)

The financial-reporting requirements of Part 9 "Accounts and Audit" of the Ordinance comes into operation for the preparation of these financial statements and as a result, there are changes to the presentation and disclosures of certain information as compared with the 2014 financial statements. Where appropriate, the comparative information has been amended to achieve a consistent presentation.

The company qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies ordinance (Cap.622).

Going concern

The financial statements have been prepared in conformity with the principles applicable to a going concern basis. The applicability of these principles is dependent upon continued availability of adequate finance or attaining profitable operations in the future in view of the excess of current liabilities over current assets. The members have confirmed their intention to make available adequate funds to the company as and when required to maintain the company as a going concern.

Basis of measurement

The measurement basis used in the preparation of these financial statements is historical cost.

Lifelong Animal Protection Charity Limited

Notes to the Financial Statements

For the year ended 31 December 2015

Property, plant and equipment

Property, plant and equipment, other than leasehold land and buildings, construction in progress, properties under development, are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment, other than construction in progress, properties under development, over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method, at the annual rate of 20%. Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis and depreciated separately:

Furniture and equipment	20%
Decoration	20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year in which the item is derecognised.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Recognition of Income

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably and on the following bases:

Income from donations is recognised when cash is received and includes all sums received up to the date of the statement of financial position.

Sale of goods is recognized when the goods are delivered and the risks and rewards of ownership have passed to the customer.

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the first in, first out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Lifelong Animal Protection Charity Limited

Notes to the Financial Statements

For the year ended 31 December 2015

Impairment of other assets, other than goodwill

At the end of each reporting period, the company reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the smallest group of assets that generates cash flows independently.

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, except where the relevant asset is carried at revalued amount in which case the impairment loss is treated as a revaluation decrease in accordance to the accounting policy relevant to that asset.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income in profit or loss immediately, except where the relevant asset is carried at revalued amount, in which case the reversal of impairment loss is treated as a revaluation increase in accordance to the accounting policy relevant to the asset.

Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the financial statements. They affect the application of the company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Key sources of estimation uncertainty

Allowance for inventories

The company's management reviews the condition of inventories, as stated in note 12 to the financial statements, at the end of each reporting period, and makes allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable. The company carries out the inventory review on a product-by-product basis and makes allowances by reference to the latest market prices and current market conditions.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment is based on the judgement made by the management, involving the estimation on useful life and residual value.

Lifelong Animal Protection Charity Limited

Notes to the Financial Statements

For the year ended 31 December 2015

5. FUTURE CHANGES IN HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of new / revised HKFRSs that are not yet effective for the current year, which the company has not early adopted.

Amendments to HKAS 1	Disclosure Initiative
Amendments to HKASs 16 and 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKASs 16 and 41	Bearer Plants ^[1]
Amendments to HKAS 27 (2011)	Equity Method in Separate Financial Statements
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
Annual Improvements Project	2012-2014 Cycle
HKFRS 15	Revenue from Contracts with Customers
HKFRS 9 (2014)	Financial Instruments

The directors do not anticipate that the adoption of the new / revised HKFRSs in future periods will have any material impact on the results of the company. The directors are in the process of assessing the possible impact on the future adoption of the new / revised HKFRSs, but are not yet in a position to reasonably estimate their impact on the company's consolidated financial statements.

6. RISK MANAGEMENT OBJECTIVES AND POLICIES

Funds management

The objectives of the company's funds management are to safeguard the entity's ability to continue as a going concern and to carry out charitable activities. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 2014.

7. REVENUE

	2015	2014
	<i>HK\$</i>	<i>HK\$</i>
Donation	1,748,888	1,209,077
Sales income	111,461	-
Sundry income	5,200	-
Bank interest income	7	6
	<u>1,865,556</u>	<u>1,209,083</u>

8. TAXATION

The company has been exempted under Section 88 of the Inland Revenue Ordinance from any tax by reason of being a charitable institution of a public character.

Lifelong Animal Protection Charity Limited

Notes to the Financial Statements

For the year ended 31 December 2015

9. DIRECTORS' REMUNERATION

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Fees	-	-
Other emoluments	-	-
	<u>-</u>	<u>-</u>

10. PROPERTY, PLANT AND EQUIPMENT

	<u>Furniture and equipment</u> <u>HK\$</u>	<u>Decoration</u> <u>HK\$</u>	<u>Total</u> <u>HK\$</u>
Cost:			
At 1 January 2015	-	-	-
Additions	39,763	151,100	190,863
At 31 December 2015	<u>39,763</u>	<u>151,100</u>	<u>190,863</u>
Accumulated depreciation and impairment losses:			
At 1 January 2015	-	-	-
Depreciation for the year	7,953	30,220	38,173
At 31 December 2015	<u>7,953</u>	<u>30,220</u>	<u>38,173</u>
Net carrying amount:			
At 31 December 2015	<u>31,810</u>	<u>120,880</u>	<u>152,690</u>
At 31 December 2014	<u>-</u>	<u>-</u>	<u>-</u>

11. CASH AND CASH EQUIVALENTS

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Bank balances	<u>933,733</u>	<u>850,948</u>

12. INVENTORIES

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Animal foods for self use and resale	1,761	-
Pet product for self use and resale	851	-
	<u>2,612</u>	<u>-</u>

Lifelong Animal Protection Charity Limited

Notes to the Financial Statements

For the year ended 31 December 2015

13. COMMITMENTS UNDER OPERATING LEASES

The company leases a property under operating leases, which typically run for an initial period of 3 years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

At the end of the reporting period, the company had total future minimum lease payments under non-cancellable operating leases, which are payable as follows:

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Within one year	180,000	-
In the second to fifth years inclusive	240,000	-
	<u>420,000</u>	<u>-</u>

14. RELATED PARTY TRANSACTIONS

In addition to the transactions / information disclosed elsewhere in these financial statements, during the year, the company had the following transactions with related parties:

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Donation made by company directors	<u>18,758</u>	<u>21,625</u>

15. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on - 8 MAR 2017