



Oxfam Hong Kong
樂施會

Income and Expenditure Account
for the Oxfam Rice Event
held on 11, 12, 18, 19, 25 and 26 May 2019



Independent assurance report to the Council Members of Oxfam Hong Kong (“the Permittee”)

(Incorporated in Hong Kong and limited by guarantee)

Public Subscription Permit No: 2019/040/1

Pursuant to the conditions stated in the Public Subscription Permit issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region (“SWD”), we have been requested to report on the attached income and expenditure account of Oxfam Hong Kong’s (“the Permittee’s”) Oxfam Rice Event held on 11, 12, 18, 19, 25 and 26 May 2019 (“the Event”).

Responsibilities of the Council members of the Permittee

The Council members of the Permittee are responsible for preparing the attached income and expenditure account (“IEA”) in accordance with the basis of preparation set out in note 2, setting out the donations raised from the Event and the expenses incurred in connection with the Event, in order to comply with the conditions stated in the Public Subscription Permit issued by the SWD. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the IEA so that it reflects the donations raised and expenses incurred in connection with the Event and is free from material misstatement.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to form a conclusion on the attached IEA, based on our engagement, and to report our conclusion to you.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 850 (Revised) *Reporting on Flag days and General Charitable Fund-raising Activities Covered by Public Subscription Permits issued by the Social Welfare Department* issued by the HKICPA. We have planned and performed our work to obtain limited assurance for giving our conclusion below.



Independent assurance report to the Council Members of Oxfam Hong Kong (“the Permittee”) (continued)

(Incorporated in Hong Kong and limited by guarantee)

Our Responsibilities (continued)

The work undertaken in connection with this engagement is less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement included carrying out limited procedures for obtaining sufficient appropriate evidence to be able to draw a conclusion, such as inquiries primarily of persons responsible for financial and accounting matters and other procedures we considered necessary. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent Limitations

Due to the nature of cash receipts and expenses relating to the Event, it was not practicable for us to determine whether the IEA and the books and records of the Permittee include all transactions relating to the Event. It was impracticable for us to quantify the potential impact of this on the IEA. Accordingly, our report relates solely to the IEA prepared from transactions that have been recorded in the Permittee’s books and records.

Conclusion

Based on the foregoing, we report that nothing has come to our attention that causes us to believe that the attached IEA does not reflect, in all material respects, the donations raised and the expenses incurred by the Permittee in respect of the Event that have been recorded in its books and records made available to us in accordance with the basis of preparation set out in note 2.



**Independent assurance report to the Council Members of
Oxfam Hong Kong (“the Permittee”) (continued)**
(Incorporated in Hong Kong and limited by guarantee)

Intended Users and Purpose

This report is intended solely for the purpose of assisting the Permittee to satisfy the conditions stated in the Public Subscription Permit issued by the SWD in connection with the Event and is not intended to be, and should not be, used for any other purpose. We agree that a copy of this report may be provided to the Director of Social Welfare without further comment from us.

A handwritten signature in blue ink that reads 'KPMG'.

Certified Public Accountants

8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong


Hong Kong, 22 August 2019

Income and expenditure account for the Oxfam Rice Event held on 11, 12, 18, 19, 25 and 26 May 2019

(Expressed in Hong Kong dollars)

	<i>Activities under permit no. 2019/040/1</i>	<i>Activities without permit requirement</i>	<i>Total</i>
Income			
Income from rice selling	\$ 1,036,278	\$ 606,098	\$ 1,642,376
Expenditure			
Advertising and promotion	\$ 172,947	\$ 101,153	\$ 274,100
Cleaning	1,948	-	1,948
Food and beverages	34	20	54
Insurance	11,114	6,501	17,615
Miscellaneous	700	-	700
Office supplies	7,337	4,698	12,035
Postage	-	9,163	9,163
Printing	14,462	10,531	24,993
Prize and souvenirs	343	-	343
Production	44,389	77,582	121,971
Rice packing	34,414	7,086	41,500
Security/Manpower charges	5,833	487	6,320
Transportation	31,889	754	32,643
Venue hire	599	351	950
	<u>\$ 326,009</u>	<u>\$ 218,326</u>	<u>\$ 544,335</u>
Surplus	<u>\$ 710,269</u>	<u>\$ 387,772</u>	<u>\$ 1,098,041</u>

Approved and authorised by the Council members of the Permittee for issue on 22 August 2019.



Samuel Ng
Director of Operations



Stephen Frederick FISHER
Acting Director General

The notes on page 5 forms part of this account.

Notes to the income and expenditure account

(Expressed in Hong Kong dollars)

1 General

Section 4(17)(i) of Summary Offences Ordinance (Cap. 228) stipulates that activities relating to charitable sales and donations in public places require permits from the Social Welfare Department. Certain activities of the Oxfam Rice Event (“the Event”) held on 11, 12, 18, 19, 25 and 26 May 2019 fell under this requirement and therefore Oxfam Hong Kong obtained permit numbered 2019/040/1 on 7 May 2019.

2 Significant accounting policies

Basis of preparation

- (a) All donations raised through the Event are designated to the Oxfam’s “Smallholder Farmers Development Fund” for providing aids for smallholder farmers around the world to improve their lives.

Donation income is recognised on an accrual basis.

- (b) Expenditure represents the costs incurred directly in respect of the fund-raising activities. Common expenditure incurred for both activities with and without permit requirements are allocated based on the income from each of these activities.

Expenditure is recognised on an accrual basis.

3 Donations credited to the bank

Excess of income over expenditure arising from activities under permit no. 2019/040/1	\$ 710,269
Add: accrued expenditure not yet paid as at 25 June 2019	6,247
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Net balance of donations deposited into Permittee’s bank account by 25 June 2019	\$ 716,516
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