

HK SAVING CAT AND DOG ASSOCIATION LIMITED
香港拯救貓狗協會有限公司

(Incorporated in Hong Kong and limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED TO 31 MARCH 2018

HK SAVING CAT AND DOG ASSOCIATION LIMITED

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HK SAVING CAT AND DOG ASSOCIATION LIMITED
REPORT OF THE DIRECTORS

The directors present herewith the report and the audited financial statements for the year ended 31 March 2018.

Principal activities

The principal activity of HK Saving Cat and Dog Association Limited (the "Company") is engaged in improving the welfare and living environment of stray dogs and cats in Hong Kong through sterilization programme, feeding food and treating diseases. Thereby effectively controlling the number of stray dogs and cats, significantly reducing the nuisance caused to the community and making the environment more hygienic and harmonious.

Results and appropriations

The results of the Company for the year ended 31 March 2018 and the state of the Company's affairs as at that date are set out in the financial statements on pages 5 and 6.

Clause 8 of Part A of the Company's Article forbids the distribution of the Company's income and property to the members.

Directors

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

CHAN, Chui Ling	(resigned on 20 August 2018)
TSE, Hiu Mui	
TANG, Yan	(appointed on 20 August 2018)

In accordance with article 20 of the Company's articles of association, both directors retire, and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Reserves

Movements in reserves for the year are set out in the changes in equity on note 10.

Business Review

The Company is exempted from preparing the business review which falls within the reporting exemption.

Permitted indemnity provisions

At no time during the year and up to the date of this Directors' Report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Company.

HK SAVING CAT AND DOG ASSOCIATION LIMITED
REPORT OF THE DIRECTORS

Managements contracts

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

Debenture

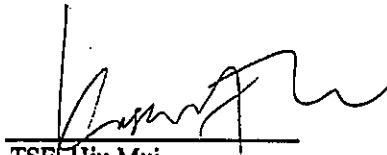
No debenture was issued by the Company during the year.

Equity-linked agreement

The Company did not enter into any equity-linked arrangements during the year and no equity-linked arrangements subsisted at the year end.

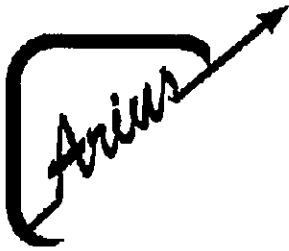
Auditor

Messrs. Value Plus CPA Limited, *Certified Public Accountants*, resigned as auditor of the Company during the year. Messrs. ARIUS CPA & COMPANY, *Certified Public Accountants (Practising)*, was appointed as auditor to fill the casual vacancy. A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Messrs. ARIUS CPA & COMPANY, *Certified Public Accountants (Practising)*, as the auditor of the Company.



TSE, Hiu Mui
Chairman

Hong Kong, 29 March 2019



ARIUS CPA & COMPANY

譽信會計師事務所

Certified Public Accountants (Practising)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
HK SAVING CAT AND DOG ASSOCIATION LIMITED**
(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of HK Saving Cat and Dog Association Limited (the "Company") set out on pages 5 to 12, which comprise the statement of financial position as at 31 March 2018, 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 the Company 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 the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical 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.

Other matter

The financial statements of the Company for the year ended 31 March 2017, were audited by another auditor who expressed an unmodified opinion on those statements on 26 June 2017.

Other Information

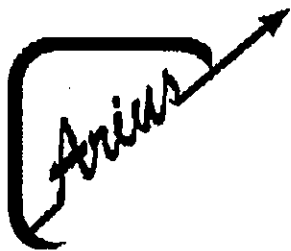
The directors are responsible for the other information. The other information comprises the information included in the report of the sole director, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work We have performed, We conclude that there is a material misstatement of this other information, We are required to report that fact. We have nothing to report in this regard.

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Room B, 14th floor, The Broadway, 54-62 Lockhart Road, Wan Chai, Hong Kong.
香港灣仔駱克道54-62號博匯大廈14樓B室



ARIUS CPA & COMPANY

譽信會計師事務所

Certified Public Accountants (Practising)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
HK SAVING CAT AND DOG ASSOCIATION LIMITED**
(Incorporated in Hong Kong and limited by guarantee)

Responsibilities of the 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 the Company'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 sole director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

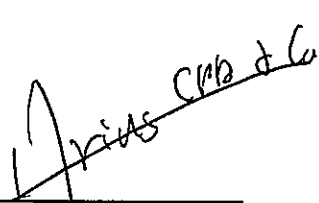
Those charged with governance are responsible for overseeing the Company's financial reporting process.

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.

We report that we have obtained all the information and explanation which we have required.


ARIUS CPA & COMPANY
Certified Public Accountants
Hong Kong, 29 March 2019

Chung Kam Lung
Practising Certificate Number: P06825

HK SAVING CAT AND DOG ASSOCIATION LIMITED
 INCOME AND EXPENDITURE ACCOUNT
 FOR THE YEAR ENDED TO 31 MARCH 2018
 (Expressed in Hong Kong dollars)

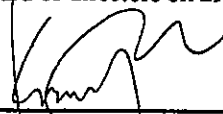
	<u>Note</u>	<u>2018</u>	<u>2017</u>
INCOME	3	4,435,769	2,412,068
Expenditure		<u>(3,165,537)</u>	<u>(2,470,139)</u>
Surplus / (Deficit) for the year		<u><u>1,270,232</u></u>	<u><u>(58,071)</u></u>

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


HK SAVING CAT AND DOG ASSOCIATION LIMITED
 STATEMENT OF FINANCIAL POSITION
 AS AT 31 MARCH 2018
 (Expressed in Hong Kong dollars)

	<u>Note</u>	<u>2018</u>	<u>2017</u>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	6	320,841	69,124
Current assets			
Amount due from a related company	7	-	178,322
Prepayments		25,210	816
Cash and bank balances		1,243,455	59,417
		<u>1,268,665</u>	<u>238,555</u>
Less: Current liabilities			
Amount due to a director	8	12,480	320,033
Accrued expenses		151,990	10,992
Obligations under finance leases	9	53,024	-
		<u>217,494</u>	<u>331,025</u>
Net current assets / (liabilities)		1,051,171	(92,470)
Non-current liability			
Obligations under finance leases	9	<u>125,126</u>	<u>-</u>
Net assets / (liabilities)		<u>1,246,886</u>	<u>(23,346)</u>
CAPITAL AND RESERVES			
General fund	10	<u>1,246,886</u>	<u>(23,346)</u>
		<u>1,246,886</u>	<u>(23,346)</u>

These financial statements on pages 5 to 12 were approved and authorized for issue by the Company's board of directors on 29 March 2019.



 TSE, Hiu Mui
 Director



 TANG, Yan
 Director

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

HK SAVING CAT AND DOG ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED TO 31 MARCH 2018
(Expressed in Hong Kong dollars)

1. Reporting entity

HK Saving Cat and Dog Association Limited is a Company incorporated in Hong Kong with limited liability. The Company's registered office is located at Workshop C, 17/F., Superluck Industrial Centre Phase 2, 57 Sha Tsui Road, Tsuen Wan, N.T., Hong Kong.

The principal activity of the Company is engaged in improving the welfare and living environment of stray dogs and cats in Hong Kong through sterilization programs, feeding food and treating diseases. Thereby effectively controlling the number of stray dogs and cats, significantly reducing the nuisance caused to the community and making the environment more hygienic and harmonious.

2. Basis of preparation and accounting policies

The Company qualifies for the reporting exemption as a small guarantee company under section 359(3)(a) and 363 of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting.

The accounts have been prepared on a going concern basis, notwithstanding the deficiency of net current assets, on the assumption that the shareholders will continue to provide such financial assistance as is necessary to maintain the Company as a going concern. The shareholders have undertaken to provide such assistance.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(a) Revenue

Revenue is recognized when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably.

- Revenue from general donations is recognized whenever it is received or receivable.
- Revenue from animal adoption is recognized when the animals are adopted.
- Bank interest income is recognised using the effective interest method.

HK SAVING CAT AND DOG ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED TO 31 MARCH 2018
(Expressed in Hong Kong dollars)

2. Basis of preparation and accounting policies (continued)

(b) Foreign exchange

The reporting currency of the company is Hong Kong Dollars, which is the currency of the primary economic environment in which the entity operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income and expenditure account.

(c) 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 fixtures	20%
Leasehold improvement	20%
Motor vehicle	20%
Office equipment	20%

(d) Impairment of assets

An assessment is made at each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amounts and an impairment loss is recognised in the income and expenditure

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.

HK SAVING CAT AND DOG ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED TO 31 MARCH 2018
(Expressed in Hong Kong dollars)

2. Basis of preparation and accounting policies (continued)

(e) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognized as assets of the Company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

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

(f) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(g) Related parties

Parties are considered to be related if one party has the liability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

HK SAVING CAT AND DOG ASSOCIATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED TO 31 MARCH 2018
 (Expressed in Hong Kong dollars)

2. Basis of preparation and accounting policies (continued)

(g) Related parties (continued)

- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the

3. Revenue

An analysis of the Company's revenue is as follows:

	<u>2018</u>	<u>2017</u>
Donation	4,257,803	2,412,058
Adoption income	177,900	-
Bank interest income	66	10
	<u>4,435,769</u>	<u>2,412,068</u>

4. Directors' remuneration

None of the directors received any fees, emoluments or retirement benefits in respect of their services rendered to the Company during the year (2017: Nil).

5. Taxation

The Company is an approved charitable institution and is exempted from tax under Section 88 of the Inland Revenue Ordinance.

HK SAVING CAT AND DOG ASSOCIATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED TO 31 MARCH 2018
 (Expressed in Hong Kong dollars)

6. Property, plant and equipment

	<u>Furniture & fixtures</u>	<u>Leasehold improvement</u>	<u>Motor vehicles</u>	<u>Office equipment</u>	<u>Total</u>
Cost					
At 31 March 2017	27,848	58,557	-	-	86,405
Addition	61,524	-	272,523	2,200	336,247
At 31 March 2018	<u>89,372</u>	<u>58,557</u>	<u>272,523</u>	<u>2,200</u>	<u>422,652</u>
Accumulated depreciation					
At 31 March 2017	5,570	11,711	-	-	17,281
Charge for the year	17,874	11,711	54,505	440	84,530
At 31 March 2018	<u>23,444</u>	<u>23,422</u>	<u>54,505</u>	<u>440</u>	<u>101,811</u>
Carrying amount					
At 31 March 2018	<u>65,928</u>	<u>35,135</u>	<u>218,018</u>	<u>1,760</u>	<u>320,841</u>
At 31 March 2017	<u>22,278</u>	<u>46,846</u>	<u>-</u>	<u>-</u>	<u>69,124</u>

7. Amount due from a related company

Particulars of an amount due from a related company, disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

	At 31 March 2018	Maximum amount outstanding during the year	At 1 April 2017
Amount due from a related company	-	178,322	178,322

The balance with the related company is unsecured, interest-free and repayable on demand.

8. Amount due to a director

The amount due to a director is unsecured, interest-free and has no fixed terms of repayment.

HK SAVING CAT AND DOG ASSOCIATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED TO 31 MARCH 2018
 (Expressed in Hong Kong dollars)

9. Obligations under finance leases

At 31 March 2018, the Company had the outstanding liability falling due in each of the following periods:

	<u>2018</u>	<u>2017</u>
Not later than one year	53,024	-
Later than one year	<u>125,126</u>	<u>-</u>
	<u>178,150</u>	<u>-</u>

10. General fund

	<u>Share capital</u>	<u>Reserves</u>	<u>Total equity</u>
At 1 April 2016	-	34,725	34,725
Deficit for the year	-	(58,071)	(58,071)
	<u>-</u>	<u>(23,346)</u>	<u>(23,346)</u>
At 31 March 2017 and 1 April 2017	-	(23,346)	(23,346)
Surplus for the year	-	1,270,232	1,270,232
	<u>-</u>	<u>1,246,886</u>	<u>1,246,886</u>
At 31 March 2018	<u>-</u>	<u>1,246,886</u>	<u>1,246,886</u>

In accordance with article of the Company's Memorandum of Association, every member of the Foundation undertakes to contribute to the assets of the Foundation, in the event of the same being wound up while he is a member or within one year after he ceases to be a member, for payments of the debts and liabilities of the Association contracted before he ceases to be a member and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories, such amount as may be required not exceeding HK\$100.

11. Comparative figures

Certain comparative figures have been re-classified to conform with the current year's presentation.