

Audited Financial Statements

Animal Friends Limited

For the year ended 31 December 2014

Animal Friends Limited

Directors' Report

The directors present their report and audited financial statements of the Association for the year ended 31 December 2014.

Activities

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

- a) To promote in Hong Kong the caring and proper treatment of animals.
- b) To institute, establish, prepare, organise and promote non-profit making lectures, courses, talks, seminars, trainings, visits, video programmes, research (with results disseminated for public benefit), conferences, meetings, talks, exhibitions, concerts, charity sale, banquets, contests and/or competitions in furtherance of the objects of the Society.
- c) In furtherance of the objects of the Society but not otherwise and on a non-profit making basis, to plan, organise and implement trap-neuter-return programmes in Hong Kong.
- d) To provide financial, manpower, food, medication, hygiene, decorations, equipment, utilities and/or other support to non-profit making animal shelters and persons, associations, societies, institutions or bodies of persons established or to be established in Hong Kong operating or maintaining non-profit making animal shelters, provided that none of the funds of the Society shall subscribe to any association, society, institution or body of persons which does not prohibit the distribution of its income and property amongst its members to an extent at least as great as is imposed on the Society under or by virtue of Clause (c) hereof.
- e) To plan, organise and implement re-homing and/or adoption programmes for animals.

Financial results

The financial results of the Association for the year ended 31 December 2014 and its state of affairs at that date are set out in the financial statements on pages 4 to 9.

Directors

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

Law Ka Lok
Ng Wing Yee

Lo Wing Ka

All the members of the Executive Committee shall retire from office and be eligible for re-election.

Interests of directors

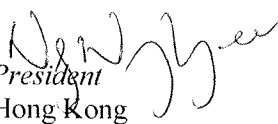
At no time during the year was the Association a party to any arrangements to enable the directors to acquire benefits by means of the acquisition of membership or shares in or debentures of the Association or any other body corporate.

Except as disclosed in note 8 to the financial statements, no director had a material interest in any contract of significance to the business of the Association to which the Association was a party during the year.

Auditor

Latitude CPA Limited retire and being eligible, offer themselves for reappointment.

On behalf of the Board


President
Hong Kong

22 February 2016



Independent Auditor's Report

To the members of

Animal Friends Limited

(incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages 4 to 9, which comprise the balance sheet as at 31 December 2014, the income and expenditure statement, statement of changes in fund, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the association are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 80 of Schedule 11 of the Hong Kong Companies Ordinance (Cap. 622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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 as to 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 auditors' judgment, 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 and true and fair presentation of the financial statements 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
Animal Friends Limited

(incorporated in Hong Kong with limited liability)

Opinion

In our opinion the financial statements give a true and fair view of the state of the association's affairs as at 31 December 2014 and of its deficit for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Latitude CPA Limited
Certified Public Accountants
Man King Man, Joseph
Director
Practising Certificate Number-P05267

Hong Kong,
Date

22 FEB 2016

Animal Friends Limited

Income And Expenditure Account

For the year ended 31 December 2014

	2014 <i>HKS</i>	2013 <i>HKS</i>
Income		
Donation from directors	101,000.00	57,005.50
Donation	1,727,362.92	1,046,753.60
Bank interest	6.61	36.68
Exchange difference	12.87	-
	<u>1,828,382.40</u>	<u>1,103,795.78</u>
Expenditure		
Animal Friends Food Bank	482,219.40	384,832.80
Bank charges	916.20	1,793.45
Desexing and medical expense	1,551,857.20	613,973.37
Exchange difference	-	7.07
Fundraising activities cost	10,719.00	37,169.00
	<u>2,045,711.80</u>	<u>1,037,775.69</u>
(Deficit) / surplus for the year	<u>(217,329.40)</u>	<u>66,020.09</u>

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


Animal Friends Limited

Balance Sheet


At 31 December 2014

	Note	2014 HK\$	2013 HK\$
ASSETS			
Current assets			
Cash at bank		144,816.15	228,309.35
Total assets		<u>144,816.15</u>	<u>228,309.35</u>
LIABILITIES AND RESERVES AND FUNDS			
Current liabilities			
Accounts payable		133,836.20	-
Total liabilities		<u>133,836.20</u>	<u>-</u>
RESERVES AND FUNDS			
Funds		10,979.95	228,309.35
Total liabilities and reserves and funds		<u>144,816.15</u>	<u>228,309.35</u>

Approved by the Board of Directors on 22 February 2016



Director: Ng Wing Yee



Director: Law Ka Lok

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

Animal Friends Limited

Statements of Changes in Fund

At 31 December 2014

	General Fund HK\$	Subscriber's and member's fund HK\$	Total HK\$
Balance as at 31 December 2013	228,309.35	-	228,309.35
Deficit for the year	(217,329.40)	-	(217,329.40)
Balance at 31 December 2014	<u>10,979.95</u>	<u>-</u>	<u>10,979.95</u>

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

Animal Friends Limited

Cash Flow Statement

For the year ended 31 December 2014

	<i>Note</i>	2014 <i>HK\$</i>	2013 <i>HK\$</i>
OPERATING ACTIVITIES			
Cash (used in) / generated from operations	6	(83,499.81)	65,983.41
Bank interest income		6.61	36.68
Net cash (used in) / from operating activities		<u>(83,493.20)</u>	<u>66,020.09</u>
Cash flow used in investing activities		<u>-</u>	<u>-</u>
Cash flow from financing activities		<u>-</u>	<u>-</u>
Net (decrease) / increase in cash and cash equivalents		(83,493.20)	66,020.09
Cash and cash equivalents brought forward		<u>228,309.35</u>	<u>162,289.26</u>
Cash and cash equivalents carried forward		<u>144,816.15</u>	<u>228,309.35</u>
Analysis of the balances of cash and cash equivalents			
Bank balances		<u>144,816.15</u>	<u>228,309.35</u>

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

Animal Friends Limited

Notes to the Financial Statements

For the year ended 31 December 2014

1. GENERAL INFORMATION

Animal Friends Limited is incorporated in Hong Kong with limited by guarantee and not having a share capital on 24 December 2010. The address of its registered office is Room 605-6, 6/F., Kowloon Centre, 29-39 Ashley Road, Tsimshatsui, 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\$50 per member.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), the collective term which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance which concern the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with traditional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. A summary of the significant accounting policies adopted by Animal Friends Limited is set out below.

Basis of preparation of the accounts

These financial statements comply with the Hong Kong Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants and has been prepared under the accrual basis of accounting and on the basis that the association is a going concern. The measurement basis used in the preparation of the financial statements is historical cost convention.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, 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, having been within three months of maturity at acquisition.

Recognition of Income

Income from donations is recognised when cash is received and includes all sums received up to the balance sheet date.

Interest income from bank deposits is recognised when they accrues.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed in an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Animal Friends Limited

Notes to the Financial Statements

For the year ended 31 December 2014

5. RISK MANAGEMENT OBJECTIVES AND POLICIES

The association is exposed to various kinds of risks in its operation. The association's risk management objectives and policies mainly focus on minimizing the potential adverse effects of these risks on the association by closely monitoring the individual exposure.

6. RECONCILIATION OF (DEFICIT) / SURPLUS TO CASH (USED IN) / GENERATED FROM OPERATIONS

	2014 <i>HK\$</i>	2013 <i>HK\$</i>
(Deficit) / surplus for the year	(217,329.40)	66,020.09
Adjustment for bank interest income	(6.61)	(36.68)
Changes in working capital		
Increase in accounts payable	<u>133,836.20</u>	-
Cash (used in) / generated from operations	<u>(83,499.81)</u>	<u>65,983.41</u>

7. TAXATION

The Association 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.

8. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Company had the following transactions with related parties.

	2014 <i>HK\$</i>	2013 <i>HK\$</i>
The company received cash donation from Ng Wing Yee, director of the company	1,000.00	57,005.50
The company received cash donation from Law Ka Lok, director of the company	<u>100,000.00</u>	-
	<u>101,000.00</u>	<u>57,005.50</u>

9. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 22 February 2016.