

BIG TREE ANIMAL SANCTUARY AND ADOPTION CENTRE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2020

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Y.T. Lo & Co Ltd
Certified Public Accountants (Practising)
盧葉堂會計師行有限公司



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BIG TREE ANIMAL SANCTUARY AND ADOPTION CENTRE LIMITED
REPORT OF THE DIRECTOR

The directors presents herewith the report and the audited financial statements for the year ended 30th June 2020.

PRINCIPAL ACTIVITIES

Big Tree Animal Sanctuary And Adoption Centre Limited ("the Company") is a company incorporated and domiciled in Hong Kong and has its registered office at Ground Floor, On Shun Lau, 39 Chik Shun Street, Tai Wai, New Territories, Hong Kong. The company's principle activity during the period is to plan, organize or sponsor activities for the purpose of caring of abandoned animals. There has been no significant change during the year.

RESULTS AND APPROPRIATIONS

The result of the company for the year ended 30th June 2020 and the state of the company's affairs as at that date are set out in the company's financial statements on pages 6 to 12.

SHARE CAPITAL

The company is limited by guarantee. No debenture is issued during the year.

DIRECTORS

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

Tsang Yiu Kwong
Cho Chun Kit

All directors will continue in office in the coming year.

The company did not enter into any contract, other than the contracts of service with the directors or any person engaged in the full-time employment of the company, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the company.

BIG TREE ANIMAL SANCTUARY AND ADOPTION CENTRE LIMITED
REPORT OF THE DIRECTOR

DIRECTORS' INTEREST

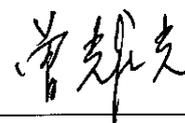
In the opinion of directors, there were no contracts of significance to which the company was a party and in which any director had a material interest subsisted at the end of the year or at any time during the year.

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

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Y. T. Lo & Co Ltd, Certified Public Accountants (Practising) as auditor of the company.

On Behalf of the Board



Director
Tsang Yiu Kwong

Date : 19th April 2021



INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF
BIG TREE ANIMAL SANCTUARY AND ADOPTION CENTRE LIMITED
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the financial statements of Big Tree Animal Sanctuary And Adoption Centre Limited ("the company") set out on pages 6 to 12, which comprise the statement of financial position as at 30th June 2020, and statement of income and retained earnings and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30th June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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 ("HKSAAs") 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.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE
FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities 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.



INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF
BIG TREE ANIMAL SANCTUARY AND ADOPTION CENTRE LIMITED
(CONTINUATION)

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH
GOVERNANCE FOR THE FINANCIAL STATEMENTS (CONT'D)

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 directors either intend to liquidate the Company or to cease operations, or have 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 solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF
BIG TREE ANIMAL SANCTUARY AND ADOPTION CENTRE LIMITED
(CONTINUATION)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- iv) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Chow Hoi Ki (Practising Certificate No: P06949).

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Y. T. Lo & Co Ltd
Certified Public Accountants (Practising)
Hong Kong

Date : 19th April 2021

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BIG TREE ANIMAL SANCTUARY AND ADOPTION CENTRE LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30TH JUNE 2020

	2020	2019
	HK\$	HK\$
DONATION INCOME	4,120,443.73	2,386,566.84
LESS : OPERATING EXPENSES		
Audit Fee	(8,500.00)	(8,500.00)
Depreciation	(341,216.00)	(299,918.00)
Rental under Operating Lease	(66,000.00)	(66,000.00)
Other Operating Expenses	(3,116,645.40)	(1,979,608.56)
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	(3,532,361.40)	(2,354,026.56)
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SURPLUS FOR THE YEAR	588,082.33	32,540.28
ACCUMULATED FUND AT START OF YEAR	568,243.76	535,703.48
	<hr/>	<hr/>
ACCUMULATED FUND AT END OF YEAR	<u>\$1,156,326.09</u>	<u>\$568,243.76</u>

The notes on pages 9 to 12 form part of these financial statements.



BIG TREE ANIMAL SANCTUARY AND ADOPTION CENTRE LIMITED
STATEMENT OF FINANCIAL POSITION
AT 30TH JUNE 2020

	NOTE	2020 HK\$	2019 HK\$
NON CURRENT ASSETS			
Plant and Equipment	(4)	1,048,426.00	471,652.00
CURRENT ASSETS			
Rental Deposit Paid		5,500.00	5,500.00
Cash and Bank Balances		110,900.09	105,091.76
		116,400.09	110,591.76
CURRENT LIABILITIES			
Accrued Expenses		8,500.00	14,000.00
		8,500.00	14,000.00
NET CURRENT ASSETS		107,900.09	96,591.76
NET ASSETS		<u>\$1,156,326.09</u>	<u>\$568,243.76</u>
FUNDS AND RESERVE			
Accumulated Fund		<u>\$1,156,326.09</u>	<u>\$568,243.76</u>

The financial statements on pages 6 to 12 were approved and authorised for issue by the Board of Directors on 19th April 2021 and are signed on its behalf by:

Director
Tsang Yiu Kwong

Director
Cho Chun Kit

The notes on pages 9 to 12 form part of these financial statements.



BIG TREE ANIMAL SANCTUARY AND ADOPTION CENTRE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2020

	2020 HK\$	2019 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before Taxation	588,082.33	32,540.28
Adjustments for : Depreciation	341,216.00	299,918.00
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Operating Surplus Before Working Capital Changes	929,298.33	332,458.28
Increase/(Decrease) in Accrued Expenses	(5,500.00)	6,000.00
	<hr/>	<hr/>
Net Cash Generated From Operating Activities	923,798.33	338,458.28
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Plant and Equipment	(917,990.00)	(261,890.00)
	<hr/>	<hr/>
Net Cash Used in Investing Activities	(917,990.00)	(261,890.00)
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	5,808.33	76,568.28
OPENING CASH AND CASH EQUIVALENTS	105,091.76	28,523.48
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CLOSING CASH AND CASH EQUIVALENTS	<u>\$110,900.09</u>	<u>\$105,091.76</u>

The notes on pages 9 to 12 form part of these financial statements.



BIG TREE ANIMAL SANCTUARY AND ADOPTION CENTRE LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

1. GENERAL INFORMATION

Big Tree Animal Sanctuary And Adoption Centre Limited is a company incorporated in Hong Kong with limited by guarantee. The company's registered office is located at Ground Floor, On Shun Lau, 39 Chik Shun Street, Tai Wai, New Territories, Hong Kong. The company's principle activity during the year is to plan, organize or sponsor activities for the purpose of caring of abandoned animals. The company is also registered as a charitable institution under Inland Revenue Ordinance.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants. They have been prepared under the historical cost convention.

a) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and is shown net of discounts, rebates and returns.

Revenue is recognised in profit or loss provided it is probable that the economic benefits will flow to the company and the revenue and costs, if applicable, can be measured reliably, as follows:

- i) Donation income is recognised on cash basis.

b) TAXATION

No provision for tax or deferred taxation has been made as the company is exempted from Hong Kong Tax under section 88 of the Inland Revenue Ordinance.



BIG TREE ANIMAL SANCTUARY AND ADOPTION CENTRE LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

c) CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

d) PLANT AND EQUIPMENT

Items of plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of plant and equipment:

Decoration	20%
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If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

e) RELATED PARTIES

A related party is a person or entity that is related to the entity that is preparing its financial statements (the company).

- a) A person or a close member of that person's family is related to the company if that person:
- i) is a member of the key management personnel of the company or of a parent of the company;
 - ii) has control or joint control over the company; or
 - iii) has significant influence over the company.



BIG TREE ANIMAL SANCTUARY AND ADOPTION CENTRE LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

e) RELATED PARTIES (CONT'D)

b) An entity is related to a 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).
- ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a company of which the other entity is a member).
- iii) both entities are joint ventures of the same third entity.
- 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. If the company is itself such a plan, the sponsoring employers are also related to the company.
- vi) the entity is controlled or jointly controlled by a person identified in (a).
- vii) the entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the parent of the company.
- viii) a person identified in (a)(ii) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. KEY MANAGEMENT PERSONNELS' REMUNERATION

The company's key management personnel only include directors. Directors' remuneration disclosed pursuant to section 383 (1) of the Companies Ordinance is as follows:

	<u>2020</u>	<u>2019</u>
Fees	\$Nil	\$Nil
Other emoluments	\$Nil	\$Nil



BIG TREE ANIMAL SANCTUARY AND ADOPTION CENTRE LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

4. PLANT AND EQUIPMENT

	Decoration
COST	
Opening	1,499,590.00
Addition	<u>917,990.00</u>
Closing	2,417,580.00
ACCUMULATED DEPRECIATION	
Opening	1,027,938.00
Depreciation	<u>341,216.00</u>
Closing	1,369,154.00
NET CARRYING AMOUNT	
Opening	<u>471,652.00</u>
Closing	<u>1,048,426.00</u>

5. COMMITMENTS UNDER OPERATING LEASES

The Company rents office under operating lease for an period of two years, with fixed rentals over the same period.

	<u>2020</u>	<u>2019</u>
Minimum lease payments under operating leases recognised as an expense during the year	66,000.00	66,000.00

At year-end, the Company has outstanding commitments under non-cancellable operating leases that fall due as follows:

Within one year	<u>\$Nil</u>	<u>\$66,000.00</u>
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6. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on 19th April 2021.



(FOR MANAGEMENT PURPOSE ONLY)

BIG TREE ANIMAL SANCTUARY AND ADOPTION CENTRE LIMITED
DETAILED SCHEDULE OF OTHER OPERATING EXPENSES
FOR THE YEAR ENDED 30TH JUNE 2020

	2020	2019
	HK\$	HK\$
Bank Charge	6,450.00	5,858.96
Dog Food	2,864,092.80	1,870,298.60
Internet	1,016.00	1,016.00
Material	105,039.70	13,414.00
Medical	124,655.90	60,341.00
Postage	-	1,422.00
Legal & Professional Fee	1,600.00	1,600.00
Print and Stationery	-	16,480.00
Repair and Maintenance	500.00	-
Sundry Expense	420.00	420.00
Telephone and Fax	858.00	936.00
Transportation	12,013.00	7,822.00
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	<u>\$3,116,645.40</u>	<u>\$1,979,608.56</u>