

HONG KONG RABBIT SOCIETY LIMITED
香港兔友協會有限公司

EXECUTIVE COMMITTEE'S REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

HONG KONG RABBIT SOCIETY LIMITED
香港兔友協會有限公司

EXECUTIVE COMMITTEE'S REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

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HONG KONG RABBIT SOCIETY LIMITED

香港兔友協會有限公司

REPORT OF THE EXECUTIVE COMMITTEE

The executive committee members have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 March 2008.

PRINCIPAL ACTIVITIES

The Charity is to protect and advance animal welfare, especially rabbits.

ACCOUNTS

The results of the Charity for the year are set out in the income statement on page 5.

The state of affairs of the Charity as at 31 March 2008 is set out in the balance sheet on page 6.

The cash flow statement for the year ended 31 March 2008 is set out in the statement on page 8.

EXECUTIVE COMMITTEE MEMBERS

The executive committee members who held office during the year and at the date of this report were: -

Tong Nga Yin	(Chairman)
Chow Yuen Man	
Tang Yuk Lin, Yuki	
Luk Tsui Chun	(Resigned on 8 February 2009)
Chan Wing Nga	(Resigned on 8 February 2009)

In accordance with Article No.12 of the Charity's Articles of Association, the members of Executive Committee shall retire from office at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

INTERESTS IN CONTRACTS

No contract of significance in relation to the Charity's business to which the Charity, was a party, and in which a Executive Committee Members of the Charity had a material interest, subsisted at the end of the year or at any time during the year.

HONG KONG RABBIT SOCIETY LIMITED
香港兔友協會有限公司

REPORT OF THE EXECUTIVE COMMITTEE

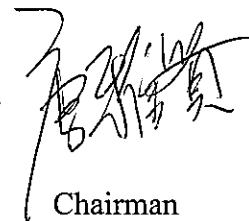
ARRANGEMENTS TO ACQUIRE BENEFITS

At no time during the year was the Charity a party to any arrangement to enable the Executive Committee Members of the Charity to acquire benefits directly or indirectly from the operations of the Charity.

AUDITOR

K S Yu & Co, Certified Public Accountants retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of K S Yu & Co, Certified Public Accountants as the Charity's auditor is to be proposed at the forthcoming annual general meeting.

By order of the Board



Chairman

HONG KONG, 11 May 2009



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HONG KONG RABBIT SOCIETY LIMITED
香港兔友協會有限公司
(Incorporated in Hong Kong and limited by guarantee)**

Report on the Financial Statements

We have audited the financial statements of Hong Kong Rabbit Society Limited 香港兔友協會有限公司 set out on pages 5 to 16, which comprise the balance sheet as at 31 March 2008, and income and expenditure statement, the statement of changes in general fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Executive Committee Members' responsibility for the financial statements

The executive committee members 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.

Auditor's 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 141 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.

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 auditor's 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 auditor considers 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 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.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HONG KONG RABBIT SOCIETY LIMITED
香港兔友協會有限公司
(Incorporated in Hong Kong and limited by guarantee) (continued)**

Basis for qualified opinion

The income statement for the year ended 31 March 2008 included the Charity's recorded turnover of cash sales HK\$1,279,749 and donation income HK\$224,955, over which there was no system of internal control on which we could rely for the purpose of our audit. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves that the recorded turnover of cash sales and donation income were free from material misstatements

We were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of inventories appearing in the balance sheet HK\$38,390. There were no other satisfactory audit procedures that we could adopt to obtain sufficient evidence regarding the existence of inventories. Accordingly, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Any adjustment to the figure may have a consequential significant effect on the surplus for the year and net assets at 31 March 2008.

Qualified opinion arising from limitation of audit scope

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to cash sales and donation income, the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2008 and of its surplus and cash flows 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.

Report on matters under section 141(4) and 141(6) of the Hong Kong Companies Ordinance

In respect alone of the limitation on our work relating to cash sales, donation income and inventories:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper books of account had been keep.

K S YU & CO.
Certified Public Accountants
(Practising)

HONG KONG, 11 May 2009

HONG KONG RABBIT SOCIETY LIMITED 香港兔友協會有限公司
Financial statements for the year ended 31 March 2008

Income and expenditure statement for the year ended 31 March 2008

	<u>Note</u>	<u>2008</u> <u>HK\$</u>	(Restated) <u>2007</u> <u>HK\$</u>
Turnover	6	1,504,704	678,582
Cost of sales		(688,804)	(247,788)
Gross profit		815,900	430,794
Other revenue	7	36,112	1,425
		852,012	432,219
Administrative expenses		(585,398)	(312,368)
SURPLUS FOR THE YEAR	8	266,614	119,851

The notes on pages 9 to 16 form an integral part of these financial statements.

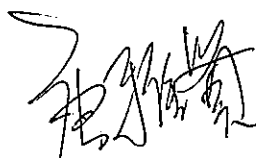
HONG KONG RABBIT SOCIETY LIMITED 香港兔友協會有限公司
Financial statements for the year ended 31 March 2008

Balance sheet as at 31 March 2008

	<u>Note</u>	<u>2008</u> <u>HK\$</u>	(Restated) <u>2007</u> <u>HK\$</u>
Non-current assets			
Plant and equipment	10	65,091	77,234
Current assets			
Inventories		38,390	-
Accounts receivables		56,898	-
Deposits paid		26,376	24,800
Prepayment		13,340	-
Cash and bank balances	11	185,553	107,622
		<u>320,557</u>	<u>132,422</u>
Less: Current liabilities			
Accounts payables		28,394	105,848
Amount due to an executive committee member		5,991	18,581
Accrued expenses		24,761	25,339
		<u>59,146</u>	<u>149,768</u>
Net Current Assets / (Liabilities)		<u>261,411</u>	<u>(17,346)</u>
NET ASSETS		<u>326,502</u>	<u>59,888</u>
GENERAL FUND			
Retained surplus		<u>326,502</u>	<u>59,888</u>

The financial statements were approved and authorised for issue by the executive committee on 11 May 2009.

Approved by:


 Executive Committee Member


 Executive Committee Member

The notes on pages 9 to 16 form an integral part of these financial statements.

HONG KONG RABBIT SOCIETY LIMITED 香港兔友協會有限公司
Financial statements for the year ended 31 March 2008

Statement of change in general fund for the year ended 31 March 2008

	(Accumulated deficit) / Retained <u>surplus</u> <u>HK\$</u>
Balance as at 1 April 2006	(59,963)
Surplus for the year	119,851
Balance as at 31 March 2007	<u>59,888</u>
Balance as at 1 April 2007	59,888
Surplus for the year	266,614
Balance as at 31 March 2008	<u>326,502</u>

The notes on pages 9 to 16 form an integral part of these financial statements.

HONG KONG RABBIT SOCIETY LIMITED 香港兔友協會有限公司
Financial statements for the year ended 31 March 2008

Cash Flow Statement for the year ended 31 March 2008

	<u>2008</u> <u>HK\$</u>	(Restated) <u>2007</u> <u>HK\$</u>
OPERATING ACTIVITIES		
Surplus from operations	266,614	119,851
Adjustments for:		
Depreciation	21,099	19,309
Operating surplus before movements in working capital	<u>287,713</u>	<u>139,160</u>
Increase in inventories	(38,390)	-
Increase in accounts receivables	(56,898)	-
Increase in deposits paid	(1,576)	(24,800)
Increase in prepayment	(13,340)	-
(Decrease) / increase in accounts payables	(77,454)	60,822
(Decrease) / increase in accrued expenses	(578)	21,839
(Decrease) / increase in amount due to an executive committee member	(12,590)	991
	<u>(200,826)</u>	<u>58,852</u>
NET CASH FROM OPERATING ACTIVITIES	<u>86,887</u>	<u>198,012</u>
INVESTING ACTIVITIES		
Acquisition of plant and equipment	(8,956)	(96,543)
NET CASH USED IN INVESTING ACTIVITIES	<u>(8,956)</u>	<u>(96,543)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	77,931	101,469
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>107,622</u>	<u>6,153</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>185,553</u>	<u>107,622</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash and bank balances	<u>185,553</u>	<u>107,622</u>

The notes on pages 9 to 16 form an integral part of these financial statements.

Notes to financial statements for the year ended 31 March 2008

1. General information

Hong Kong Rabbit Society Limited 香港兔友協會有限公司 incorporated in Hong Kong under the Companies Ordinance as a Company limited by guarantee and not having a share capital. The address of its registered office and principal place of business are 1/F, No. 472A Reclamation Street, Mongkok, Hong Kong. Its principal activity of the Charity is to protect and advance animal welfare, especially rabbits.

2. Statement of compliance

The company's financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term 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"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. A summary of significant accounting policies is set out in note 3.

In 2007, the company has initially applied the new and revised HKFRSs issued by the HKICPA that are first effective for accounting periods beginning on or after 1 April 2007. A summary of the changes in accounting policies resulting from the company's application of these HKFRSs is set out in note 4.

3. Summary of significant accounting policies

a. Basis of preparation of the financial statements

The measurement basis used in preparing the financial statements is historical cost.

b. Fixed assets

Fixed assets represent plant and equipment and are stated in the balance sheet at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated to write off the cost of items of plant and equipment, less their estimated residual value, if any, on a straight-line basis over their estimated useful lives as follows:

Furniture, fixtures and equipment	20%
Leasehold improvement	20%

The residual value and the useful life of an asset are reviewed at least at each financial year end.

The charity assesses at each reporting date whether there is any indication that any items of plant and equipment may be impaired and that an impairment loss recognised in prior periods for an item may have decreased. If any such indication exists, the charity estimates the recoverable amount of the item. An impairment loss, being the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, or a reversal of impairment loss is recognised immediately in profit or loss.

Gain or loss arising from the derecognition of an item of plant and equipment is included in the profit or loss when the item is derecognised and is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Notes to financial statements for the year ended 31 March 2008

3. Summary of significant accounting policies (continued)

c. Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. Determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and arrangement conveys a right to use the asset.

Lease of assets are classified as finance lease when the leases transfer substantially all risks and rewards incidental to ownership of the assets to the company. All other leases are classified as operating leases.

- Operating leases

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. The payments made on acquiring land held under an operating lease are recognised in the balance sheet as leases premium for land.

Contingent rents are charged as an expense in the year in which they are incurred.

d. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is assigned by using the weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and 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 year 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 year the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.

e. Cash and cash equivalents

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

For the purpose of cash flow statement, bank overdrafts which are repayable on demand form an integral part of the charity's cash management are included as a component of cash and cash equivalents.

Notes to financial statements for the year ended 31 March 2008

3. Summary of significant accounting policies (continued)

f. Revenue recognition

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

- (i) Sale of goods
Sale of goods is recognised when the goods are delivered and the risks and rewards
- (ii) Donation income
Donation income are recognised as income upon receipt.
- (iii) Other income
Other income is recognized in the accounts on a receivable basis.

g. Foreign currency translation

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. At each balance sheet date, monetary assets and liabilities in foreign currencies are translated at the foreign exchange rates ruling at that date. Non-monetary assets and liabilities that are measured at fair value in foreign currencies are translated at the foreign exchange rates ruling at the date when the fair value was determined. Exchange gains and losses are recognised in income statement.

h. Employee benefits

i) Paid leave carried forward

The company provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

ii) Retirement benefits costs

The Company operates a defined contribution Mandatory Provident Fund retirement benefits scheme in Hong Kong (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The Company's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Notes to financial statements for the year ended 31 March 2008

4. Changes in accounting policies

In 2007, the charity has initially applied the new and revised HKFRSs issued by the HKICPA that are first effective for accounting periods beginning on or 1 April 2007, including:

Amendments to HKAS 1	Presentation of financial statements: capital disclosures
HKFRS 7	Financial instruments: disclosures
HK (IFRIC)- Int 12	Service Concession Arrangements
HK (IFRIC)- Int 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The application of the new HKFRSs has had no material effect on how the results and financial position for the current or prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

The Charity has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior period under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

5. Critical accounting estimates and judgments

The charity's management makes assumptions, estimates and judgments in the process of applying the charity's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRSs. The assumptions, estimates and judgments are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgments, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

6. Turnover

Turnover represents an invoiced value less returns and discounts:

	<u>2008</u> <u>HK\$</u>	<u>2007</u> <u>HK\$</u>
Sales	1,279,749	389,452
Donation income	224,955	289,130
	<u>1,504,704</u>	<u>678,582</u>

7. Other revenue

	<u>2008</u> <u>HK\$</u>	<u>2007</u> <u>HK\$</u>
Bank interest received	1,094	25
Seminar income	5,680	1,400
Sundry income	29,338	-
	<u>36,112</u>	<u>1,425</u>

Notes to financial statements for the year ended 31 March 2008

8. Surplus for the year

	<u>2008</u> <u>HK\$</u>	<u>2007</u> <u>HK\$</u>
Surplus for the year is arrived at after charging:		
Auditor's remuneration	8,000	4,300
Depreciation	21,099	19,309
Staff cost		
Salaries and allowances	163,489	41,463
Mandatory provident fund	7,932	2,478
	<hr/>	<hr/>

9. Executive Committee Members' remuneration

Executive Committee Members' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

	<u>2008</u> <u>HK\$</u>	<u>2007</u> <u>HK\$</u>
Executive Committee Members' fees	-	-
Salaries and allowances	-	-
Mandatory provident fund	-	-
	<hr/>	<hr/>

10. Plant and equipment

	<u>Leasehold improvement</u> <u>HK\$</u>	<u>Furniture, fixtures and equipment</u> <u>HK\$</u>	<u>Total</u> <u>HK\$</u>
<u>Cost</u>			
As at 1.4.2006 and As at 31.3.2007	36,886	59,657	96,543
	<hr/>	<hr/>	<hr/>
<u>Aggregate depreciation and impairment losses</u>			
As at 1.4.2006 and As at 31.3.2007	7,377	11,932	19,309
	<hr/>	<hr/>	<hr/>
<u>Net carrying amount</u>			
As at 31.3.2007	29,509	47,725	77,234
	<hr/>	<hr/>	<hr/>
<u>Cost</u>			
As at 1.4.2007	36,886	59,657	96,543
Additions during the year	-	8,956	8,956
As at 31.3.2008	36,886	68,613	105,499
	<hr/>	<hr/>	<hr/>
<u>Aggregate depreciation and impairment losses</u>			
As at 1.4.2007	7,377	11,932	19,309
Charges during the year	7,377	13,722	21,099
As at 31.3.2008	14,754	25,654	40,408
	<hr/>	<hr/>	<hr/>
<u>Net carrying amount</u>			
As at 31.3.2008	22,132	42,959	65,091
	<hr/>	<hr/>	<hr/>

HONG KONG RABBIT SOCIETY LIMITED 香港兔友協會有限公司
Financial statements for the year ended 31 March 2008

Notes to financial statements for the year ended 31 March 2008

11. Cash and bank balances

	<u>2008</u> <u>HK\$</u>	<u>2007</u> <u>HK\$</u>
Cash and cash equivalents in the balance sheet and cash flow statement	185,553	107,622

12. Operating lease commitment

At 31 March 2008, the total future minimum lease payment falling due under non-cancelable operating leases are payable as follows:

	<u>2008</u> <u>HK\$</u>	<u>2007</u> <u>HK\$</u>
Within one year	73,340	70,000
After one year but within five years	-	-
After five years	-	-
	<u>73,340</u>	<u>70,000</u>

13. Financial instruments

The Charity has classified its financial assets in the following categories:

	<u>2008</u> <u>HK\$</u>	<u>2007</u> <u>HK\$</u>
<u>Loans and receivables</u>		
Accounts receivables	56,898	-
Deposits paid	26,376	24,800
Prepayment	13,340	-
Cash and bank balances	185,553	107,622
	<u>282,167</u>	<u>132,422</u>

The Charity has classified its financial liabilities in the following categories:

	<u>2008</u> <u>HK\$</u>	<u>2007</u> <u>HK\$</u>
<u>Financial liabilities at amortised costs</u>		
Accounts payables	28,394	105,848
Amount due to an executive committee member	5,991	18,581
Accrued expenses	24,761	25,339
	<u>59,146</u>	<u>149,768</u>

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2007 and 31 March 2008.

The charity is exposed to credit risk, liquidity risk and market risk arising in the normal course of its business and financial instruments. The charity's risk management objectives, policies and processes mainly focus on minimizing the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

Notes to financial statements for the year ended 31 March 2008

13. Financial instruments (continued)

a) Credit risk

At 31 March 2008, the charity has no concentration of risk and the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Summary quantitative data

	<u>2008</u> <u>HK\$</u>	<u>2007</u> <u>HK\$</u>
Accounts receivables	56,898	-
Deposits paid	26,376	24,800
Prepayment	13,340	-
Cash and bank balances	185,553	107,622
	<u>282,167</u>	<u>132,422</u>

b) Liquidity risk

The charity is exposed to liquidity risk on financial liabilities. It manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need.

The following table is the undiscounted cash flow of financial liabilities based on the earliest date on which the charity can be required to pay:

Summary quantitative data

	<u>Within</u> <u>3 months</u> <u>HK\$</u>	<u>Undeterminable</u> <u>period</u> <u>HK\$</u>	<u>Carrying</u> <u>amount</u> <u>HK\$</u>
<u>As at 31.3.2008</u>			
Accounts payables	-	28,394	28,394
Amount due to an executive committee member	-	5,991	5,991
Accrued expenses	24,761	-	24,761
	<u>24,761</u>	<u>34,385</u>	<u>59,146</u>

	<u>Within</u> <u>3 months</u> <u>HK\$</u>	<u>Undeterminable</u> <u>period</u> <u>HK\$</u>	<u>Carrying</u> <u>amount</u> <u>HK\$</u>
<u>As at 31.3.2007</u>			
Accounts payables	72,262	33,586	105,848
Amount due to an executive committee member	-	18,581	18,581
Accrued expenses	25,339	-	25,339
	<u>97,601</u>	<u>52,167</u>	<u>149,768</u>

Notes to financial statements for the year ended 31 March 2008

13. Financial instruments (continued)

c) Market risk

Interest rate risk

It has exposure on cash flow interest rate risk which is mainly arising from its deposits with banks.

The charity mainly holds deposits with banks and the exposure is considered not significant. In consequence, no material exposure on fair value interest rate risk is expected.

14. Hong Kong Financial Reporting Standards issued but not yet effective for the year

HKFRSs that have been issued but are not yet effective for the year include the following HKFRSs which may be relevant to the charity's operations and financial statements:

	<u>Effective for annual periods beginning on or after</u>
HKAS 1 (Revised) Presentation of Financial Statements	1 January 2009
HKAS 23 (Revised) Borrowing Costs	1 January 2009
HKAS 27 (Revised) Consolidated and Separate Financial Statements	1 July 2009
HKFRS 2 (Amendment) Vesting Conditions and Cancellations	1 January 2009
HKFRS 3 (Revised) Business Combinations	1 July 2009
HKFRS 8 Operating Segments	1 January 2009
HK (IFRIC)- Int 11 HKFRS 2 - Group and Treasury Share Transactions	1 July 2009
HK (IFRIC)- Int 13 Customer Loyalty Programmes	1 January 2008

The charity has not early adopted these HKFRSs. Initial assessment has indicated that the adoption of these HKFRSs would not have a significant impact on the charity's financial statements in the year of initial application. The charity will be continuing with the assessment of the impact of these HKFRSs and other significant changes may be identified as a result.

HONG KONG RABBIT SOCIETY LIMITED

香港兔友協會有限公司

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2008**(For management information purpose only)**

	<u>2008</u> <u>HK\$</u>	<u>2007</u> <u>HK\$</u>
SALES	1,279,749	389,452
LESS: COST OF SALES	(688,804)	(247,788)
GROSS PROFIT	<u>590,945</u>	<u>141,664</u>
OTHER REVENUE		
Bank interest received	1,094	25
Donation income	224,955	289,130
Seminar income	5,680	1,400
Sundry income	29,338	-
	<u>852,012</u>	<u>432,219</u>
ADMINISTRATIVE EXPENSES		
Executive Committee Members' emolument - as members	-	-
- for management	-	-
Accountancy fee	4,000	4,000
Animal cremation	2,200	2,100
Auditor's remuneration	8,000	4,300
Bank charges	5,272	1,157
Cleaning fee	8,645	3,804
Commission paid	-	6,000
Computer accessories	750	537
Depreciation	21,099	19,309
Donation paid	-	1,000
Electricity and water	13,671	4,351
Expenses of activities	730	1,596
Feeding, consumables and accessories	-	11,110
Insurance	5,987	-
Legal and professional fee	3,905	950
License fee	3,810	3,810
Local transportation	27,292	5,757
Mandatory provident fund	7,932	2,478
Postage and courier	156	28
Printing and stationery	7,703	4,905
Rent and rates	146,680	72,000
Repairs and maintenance	300	1,150
Salaries and allowances	163,489	41,463
Sundry expenses	517	113
Telephone, fax and internet	4,933	2,732
Veterinary expenses	148,327	117,718
	<u>585,398</u>	<u>312,368</u>
SURPLUS FOR THE YEAR	<u><u>266,614</u></u>	<u><u>119,851</u></u>