

HAVEN OF HOPE CHRISTIAN SERVICE

REPORT AND INCOME AND EXPENDITURE ACCOUNT

IN RESPECT OF CHARITY SALES OF “QILE” CAKES

**HELD FOR THE PERIOD FROM AUGUST 28, SEPTEMBER 18, 23, 24, 25,
OCTOBER 8, 9, 16, 18, 22, 23, 29, 30 AND NOVEMBER 5, 6, 12, 13, 2016**

(PUBLIC SUBSCRIPTION PERMITS NO. 2016/201/1, 2016/201/2 and 2016/201/3)



CPA LIMITED
潘展聰會計師行有限公司

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(EXPRESSED IN TWO DECIMAL PLACES OF HONG KONG DOLLARS)



INDEPENDENT ASSURANCE REPORT
TO THE DIRECTORS OF
HAVEN OF HOPE CHRISTIAN SERVICE
(“THE CHARITY”)

Public Subscription Permit No.: 2016/201/1, 2016/201/2 and 2016/201/3

Pursuant to the conditions stated in the Public Subscription Permits 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 Charity’s general charitable fund-raising activity held for the period from August 28, September 18, 23, 24, 25, October 8, 9, 16, 18, 22, 23, 29, 30 and November 5, 6, 12, 13, 2016 (“the Event”).

Respective responsibilities of the directors and ourselves

The directors are responsible for preparing the attached income and expenditure account in accordance with the basis of preparation set out in note 1, 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 Permits 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.

It is our responsibility to form a conclusion on the attached income and expenditure account, based on our engagement, and to report our conclusion to you.

Basis of conclusion

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 “Reporting on Flag days and General Charitable Fund-raising Activities Covered by Public Subscription Permits issued by the Social Welfare Department” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

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.

...../To be continued



INDEPENDENT ASSURANCE REPORT
TO THE DIRECTORS OF
HAVEN OF HOPE CHRISTIAN SERVICE
("THE CHARITY")

...../Continued

Basis of conclusion (continued)

Furthermore, due to the nature of cash receipts and expenses relating to the general charitable fund-raising activities, it was not practicable for us to determine whether the income and expenditure account and the books and records of the Charity 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 prepared from transactions that have been recorded in the Charity's books and records.

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, analytical procedures applied to financial data and other review procedures we considered necessary.

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 Charity 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 1.

Use of report

This report is intended solely for the purpose of assisting the Charity to satisfy the conditions stated in the Public Subscription Permits 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.

Philip Poon & Partners CPA Limited
Mr. Poon Chin Chung, Philip
Practising Certificate No.: P01748

Certified Public Accountants
Hong Kong
February 9, 2017

HAVEN OF HOPE CHRISTIAN SERVICE

INCOME AND EXPENDITURE ACCOUNT

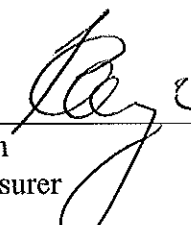
FOR THE CHARITY SALES OF "OILE" CAKES

HELD FOR THE PERIOD FROM AUGUST 28, SEPTEMBER 18, 23, 24, 25,
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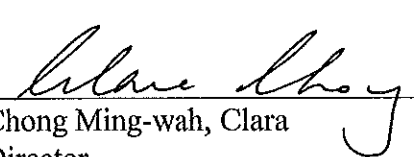
(PUBLIC SUBSCRIPTION PERMITS NO. 2016/201/1, 2016/201/2 and 2016/201/3)

	<u>NOTE</u>	<u>HK\$</u>	<u>HK\$</u>
INCOME			
Charity sales – public permits	5		540,400.00
Charity sales – other sources	6		615,460.00
Donation – public permits	7		105,582.80
Donation – other sources	8		178,488.40
			<hr/>
			1,439,931.20
EXPENDITURE			
Bank charges		3,593.98	
Insurance		3,501.00	
Miscellaneous		4,171.00	
Postage		4,334.50	
Printing and stationery		64,839.96	
Production cost	9	563,240.79	
Provident fund	10	4,229.31	
Public relations		3,338.50	
Salaries	10	84,586.06	
Supplies		2,461.00	
Transportation		49,566.20	
		<hr/>	
			787,862.30
SURPLUS			
			<hr/>
			652,068.90
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Approved and authorised for issue by the board of directors on February 9, 2017



Wong Kai-man
Honorary Treasurer



Chong Ming-wah, Clara
Director

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1. BASIS OF PREPARATION

These income and expenditure account has been prepared under the accrual basis of accounting.

2. SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Donation is recognised as income upon receipts.

Revenue from sale of goods is recognised on the transfer of risk and rewards of ownership which generally coincides with the time when the goods are delivered to customers and the title has passed.

3. PURPOSE OF FUND-RAISING ACTIVITIES

The purpose of the Public Subscription is to raise funds for the Haven of Hope Elderly Service.

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.

5. CHARITY SALES – PUBLIC PERMITS

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

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6. CHARITY SALES – OTHER SOURCES

Charity sales represent 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.

7. DONATION – PUBLIC PERMITS

Donation collected through donation boxes in stationed counter under the Public Subscription Permits.

8. DONATION – OTHER SOURCES

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

9. PRODUCTION COST

Production cost represents expenses for production materials of Qile cake, which mainly includes cake cost and package cost.

10. SALARIES AND PROVIDENT FUND

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