

BUSINESS ENVIRONMENT COUNCIL LIMITED

SUSTAINABLE FISHERIES DEVELOPMENT FUND
PROJECT: BEC X AFFS – AWARENESS AND OPPORTUNITIES
(PROJECT NUMBER: SFDF-0032)

FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JUNE 2019 TO 30 NOVEMBER 2022



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(EXPRESSED IN HONG KONG DOLLARS)

**INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE DIRECTORS OF
BUSINESS ENVIRONMENT COUNCIL LIMITED
SUSTAINABLE FISHERIES DEVELOPMENT FUND
PROJECT: BEC X AFFS – AWARENESS AND OPPORTUNITIES
FOR THE PERIOD FROM 1 JUNE 2019 TO 30 NOVEMBER 2022**

Pursuant to the Agreement made between the Government of the Hong Kong Special Administrative Region (“HKSAR”) and Business Environment Council Limited (the “Council”), and the Sustainable Fisheries Development Fund (“SFDF”) - Application Guidelines in respect of the SFDF project under the SFDF dated 3 June 2019 (“Agreement”), we have undertaken a reasonable assurance engagement on the final accounts of BEC X AFFS – Awareness and Opportunities (the “Project”) (Project number: SFDF – 0032) as set out on pages 3 to 8, which comprise the income and expenditure statement, balance sheet, cash flow statement for the period from 1 June 2019 to 30 November 2022, and notes to the accounts (“Project Accounts”).

Directors’ responsibilities

Pursuant to the Agreement, the directors are to comply with the requirements (including the requirements to keep proper books and records and to prepare proper Project Accounts), and all the terms and conditions of SFDF, as specified in the following documents:

- (a) the Agreement in respect of the Project and the appendices thereto (which include the Project proposal);
- (b) the relevant “SFDF - Application Guidelines” referred to in the Agreement; and
- (c) all instructions and correspondences issued by the Director of Agriculture, Fisheries and Conservation (“DAFC”) to Business Environment Council Limited in respect of the Project.

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 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* 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.

(to be continued, P.T.O.)

**INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE DIRECTORS OF
BUSINESS ENVIRONMENT COUNCIL LIMITED
SUSTAINABLE FISHERIES DEVELOPMENT FUND
PROJECT: BEC X AFFS – AWARENESS AND OPPORTUNITIES
FOR THE PERIOD FROM 1 JUNE 2019 TO 30 NOVEMBER 2022
(CONTINUED)**

Auditors' responsibility

Our responsibility is to express an opinion on the Project Accounts, based on our work performed and to report our opinion.

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* issued by the HKICPA and with reference to the Notes for Auditors of Recipient Organisations issued in August 2020 by the SFDF Secretariat (the "Notes"). We have planned and performed our work to obtain reasonable assurance for giving our opinion below.

Our engagement includes performing the procedures set out in the Notes and examination, on a test basis, of evidence supporting the requirements (including the requirements to keep proper books and records and to prepare proper Project Accounts), and all the terms and conditions of SFDF, as specified in the documents mentioned in the Directors' Responsibilities section have been complied with, in all material respects.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Based on the foregoing, in our opinion, the Council has complied with, in all material respects, the requirements set by DAFC (including the requirements to keep proper books and records and to prepare proper Project Accounts), and all the terms and conditions of SFDF, as specified in the documents mentioned in the directors' responsibilities section.

Intended users and purpose

This report is intended for filing with the Government of the HKSAR pursuant to the Agreement and is not intended to be, and should not be, distributed to or used by, anyone for any other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of our report.


Certified Public Accountants

Hong Kong, 18 APR 2023

Ref : B328/EA/SFD/PW/HL/1110/486

BUSINESS ENVIRONMENT COUNCIL LIMITED

SUSTAINABLE FISHERIES DEVELOPMENT FUND PROJECT: BEC X AFFS – AWARENESS AND OPPORTUNITIES (PROJECT NUMBER: SFDF-0032)

INCOME AND EXPENDITURE STATEMENT FOR THE PERIOD FROM 1 JUNE 2019 TO 30 NOVEMBER 2022

	From 01/06/2022 to 30/11/2022	From 01/06/2021 to 31/05/2022	From 01/06/2020 to 31/05/2021	From 01/06/2019 to 31/05/2020
	\$	\$	\$	\$
Income				
Fund received from AFCDC	-	2,250,060.00	2,250,060.00	2,625,070.00
Bank interest income	17.69	24.05	27.10	545.30
	17.69	2,250,084.05	2,250,087.10	2,625,615.30
Expenditure				
Constance pulse advertising				
1 Spokesperson planning (3 years)	-	160,000.00	-	240,000.00
2 Paper printed advertisement	9,000.00	45,000.00	36,000.00	-
3 Lifestyle magazine advertorial	-	120,000.00	120,000.00	-
4 Online advertisement	-	148,000.00	148,880.00	-
5 Social media advertisement	11,000.00	-	85,785.00	37,785.00
6 Advertisement on public transport	197,500.00	377,000.00	207,000.00	-
7 Design and production of publication materials (Short film and photos)	29,700.00	104,799.00	154,199.00	87,000.00
8 Recipe design, photography, layout and translate	-	46,000.00	26,500.00	26,500.00
9 Recipe printing	-	-	4,000.00	-
Mascot planning				
10 Mascot design	-	-	-	2,500.00
11 Mascot production	-	-	-	25,600.00
Intention survey				
12 Entrust a third party to conduct an intention survey	60,000.00	60,000.00	120,000.00	100,000.00
Exhibition tour				
13 Design and production of materials for exhibition tour	-	-	4,318.00	7,260.00
14 Exhibition tour booth's assembly, disassembly, logistics and storage (including 2 promoters)	63,510.00	34,310.00	169,360.00	10,220.00
15 Souvenir (ie. Cooler bag or BYOB)	-	-	-	180,000.00
16 Design of flyer	-	-	-	2,000.00
17 Production of flyer	-	8,600.00	-	615.00
18 Design of poster	-	-	-	-
19 Production of poster	-	-	-	-
20 Design of banner	-	-	-	3,000.00
21 Production of banner	-	-	-	310.00
22 Graphic design	-	-	-	4,000.00
23 Uniform design and production	-	-	-	5,760.00
Discount for consumers				
24 Design and production of materials for incentive plan	-	12,550.00	-	-
25 Procurement of AFFS product for incentive plan	7,969.00	108,688.85	-	-
	378,679.00	1,224,947.85	1,076,042.00	732,550.00
Expenditure c/f				

The notes on pages 7 and 8 are an integral part of these financial statements
Independent Auditor's Report – Pages 1 and 2

BUSINESS ENVIRONMENT COUNCIL LIMITED

SUSTAINABLE FISHERIES DEVELOPMENT FUND PROJECT: BEC X AFFS – AWARENESS AND OPPORTUNITIES (PROJECT NUMBER: SFDF-0032)

INCOME AND EXPENDITURE STATEMENT FOR THE PERIOD FROM 1 JUNE 2019 TO 30 NOVEMBER 2022 (CONTINUED)

	From 01/06/2022 to 30/11/2022	From 01/06/2021 to 31/05/2022	From 01/06/2020 to 31/05/2021	From 01/06/2019 to 31/05/2020
	\$	\$	\$	\$
Expenditure (continued)				
Expenditure b/f	378,679.00	1,224,947.85	1,076,042.00	732,550.00
Connection building between fish farmers and enterprises				
26 Seminars	1,400.50	6,100.50	5,580.93	3,760.00
27 Training Workshops	18,089.25	8,000.00	14,500.00	-
28 Commercial matching	19,022.25	8,000.00	14,500.00	-
29 Guide Tour (2 tour/month)	30,324.00	159,840.60	65,290.60	-
30 Dining industry magazine advertorial	-	51,450.00	50,596.00	17,600.00
31 Dining industry website and social media advertising	-	28,891.18	47,769.71	-
32 International Food & Beverage & Hotel Equipment Exhibition/Seafood Expo Asia	-	83,976.74	59,332.74	151,218.20
33 Service desk	9,000.00	18,000.00	18,000.00	15,000.00
Staff expenditures				
34 1 Project manager (part-time)	93,000.00	180,042.74	191,715.48	186,241.78
35 3 Project supervisors (full-time)	226,343.25	532,491.60	610,597.75	481,420.55
36 1 assistant (part-time)	19,592.00	18,376.00	24,199.50	12,432.00
Equipment				
37 Notebook computer with software	-	-	-	-
38 Tablet computer	-	-	-	-
39 Smart phone	-	-	-	-
40 Camera	-	-	-	-
41 Maintenance and repair	-	-	-	-
Administrative cost				
42 Staff transportation and logistics fee	374.70	6,006.70	1,399.20	1,075.70
43 Miscellaneous expenses (including stationery, postage, office consumables, seminar refreshments and beverages)	-	-	278.00	1,030.30
44 External audit fee	15,000.00	15,000.00	15,000.00	15,000.00
45 Activity third party liability insurance	6,706.70	1,501.50	15,694.54	3,002.55
Total expenditure	817,531.65	2,342,625.41	2,210,496.45	1,620,331.08
Less:				
Fund received in advance utilized/(not yet utilized)	817,531.65	92,565.41	(39,563.55)	(1,004,738.92)
Bank interest repayable to AFCD	(17.69)	(24.05)	(27.10)	(545.30)
Surplus for the period	-	-	-	-

BUSINESS ENVIRONMENT COUNCIL LIMITED

SUSTAINABLE FISHERIES DEVELOPMENT FUND PROJECT: BEC X AFFS – AWARENESS AND OPPORTUNITIES (PROJECT NUMBER: SFDF-0032)

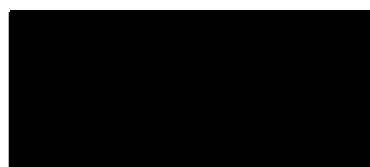
BALANCE SHEET AT 30 NOVEMBER 2022

	<u>Notes</u>	<u>At 30/11/2022</u>	<u>At 31/05/2022</u>	<u>At 31/05/2021</u>	<u>At 31/05/2020</u>
		\$	\$	\$	\$
Current assets					
Cash and cash equivalents	3	241,457.45	1,652,703.37	1,151,361.16	1,289,349.36
Deposits and prepayment		-	-	55,032.90	-
		-----	-----	-----	-----
		241,457.45	1,652,703.37	1,206,394.06	1,289,349.36
		-----	-----	-----	-----
Current liabilities					
Accruals		15,000.00	15,000.00	15,000.00	15,000.00
Fund received in advance from AFCD		134,205.41	951,737.06	1,044,302.47	1,004,738.92
Amount due to the Council	4	91,637.90	685,369.86	146,519.19	269,065.14
Interest repayable to AFCD	5	614.14	596.45	572.40	545.30
		-----	-----	-----	-----
		241,457.45	1,652,703.37	1,206,394.06	1,289,349.36
		-----	-----	-----	-----
Net assets		-	-	-	-
		=====	=====	=====	=====
Represented by					
Surplus for the period	5	-	-	-	-
		=====	=====	=====	=====

APPROVED BY:-



Director



Director

BUSINESS ENVIRONMENT COUNCIL LIMITED

SUSTAINABLE FISHERIES DEVELOPMENT FUND
PROJECT: BEC X AFFS – AWARENESS AND OPPORTUNITIES
(PROJECT NUMBER: SFDF-0032)

CASH FLOW STATEMENT
FOR THE PERIOD FROM 1 JUNE 2019 TO 30 NOVEMBER 2022

	From 01/06/2022 Note to 30/11/2022 \$	From 01/06/2021 to 31/05/2022 \$	From 01/06/2020 to 31/05/2021 \$	From 01/06/2019 to 31/05/2020 \$
Cash inflow from operating activities				
Surplus for the period and operating surplus before working capital changes	-	-	-	-
Increase in accruals	-	-	-	15,000.00
(Decrease)/increase in fund received in advance from AFCD	(817,531.65)	(92,565.41)	39,563.55	1,004,738.92
(Decrease)/increase in amount due to the Council	(593,731.96)	538,850.67	(122,545.95)	269,065.14
Increase in interest repayable to AFCD	17.69	24.05	27.10	545.30
Decrease/(increase) in deposits and prepayment	-	55,032.90	(55,032.90)	-
	-----	-----	-----	-----
Net cash (used in)/from operating activities	(1,411,245.92)	501,342.21	(137,988.20)	1,289,349.36
	-----	-----	-----	-----
Net (decrease)/increase in cash and cash equivalents	(1,411,245.92)	501,342.21	(137,988.20)	1,289,349.36
Cash and cash equivalents at the beginning of period	1,652,703.37	1,151,361.16	1,289,349.36	-
	-----	-----	-----	-----
Cash and cash equivalents at the end of period	3 241,457.45	1,652,703.37	1,151,361.16	1,289,349.36
	=====	=====	=====	=====

BUSINESS ENVIRONMENT COUNCIL LIMITED

SUSTAINABLE FISHERIES DEVELOPMENT FUND
PROJECT: BEC X AFFS – AWARENESS AND OPPORTUNITIES
(PROJECT NUMBER: SFDF-0032)

NOTE TO ACCOUNTS
FOR THE PERIOD FROM 1 JUNE 2019 TO 30 NOVEMBER 2022

1. GENERAL INFORMATION

The project of BEC X AFFS - Awareness and Opportunities (the “Project”) aims to use the branding of “food safety, local produce and environmental friendliness” of Accredited Fish Farm Scheme (AFFS) to create a platform for providing business opportunities on AFFS fishery produce for fish farmers, and the food and beverage and hotel industry with a view to broadening the markets of AFFS fishery produce.

The Project is operated by Business Environment Council Limited (the “Council”) sponsored by Sustainable Fisheries Development Fund.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Project have been prepared in accordance with accounting principles generally accepted in Hong Kong. The financial statements have been prepared under the historical cost convention.

(b) Revenue recognition

Fund from AFCD is recognized when the project has met the prescribed milestones and the Director of Agriculture, Fisheries and Conservation is satisfied with its progress for the approval of funding.

3. CASH AND CASH EQUIVALENTS

	<u>At 30/11/2022</u>	<u>At 31/05/2022</u>	<u>At 31/05/2021</u>	<u>At 31/05/2020</u>
	\$	\$	\$	\$
Bank balance	241,457.45	1,652,703.37	1,151,361.16	1,289,349.36
	241,457.45	1,652,703.37	1,151,361.16	1,289,349.36

4. AMOUNT DUE TO THE COUNCIL

The amount is unsecured, interest-free and has no fixed terms of repayment.

5. SURPLUS FOR THE PERIOD AND INTEREST REPAYABLE TO AFCD

Any surplus, with interest accrued up to date of refund, is to be refunded to the Government in accordance with the Agreement made between the Government of the Hong Kong Special Administrative Region and the Council.

NOTE TO ACCOUNTS
FOR THE PERIOD FROM 1 JUNE 2019 TO 30 NOVEMBER 2022

6. TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements of the Council as the Council is an approved charitable institution. It is exempted from payment of tax by virtue of Section 88 of the Inland Revenue Ordinance.

7. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Council
on 18 APR 2023 .

本報告期項目開支單據／收條編號清單

核准細項 (根據資助協議 SCHEDULE II 的「獲批項目」填寫)	單據 / 收條編號								
恆常脈衝式廣告 (項目 1 - 9)									
2. 印刷媒體廣告	A0001								
5. 社交媒體廣告	A0002	A0003							
6. 公共交通公具廣告	A0004								
7. 設計及製作宣傳性物資: 短片及相片	C0001								
意向調查 (項目 12)									
12. 委託第三方機構進行意向調查	Q0001								
巡迴推廣 (項目 13 - 23)									
14. 巡迴展覽攤位之搭建及清拆、運輸及存倉、推廣員	E0001	E0002	E0003						
優惠試食計劃 (項目 24 - 25)									
25. 採購用於優惠試食計劃的「優質魚」產品	P0001	P0002							
建立漁戶與業界之間的聯繫 (項目 26 - 33)									
26. 研討會	S0001	S0002							
27. 培訓工作坊	W0001	W0002	W0003	W0004	W0005	W0006	W0007		
28. 商業配對	B0001	B0002	B0003	B0004	B0005	B0006	B0007	B0008	B0009
29. 導賞團	V0001	V0002	V0003	V0004	V0005	V0006	V0007	V0008	V0009
33. 服務台	H0001								
員工開支 (項目 34 - 36)									
34. 一位項目經理 (兼職)	M0001								
35. 三位項目主任 (全職)	O0001	O0002	O0003						
36. 項目助理 (兼職)	T0001	T0002							
行政開支 (項目 42 - 45)									
42. 員工交通及物流費用	L0001	L0002							
44. 審計費用	R0001								
45. 活動第三方責任保險	I0001	I0002	I0003						

Breakdown of Personal Emoluments
 Business Environment Council Limited
 Project Name: SFDF-0032

Claim Period: Jun - Nov 2022

Staff Name	Position	Period	Basic Salary claimed \$	MPF (Employer's Contribution) \$	Total for the month \$	Total for the reporting period \$	Remarks (please provide remarks for salary claims of incompleting month and/or with other deduction/compensation, e.g.)
1.	Project Manager	01/6/2022 - 30/6/2022	14,762.00	738.00	15,500.00	93,000.00	The salary was claimed up to the budget
		01/07/2022 - 31/07/2022	14,762.00	738.00	15,500.00		
		01/08/2022 - 31/08/2022	14,762.00	738.00	15,500.00		
		01/09/2022 - 30/09/2022	14,762.00	738.00	15,500.00		
		01/10/2022 - 31/10/2022	14,762.00	738.00	15,500.00		
		01/11/2022 - 30/11/2022	14,762.00	738.00	15,500.00		
2.	Senior Officer	01/6/2022 - 30/6/2022	0.00	0.00	0.00	128,710.05	The new employment contract started on 4 July 2022 and terminated on 30 November 2022. The Employer MPF contribution started in Sept 2022. For Sept 2022 ER MPF contribution: July 2022 ER MPF \$1,129.05 (\$22,581 x 5%) + Aug 2022 ER MPF \$1,250 (\$25,000 x 5%) + Sept 2022 ER MPF \$1,250 (\$25,000 x 5%) = \$3,629.05
		04/07/2022 - 31/07/2022	22,581.00	0.00	22,581.00		
		01/08/2022 - 31/08/2022	25,000.00	0.00	25,000.00		
		01/09/2022 - 30/09/2022	25,000.00	3,629.05	28,629.05		
		01/10/2022 - 31/10/2022	25,000.00	1,250.00	26,250.00		
		01/11/2022 - 30/11/2022	25,000.00	1,250.00	26,250.00		
3.	Officer	01/6/2022 - 30/6/2022	15,500.00	775.00	16,275.00	75,075.00	The salary increased to \$15,500 effective from 1 Jun 2022. The employment contract terminated on 19 Oct 2022. For Oct 2022 salary: \$15,500 x 19/31 = \$9,500
		01/07/2022 - 31/07/2022	15,500.00	775.00	16,275.00		
		01/08/2022 - 31/08/2022	15,500.00	775.00	16,275.00		
		01/09/2022 - 30/09/2022	15,500.00	775.00	16,275.00		
		01/10/2022 - 19/10/2022	9,500.00	475.00	9,975.00		
		01/11/2022 - 30/11/2022	0.00	0.00	0.00		
4.	Officer	01/6/2022 - 30/6/2022	0.00	0.00	0.00	22,558.20	The employment contract started on 26 Oct 2022. For Oct 2022: \$18,000 x 6/31 = \$3,484 The Employer MPF contribution started in Dec 2022. Therefore, the contribution was accrued in Nov 2022: Oct 2022 ER MPF \$174.2 (\$3,484 x 5%) + Nov 2022 ER MPF \$900 (\$18,000 x 5%) = \$1,074.2
		01/07/2022 - 31/07/2022	0.00	0.00	0.00		
		01/08/2022 - 31/08/2022	0.00	0.00	0.00		
		01/09/2022 - 30/09/2022	0.00	0.00	0.00		
		26/10/2022 - 31/10/2022	3,484.00	0.00	3,484.00		
		01/11/2022 - 30/11/2022	18,000.00	1,074.20	19,074.20		
5.	Part-time Helper	01/6/2022 - 30/6/2022	4,000.00	0.00	4,000.00	6,152.00	The employment contract started on 20 May 2022 and terminated on 30 Nov 2022. The Employer MPF contribution started in July 2022. For Jul 2022 ER MPF: May ER MPF \$104 (\$2,080 x 5%) + Jun ER MPF \$200 (\$4,000 x 5%) = \$304
		01/07/2022 - 31/07/2022	0.00	304.00	304.00		
		01/08/2022 - 31/08/2022	0.00	0.00	0.00		
		01/09/2022 - 30/09/2022	960.00	48.00	1,008.00		
		01/10/2022 - 31/10/2022	0.00	0.00	0.00		
		01/11/2022 - 30/11/2022	800.00	40.00	840.00		
6.	Part-time Helper	01/6/2022 - 30/6/2022	4,780.00	0.00	4,780.00	13,440.00	The employment contract started on 1 Jun 2022 and terminated on 30 Aug 2022. The Employer MPF contribution started in July 2022. For July 2022 ER MPF contribution: Jun 2022 ER MPF \$239 (\$4,780 x 5%) + Jul 2022 ER MPF \$194 (\$3,880 x 5%) = \$433
		01/07/2022 - 31/07/2022	3,880.00	433.00	4,313.00		
		01/08/2022 - 31/08/2022	4,140.00	207.00	4,347.00		
		01/09/2022 - 30/09/2022	0.00	0.00	0.00		
		01/10/2022 - 31/10/2022	0.00	0.00	0.00		
		01/11/2022 - 30/11/2022	0.00	0.00	0.00		
Total:			322,697.00	16,238.25	338,935.25	338,935.25	

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