

HONG KONG ORGANIC RESOURCE CENTRE

CERTIFICATION LIMITED

全城有機日：有機嘉年華

(LICENCE NO. 2019/093/1)

FUND-RAISING EVENT ON 5TH MAY, 2019

林國榮會計師行

K. W. LAM & CO.

CERTIFIED PUBLIC ACCOUNTANTS

HONG KONG

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YOUR REF.:

OUR REF.:

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE DIRECTORS OF HONG KONG ORGANIC RESOURCE CENTRE CERTIFICATION LIMITED ("the Permittee")

Public Subscription Permit No : (2019/093/1)

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 the Permittee's general charitable fund-raising activity held on 5th May, 2019 ("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 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 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.

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. 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 1.

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.



K.W. Lam & Co.
Certified Public Accountants
Hong Kong

5 AUG 2019

HONG KONG ORGANIC RESOURCE CENTRE CERTIFICATION LIMITED
INCOME AND EXPENDITURE ACCOUNT OF 全城有機日：有機嘉年華
(LICENCE NO. 2019/093/1)

FUND-RAISING EVENT ON 5TH MAY, 2018

	HK\$	HK\$
<u>INCOME</u>		
Donation		103,630.00
Income from Charity Sales		29,654.50
Total Income		<u>133,284.50</u>
<u>EXPENSES</u>		
<u>Administration</u>		
Event Management Fees	917,600.00	
Advertisement	2,572,300.00	
Banner and Media Promotion	1,322,950.00	
Promotion Materials	<u>188,500.00</u>	
		5,001,350.00
<u>Carnival Overall Facilities and Support</u>		
Facilities Set Up	38,537.80	
Photo and Video Taking	5,000.00	
Seedling	2,134.15	
School Garden Allowance	28,934.79	
Game Booth and Souvenirs	87,776.19	
Stationery & Miscellaneous Expenses	82,602.50	
Transportation	<u>53,971.08</u>	
		298,956.51
<u>Organic Breakfast</u>		
Set Up Materials and Tableware	42,120.00	
Organic Ingredients	<u>20,248.80</u>	
		62,368.80
<u>Warmth Action</u>		
Transportation		99,200.00
<u>Press Conference</u>		
Cooking Demonstration for Press		1,604.70
<u>Other Expenses</u>		
Organic Tee	23,850.00	
Audit Fee	3,000.00	
Bank charges	<u>350.38</u>	
		27,200.38
Total Expenses		<u>5,490,680.39</u>
Deficit		<u>(5,357,395.89)</u>

CERTIFIED TRUE AND CORRECT

HONG KONG ORGANIC RESOURCE
CENTRE CERTIFICATION LIMITED

HONG KONG ORGANIC RESOURCE CENTRE CERTIFICATION LIMITED

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT OF

全城有機日：有機嘉年華

(LICENCE NO. 2019/093/1)

FUND-RAISING EVENT ON 5th MAY, 2019

1. These income and expenditure account have been prepared in accordance with accruals basis of accounting.
2. These accounts represent the only accounts of the Event and have been prepared in accordance with the conditions stated in the Public Subscription Permit issued by the Social Welfare Department of the Government of the HKSAR.
3. The funds raised from “The Organic Day 2019” is to educate the public on organic agriculture and organic certification. Any remaining funds will be used to promote organic certification and organic lifestyle among the public.
4. All the flag day proceeds collected[i.e. HK\$133,284.50] have been credited to the designated bank account of the Permittee before being used for payment of expenditures for the flag day and/or the purpose(s) specified in the permit by 14th May, 2019.