

HAVEN OF HOPE CHRISTIAN SERVICE

**REPORT ON THE INCOME AND EXPENDITURE ACCOUNT
OF CHARITY SALES OF "QILE" CAKES
(PUBLIC SUBSCRIPTION PERMIT NO. 2018/241/1 AND 2018/241/2)**

**(HELD ON OCTOBER 6, 7, 19, 20, 22, 31, NOVEMBER 6, 10 TO 30
AND DECEMBER 1 TO 31, 2018)**

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INDEPENDENT ASSURANCE REPORT

To the Board of Directors of
HAVEN OF HOPE CHRISTIAN SERVICE (“the Permittee”)
(Incorporated in Hong Kong with liabilities limited by guarantee)

Public Subscription Permit No: 2018/241/1 and 2018/241/2

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 the Permittee’s regional Charity Sales of “QILE” Cakes fund-raising activity in Hong Kong region held on October 6, 7, 19, 20, 22, 31, November 6, 10 to 30 and December 1 to 31, 2018 (“the Event”).

Responsibilities of the directors

The directors are responsible for preparing the attached income and expenditure account in accordance with the basis of preparation set out in note 2, setting out the gross subscriptions 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 income and expenditure account so that it reflects the subscriptions 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 behavior.

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.

Practitioner’s responsibilities

Our responsibility is to form a conclusion on the attached income and expenditure account, 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.

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.

INDEPENDENT ASSURANCE REPORT - CONTINUED

To the Board of Directors of
HAVEN OF HOPE CHRISTIAN SERVICE ("the Permittee")
(Incorporated in Hong Kong with liabilities limited by guarantee)

Practitioner's responsibilities - continued

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

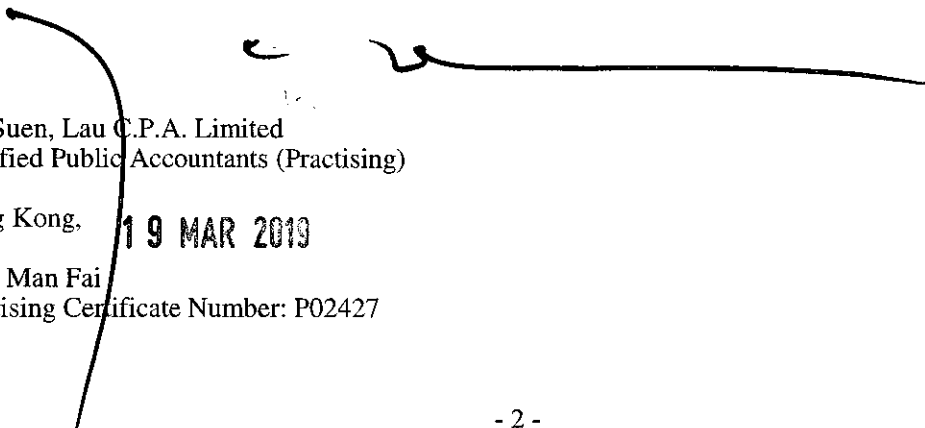
Due to the nature of cash receipts and expenses relating to the Event, it was not practicable for us to determine whether the income and expenditure account and the books and records of the Permittee include all transactions relating to the Event. It was impracticable for us to quantify the potential impact of this on the income and expenditure account. Accordingly, our report relates solely to the income and expenditure account 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 income and expenditure account does not reflect, in all material respects, the gross subscriptions 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.

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 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.



Ng, Suen, Lau C.P.A. Limited
Certified Public Accountants (Practising)

Hong Kong, 19 MAR 2019

Suen Man Fai
Practising Certificate Number: P02427

HAVEN OF HOPE CHRISTIAN SERVICE
CHARITY SALES OF "QILE" CAKES
(PUBLIC SUBSCRIPTION PERMIT NO. 2018/241/1 AND 2018/241/2)

INCOME AND EXPENDITURE ACCOUNT

HELD ON OCTOBER 6, 7, 19, 20, 22, 31, NOVEMBER 6, 10 TO 30
AND DECEMBER 1 to 31, 2018

(Expressed in the nearest Hong Kong Dollars)

INCOME

Charity sales - other sources	807,347
Charity sales - public permit	215,744
Donations - other sources	169,939
Donations - public permit	64,861
	<u>1,257,891</u>

EXPENDITURE

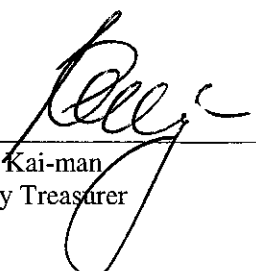
Audit fee	4,500
Bank charges	4,871
Insurance	2,308
Miscellaneous	12,641
Postage	1,200
Printing and stationery	53,370
Production cost	602,308
Public relations	3,694
Publicity	1,809
Rental fee	1,753
Salaries and provident fund	106,134
Transportation	20,857
	<u>815,445</u>

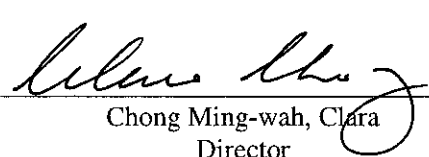
NET SURPLUS

442,446

The accompanying notes form an integral part of the account.

The income and expenditure account together with the notes thereon on pages 3 to 6 have been approved and authorised for issue by the Board of Directors and are signed on its behalf by:


Wong Kai-man
Honorary Treasurer


Chong Ming-wah, Clara
Director

HAVEN OF HOPE CHRISTIAN SERVICE
CHARITY SALES OF "QILE" CAKES
(PUBLIC SUBSCRIPTION PERMIT NO. 2018/241/1 AND 2018/241/2)

NOTES TO THE ACCOUNT

HELD ON OCTOBER 6, 7, 19, 20, 22, 31, NOVEMBER 6, 10 TO 30
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1. GENERAL

Haven of Hope Christian Service has applied public subscription permits from Social Welfare Department for Charity Sales of "QILE" Cakes. The purpose of this fund-raising activity is to raise funds for non-subsented Elderly Care Services of Haven of Hope Christian Service ("the Permittee"). This report is made solely in relation to the Charity Sales of "QILE" Cakes fund-raising event held by the Permittee and does not relate to any other part of the operations of the Permittee.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

a. Basis of accounting

The income collected and expenditure incurred for the general charitable fund-raising activity held on October 6, 7, 19, 20, 22, 31, November 6, 10 to 30 and December 1 to 31, 2018 are recognised on an accrual basis.

The income and expenditure account has been prepared under the historical cost convention.

b. Revenue recognition

Charity sales of "QILE" Cakes is recognised while the goods are delivered and the title has passed to customers.

Charity sales - public permits

Representing income from cake sales covered by the Public Subscription Permits. Each cake is packed in a bag.

Charity sales - other sources

Representing income from cake sales from other sources such as the promotional leaflets which are not covered by the Public Subscription Permits. Each cake is packed in a bag.

Donations - public permits

Donations collected through donation boxes in stationed counters under the Public Subscription Permits.

HAVEN OF HOPE CHRISTIAN SERVICE
CHARITY SALES OF "QILE" CAKES
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NOTES TO THE ACCOUNT

HELD ON OCTOBER 6, 7, 19, 20, 22, 31, NOVEMBER 6, 10 TO 30
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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES - Continued

b. Revenue recognition - Continued

Donations - other sources

Donations collected through other promotional materials such as leaflets which are not covered by the Public Subscription Permits.

c. Production cost

Production cost represents expenses for production of "QILE" Cakes, which mainly includes cake cost and package cost.

d. Salaries and provident fund

Salaries and provident fund contribution represent staff employed by Haven of Hope Christian Service who were involved in the fund-raising event.

<u>3. DONATIONS CREDITED TO THE BANK</u>	<u>HK\$</u>
Donations deposited into Permittee's bank account by February 4, 2019	1,257,891
Less: expenditure incurred	(815,445)
Net surplus	442,446
Add: accrued expenditure not yet paid as at February 4, 2019	4,500
	<u>446,946</u>

4. TAXATION

The Event is exempted from Hong Kong Profits Tax as Haven of Hope Christian Service is registered as a charitable organisation under Section 88 of the Inland Revenue Ordinance.

HAVEN OF HOPE CHRISTIAN SERVICE
CHARITY SALES OF "QILE" CAKES
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5. APPROVAL OF THE ACCOUNT

The account has been approved and authorised for issue by the Board of Directors
on **19 MAR 2019**
