

Hong Kong Dolphin Conservation Society Limited

**Committee members' report and financial statements
For the year ended 31 March 2009**

Committee members' report

The committee members submit their report together with the audited financial statements for the year ended 31 March 2009.

Principal activity

The principal activity of the society is promoting dolphin conservation.

Financial statements

The results of the company for the year ended 31 March 2009 and the state of affairs at that date are set out in the attached financial statements.

Committee members

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

AU Wing Yan Winnie
CHEUNG Ka Kui
CHOI Li Si
HUNG Ka Yiu, Samuel
NG Chi Yan, Sammi
YEUNG Wai Yin

In accordance with article 38 of the society's articles of association, all committee members shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Committee members' interest in contract

No contract of significance to which the society was a party and in which any committee members of the society had a material interest subsisted at the end of the year or at any time during the year.

Arrangement to acquire shares or debentures

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

Management contract

No substantial contract concerning the management and administration of the society was entered into or existed during the year.

Auditors

Messrs. Timothy C. M. Lau certified public accountant will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

On behalf of the board



Chairman

Hong Kong, - 4 AUG 2009

Hong Kong Dolphin Conservation Society Limited
 Financial statements for the year ended 31 March 2009
 (All amounts in Hong Kong dollars unless otherwise stated)

Income statement
For the year ended 31 March 2009

	Note	2009	2008
Income			
Activity income		15,150	600
Donation and sponsorship		45,143	6,610
Subscription income		2,800	5,350
Other income		3,275	6,596
		66,368	19,156
Expenditure			
Activity expenses		7,720	1,027
Auditors' remuneration		4,000	4,000
Overhead expenses		2,033	2,995
Research program		9,750	6,750
Sundry expenses		-	618
		23,503	15,390
Surplus before tax		42,865	3,766
Income tax expense	4	-	-
Surplus for the year		42,865	3,766

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Statement of change in members' fund
For the year ended 31 March 2009

	Retained Surplus
Balance at 31.03.2007	102,689
Surplus for the year	3,766
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Balance at 31.03.2008	106,455
Surplus for the year	42,865
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Balance at 31.03.2009	<u>149,320</u>

Notes to the financial statements

1. General information

The society was incorporated in Hong Kong as a company limited by guarantee and not having any share capital. Under the provisions of the memorandum and articles of association, every member shall contribute to the assets of the society, in the event of the society being wound up, such amount as may be required not exceeding HK\$20. Its registered office is at Room 804, 8/F, Shiu Fat Industrial Building, 139-141 Wai Yip Street, Kowloon, Hong Kong.

The principal activity of the society is promoting dolphin conservation.

2. Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance. The measurement basis used is historical cost.

Impact of issued but not yet effective HKFRS

HKFRS that have been issued but are not yet effective for the current accounting period include the following HKFRS which may be relevant to the society's operations and financial statements:

HKAS 1 (Revised)	Presentation of Financial Statements - effective for annual periods beginning on or after 1 January 2009
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The society has not adopted this HKFRS and is in the process of making an assessment of the impact upon initial application. So far, it is unlikely to have a significant impact on the society's financial statements.

Critical accounting estimates and judgments

The society makes assumptions and estimates as appropriate in the preparation of the financial statements. The assumptions and estimates are based on historical experience and other factors that are believed to be reasonable under the circumstances and will, by definition, seldom equal the related actual results. There are no areas involving high degree of judgement or areas where assumptions and estimates are significant to the financial statements.

3. Summary of significant accounting policies

Revenue recognition

Activity income is recognised when the activities are completed.

Donation, sponsorship and subscription income are recognised when received.

Trade and other receivables

Trade and other receivables are initially measured at fair value and, after initial recognition, at amortised cost less impairment loss, if any, except where the receivables are interest free loans to related parties without any fixed repayment terms or the effect of discounting being immaterial. In such cases, the receivables are stated at cost less impairment loss, if any. A provision for impairment of trade and other receivables is established when there is objective evidence that the society will not be able to collect the amounts due according to the terms of receivables.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank.

For the purpose of cash flow statement, bank overdrafts are included as a component of cash and cash equivalents.

Trade and other payables

Trade and other payables are initially measured at fair value and, after initial recognition, at amortised cost, except where the payables are interest-free loans from related parties without any fixed repayment terms or the effect of discounting being immaterial. In such cases, the payables are stated at cost.

Related party

Related party is an individual or a company having the ability to control the other party or exercise influence over the other party in making financial and operating decisions.

8. Financial instruments

The society has classified its financial assets as follows:

	Loans and receivables	
	2009	2008
Accounts receivable	-	1,610
Cash and cash equivalents	153,320	111,095
	153,320	112,705

The society has classified its financial liabilities as follows:

	Financial liabilities at Amortised cost	
	2009	2008
Accounts payable and accruals	4,000	6,250
	4,000	6,250

All financial instruments are carried at amounts not materially different from their fair values.

The society has been exposed to a variety of financial risks to its financial instruments. The society's risk management objectives and policies mainly focus on minimizing the potential adverse effect of these risks on the society by closely monitoring the individual exposure as follows:

Credit risk

The credit risk is on the bank balances. The exposure is considered not significant because the counterparty is bank which has high credit rating.

There are no significant financial assets that are past due at the balance sheet date.

Liquidity risk

The liquidity of the society is managed and monitored by maintaining sufficient cash and bank balances. Thus, the committee members are of the opinion that the society does not have any significant liquidity risk.

The maturity profile of the society's financial liabilities as at the balance sheet date was as follows:

	2009	2008
Within:		
- 30 days	-	2,250
- repayable on demand	4,000	4,000
	4,000	6,250

Market risk

i. Interest rate risk

The society's exposure on interest rate risk mainly arises from its balance with bank. The exposure is considered not significant.

ii. Currency risk

The society has no significant exposure to foreign currency risk as substantially all of the society's transactions are denominated in Hong Kong dollars.