

**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 2015**

**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 2015**

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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 2015.

**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 statement of profit or loss and other comprehensive income on page 5.

The state of affairs of the Charity as at 31 March 2015 is set out in the statement of financial position on page 6.

The statement of cash flows for the year ended 31 March 2015 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	
Tang Chung Yee	
Tung Fong Yi	(Appointed on 1.1.2015)
Lam Wei Shing Wilson	(Resigned on 1.11.2014)
Tang Yuk Lin, Yuki	(Resigned on 25.2.2015)
Yuen Chui Ling	(Resigned on 15.3.2015)
Chow Yuk Ha, Joanna	(Resigned on 4.6.2015)

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.

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

**REPORT OF THE EXECUTIVE COMMITTEE**

**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.

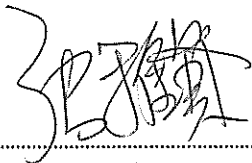
**ARRANGEMENTS TO ACQUIRE BENEFITS**

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.

On behalf of the board of  
executive committee members



.....  
Ms. Tong Nga Yin  
Chairman  
Hong Kong

28 January 2016

**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 19, which comprise the statement of financial position as at 31 March 2015, and statement of profit or loss and other comprehensive income, the statement of changes in general fund and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Executive Committee Members' responsibility for the financial statements**

The executive committee members 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 disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the executive committee members determine is necessary to enable the presentation 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. This report is made solely to you, as a body, in accordance with Section 405 to 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 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 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 of the financial statement 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 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**

However, the evidence available to us was limited because we did not attend any physical stocktaking held by the Charity on 31 March 2015 and we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of inventories, appearing in the statement of financial position at HK\$82,512. There were no other satisfactory audit procedures that we could adopt to obtain sufficient evidence regarding the existence of inventories.

**Qualified opinion**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the state of the Charity's affairs as at 31 March 2015, and of its deficit and cash flows for the year ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of Hong Kong Companies Ordinance.



K S YU & CO.  
Certified Public Accountants  
Practising Certificate Number: P03960

Hong Kong, 28 January 2016

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

**Financial statements for the year ended 31 March 2015**

**Statement of profit or loss and other comprehensive income for the year ended 31 March 2015**

	<u>Note</u>	<u>2015</u> <u>HK\$</u>	<u>2014</u> <u>HK\$</u>
Turnover	6	4,048,219	3,976,692
Cost of sales		(2,056,473)	(2,078,633)
Gross profit		1,991,746	1,898,059
Other revenue	7	126,320	67,687
		2,118,066	1,965,746
Administrative expenses		(2,160,463)	(2,219,060)
Taxation	8	-	-
<b>DEFICIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	9	<b>(42,397)</b>	<b>(253,314)</b>

The notes on pages 9 to 19 form an integral part of these financial statements.

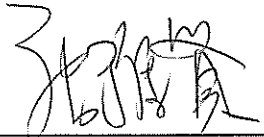
**HONG KONG RABBIT SOCIETY LIMITED 香港兔友協會有限公司**  
**Financial statements for the year ended 31 March 2015**


**Statement of financial position as at 31 March 2015**

	<u>Note</u>	<u>2015</u> <u>HK\$</u>	<u>2014</u> <u>HK\$</u>
<b>Non-current assets</b>			
Plant and equipment	12	115,422	160,296
<b>Current assets</b>			
Inventories		82,512	48,962
Deposits paid		76,400	65,400
Prepayment		39,103	35,026
Amount due from an executive committee member	11	4,279	4,279
Cash and bank balances	13	436,890	485,629
		<u>639,184</u>	<u>639,296</u>
<b>Less: Current liabilities</b>			
Accrued expenses		56,285	58,874
		<u>582,899</u>	<u>580,422</u>
<b>Net Current Assets</b>		<u>582,899</u>	<u>580,422</u>
<b>NET ASSETS</b>		<u>698,321</u>	<u>740,718</u>
<b>GENERAL FUND</b>			
Retained surplus		<u>698,321</u>	<u>740,718</u>

The financial statements were approved and authorised for issue by the executive committee on 28 January 2016.

Approved by:

  
 Executive Committee Member  
 Tong Nga Yin

  
 Executive Committee Member  
 Tang Chung Yee

The notes on pages 9 to 19 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 2015**

**Statement of changes in general fund for the year ended 31 March 2015**

	<b>Retained surplus <u>HK\$</u></b>
Balance as at 1 April 2013	994,032
Deficit for the year	<u>(253,314)</u>
Balance as at 31 March 2014	<u>740,718</u>
Balance as at 1 April 2014	740,718
Deficit for the year	<u>(42,397)</u>
Balance as at 31 March 2015	<u>698,321</u>

The notes on pages 9 to 19 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 2015**

**Statement of Cash Flows for the year ended 31 March 2015**

	<u>2015</u> <u>HK\$</u>	<u>2014</u> <u>HK\$</u>
<b>OPERATING ACTIVITIES</b>		
Deficit from operations	(42,397)	(253,314)
Adjustments for:		
Depreciation	52,935	55,361
Operating surplus / (deficit) before movements in working capital	10,538	(197,953)
(Increase) / Decrease in inventories	(33,550)	5,366
Increase in deposits paid	(11,000)	(28,900)
Increase in prepayment	(4,077)	(31,784)
Increase in amount due from an executive committee member	-	(2,872)
Decrease in accrued expenses	(2,589)	(14,753)
	<u>(51,216)</u>	<u>(72,943)</u>
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<u>(40,678)</u>	<u>(270,896)</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of plant and equipment	(8,061)	(75,400)
<b>NET CASH OUTFLOW USED IN INVESTING ACTIVITIES</b>	<u>(8,061)</u>	<u>(75,400)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(48,739)	(346,296)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	485,629	831,925
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>436,890</u>	<u>485,629</u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<u>436,890</u>	<u>485,629</u>

The notes on pages 9 to 19 form an integral part of these financial statements.

**Notes to financial statements for the year ended 31 March 2015**

**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 is Unit 2, 5/F, Fuk Hong Industrial Building, 60-62 Tong Mi Road, Mongkok, Kowloon, Hong Kong. Its principal activity of the Charity is to protect and advance animal welfare, especially rabbits.

**2. Statement of compliance with Hong Kong Financial Reporting Standards**

The charity'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 2014, the charity has initially applied the new and revised HKFRSs issued by the HKICPA that are first effective for accounting years beginning on or after 1 April 2014. A summary of the changes in accounting policies resulting from the charity'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 statement of financial position 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%
Computer equipment	30%

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

**Notes to financial statements for the year ended 31 March 2015**

**3. Summary of significant accounting policies (continued)**

b. Fixed assets (continued)

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 years 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 statement of profit or loss and other comprehensive income.

Gain or loss arising from the derecognition of an item of plant and equipment is included in statement of profit or loss and other comprehensive income 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.

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 charity. 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 statement of financial position 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.

**Notes to financial statements for the year ended 31 March 2015**

**3. Summary of significant accounting policies (continued)**

d. Inventories (continued)

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 statement of cash flows, 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.

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) Bank interest received  
Bank interest received is recognized using the effective interest method.
- (iv) 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 reporting 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 statement of profit or loss and other comprehensive income.

**Notes to financial statements for the year ended 31 March 2015**

**3. Summary of significant accounting policies (continued)**

h. Employee benefits

i) Paid leave carried forward

The Charity 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 reporting 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 Charity 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 statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The Charity's employer contributions vest fully with the employees when contributed into the MPF Scheme.

**4. Changes in accounting policies**

In 2014, 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 2014,

o HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities
o HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-Financial Assets
o HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedging Accounting
o HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investment Entities
o HK (IFRIC) - Int 21	Levies

The application of the new and revised HKFRSs has no material effect on the company's financial performance and positions.

**HONG KONG RABBIT SOCIETY LIMITED 香港兔友協會有限公司**  
**Financial statements for the year ended 31 March 2015**

**Notes to financial statements for the year ended 31 March 2015**

**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>2015</u> <u>HK\$</u>	<u>2014</u> <u>HK\$</u>
Sales	3,512,884	3,448,051
Donation income	535,335	528,641
	<u>4,048,219</u>	<u>3,976,692</u>

**7 Other revenue**

	<u>2015</u> <u>HK\$</u>	<u>2014</u> <u>HK\$</u>
Bank interest received	4	12
Seminar income	79,292	19,951
Sundry income	47,024	47,724
	<u>126,320</u>	<u>67,687</u>

**8. Taxation**

The charity is exempted under section 88 of the Inland Revenue Ordinance (Cap.112) as charitable institution which is not subject to Hong Kong Profits Tax. (2014: NIL)

**9. Deficit for the year**

Deficit for the year is arrived at after charging:	<u>2015</u> <u>HK\$</u>	<u>2014</u> <u>HK\$</u>
Auditor's remuneration	10,000	10,000
Depreciation	52,935	55,361
Staff cost		
Salaries and allowances	551,295	559,518
Mandatory provident fund	23,139	19,944
	<u>647,369</u>	<u>644,823</u>

**Notes to financial statements for the year ended 31 March 2015**

**10. Executive Committee Members' remuneration**

Executive Committee Members' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance is as follows:

	<u>2015</u> <u>HK\$</u>	<u>2014</u> <u>HK\$</u>
Executive Committee Members' fees	-	-
Salaries and allowances	-	-
Mandatory provident fund	-	-

**11. Amount due from an executive committee member**

The amount due from an executive committee member is unsecured, interest-free and has no fixed term of repayment. The information disclosed pursuant to Section 383 of the Companies Ordinance are as follows:

<u>Executive committee member</u>	<u>Dr / (Cr)</u> <u>Balance as</u> <u>at 31.3.2015</u> <u>HK\$</u>	<u>Dr / (Cr)</u> <u>Balance as</u> <u>at 31.3.2014</u> <u>HK\$</u>	<u>Dr / (Cr)</u> <u>Maximum</u> <u>Outstanding</u> <u>bal. during</u> <u>the year</u> <u>HK\$</u>
Ms. Tong Nga Yin	4,279	4,279	4,279

**12. Plant and equipment**

	<u>Leasehold</u> <u>improvement</u> <u>HK\$</u>	<u>Furniture,</u> <u>fixtures and</u> <u>equipment</u> <u>HK\$</u>	<u>Computer</u> <u>equipment</u> <u>HK\$</u>	<u>Total</u> <u>HK\$</u>
<u>Cost</u>				
As at 1.4.2013	185,206	111,248	10,600	307,054
Additions during the year	48,600	26,800	-	75,400
As at 31.3.2014	233,806	138,048	10,600	382,454
<u>Aggregate depreciation</u> <u>and impairment losses</u>				
As at 1.4.2013	67,429	93,008	6,360	166,797
Charges during the year	39,164	13,017	3,180	55,361
As at 31.3.2014	106,593	106,025	9,540	222,158
<u>Net carrying amount</u>				
As at 31.3.2014	127,213	32,023	1,060	160,296



**HONG KONG RABBIT SOCIETY LIMITED 香港兔友協會有限公司**  
**Financial statements for the year ended 31 March 2015**

**Notes to financial statements for the year ended 31 March 2015**

**12. Plant and equipment (continued)**

	<u>Leasehold improvement</u> <u>HK\$</u>	<u>Furniture, fixtures and equipment</u> <u>HK\$</u>	<u>Computer equipment</u> <u>HK\$</u>	<u>Total</u> <u>HK\$</u>
<u>Cost</u>				
As at 1.4.2014	233,806	138,048	10,600	382,454
Additions during the year	-	7,162	899	8,061
As at 31.3.2015	<u>233,806</u>	<u>145,210</u>	<u>11,499</u>	<u>390,515</u>
<u>Aggregate depreciation and impairment losses</u>				
As at 1.4.2014	106,593	106,025	9,540	222,158
Charges during the year	39,164	12,441	1,330	52,935
As at 31.3.2015	<u>145,757</u>	<u>118,466</u>	<u>10,870</u>	<u>275,093</u>
<u>Net carrying amount</u>				
As at 31.3.2015	<u>88,049</u>	<u>26,744</u>	<u>629</u>	<u>115,422</u>

**13. Cash and bank balances**

	<u>2015</u> <u>HK\$</u>	<u>2014</u> <u>HK\$</u>
Cash and cash equivalents in the statement of financial position and statement of cash flows	<u>436,890</u>	<u>485,629</u>

**14. Operating lease commitment**

At 31 March 2015, the total future minimum lease payment falling due under non-cancelable operating leases in respect of land and buildings are payable as follows:

	<u>2015</u> <u>HK\$</u>	<u>2014</u> <u>HK\$</u>
Within one year	376,200	393,600
After one year but within five years	247,000	167,200
	<u>623,200</u>	<u>560,800</u>

**HONG KONG RABBIT SOCIETY LIMITED 香港兔友協會有限公司**  
**Financial statements for the year ended 31 March 2015**

**Notes to financial statements for the year ended 31 March 2015**

**15. Financial instruments**

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

	<u>2015</u> <u>HK\$</u>	<u>2014</u> <u>HK\$</u>
<u>Loans and receivables</u>		
Deposits paid	76,400	65,400
Prepayment	39,103	35,026
Amount due from an executive committee member	4,279	4,279
Cash and bank balances	436,890	485,629
	<u>556,672</u>	<u>590,334</u>

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

	<u>2015</u> <u>HK\$</u>	<u>2014</u> <u>HK\$</u>
<u>Financial liabilities at amortised costs</u>		
Accrued expenses	56,285	58,874

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2014 and 31 March 2015.

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.

a) Credit risk

At 31 March 2015, 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>2015</u> <u>HK\$</u>	<u>2014</u> <u>HK\$</u>
Deposits paid	76,400	65,400
Prepayment	39,103	35,026
Amount due from an executive committee member	4,279	4,279
Cash and bank balances	436,890	485,629
	<u>556,672</u>	<u>590,334</u>

**Notes to financial statements for the year ended 31 March 2015**

**15. Financial instruments (continued)**

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 3 months HK\$</u>	<u>Undeterminable period HK\$</u>	<u>Carrying amount HK\$</u>
<u>As at 31.3.2015</u>			
Accrued expenses	36,285	20,000	56,285
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>Within 3 months HK\$</u>	<u>Undeterminable period HK\$</u>	<u>Carrying amount HK\$</u>
<u>As at 31.3.2014</u>			
Accrued expenses	27,434	31,440	58,874
	<u>                    </u>	<u>                    </u>	<u>                    </u>

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.

**Notes to financial statements for the year ended 31 March 2015**

**16. 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 company's operations and financial statements:

	Effective for annual years beginning <u>on or after</u>
HKAS 1 (Amendments) Disclosure Initiative	1 January 2016
HKFRS 9 Financial Instruments	1 January 2018
HKFRS 11 (Amendment) Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
HKFRS 14 Regulatory Deferral Accounts	1 January 2016
HKFRS 15 Revenue from Contracts with Customers	1 January 2017
HKFRS 10 and HKAS 28 (Amendments) Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
HKAS 16 and HKAS 38 (Amendments) Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendments) Agriculture: Bearer Plants	1 January 2016
HKAS 19 (2011) (Amendment) Defined Benefit Plans: Employee Contributions	1 July 2014
HKAS 27 (Amendment) Equity Method in Separate Financial Statements	1 January 2016
HKFRSs Amendments Annual Improvements 2010-2012 Cycle	1 July 2014
HKFRSs Amendments Annual Improvements 2011-2013 Cycle	1 July 2014

**Notes to financial statements for the year ended 31 March 2015**

**16. Hong Kong Financial Reporting Standards issued but not yet effective for the year (continued)**

	Effective for annual years beginning <u>on or after</u>
HKFRSs Amendments	
Annual Improvements 2012-2014 Cycle	1 January 2016

The company has not early adopted these HKFRSs. Initial assessment has indicated that the adoption of these HKFRSs would not have a significant impact on the company's financial statements in the year of initial application. The company 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 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2015****(For management information purpose only)**

	<u>2015</u> <u>HK\$</u>	<u>2014</u> <u>HK\$</u>
<b>SALES</b>	3,512,884	3,448,051
<b>LESS: COST OF SALES</b>	(2,056,473)	(2,078,633)
<b>GROSS PROFIT</b>	1,456,411	1,369,418
<b>OTHER REVENUE</b>		
Bank interest received	4	12
Donation income	535,335	528,641
Seminar income	79,292	19,951
Sundry income	47,024	47,724
	2,118,066	1,965,746
<b>ADMINISTRATIVE EXPENSES</b>		
Executive Committee Members' emolument - as members	-	-
- for management	-	-
Auditor's remuneration	10,000	10,000
Advertising	-	37,150
Bank charges	9,091	8,086
Bank interest	4	36
Cleaning fee	17,820	14,928
Computer accessories	4,349	7,270
Depreciation	52,935	55,361
Electricity and water	64,786	39,066
Expenses of activities	16,829	24,752
Insurance	4,314	3,290
License fee	3,810	155
Local transportation	136,194	83,565
Mandatory provident fund	23,139	19,944
Postage and courier	9,221	9,209
Printing and stationery	13,988	26,911
Rent, rates and building management fee	409,429	242,400
Repairs and maintenance	27,248	5,520
Salaries and allowances	551,295	559,518
Storage management fee	130,000	230,000
Sundry expenses	35,874	29,385
Telephone, fax and internet	8,701	8,771
Veterinary expenses	631,436	803,743
	2,160,463	2,219,060
<b>DEFICIT FOR THE YEAR</b>	(42,397)	(253,314)