



Oxfam Hong Kong

樂施會

Report of the Council Members and
Consolidated Financial Statements
for the year ended 31 March 2024

Report of the Council members

The Council members submit herewith their annual report together with the audited consolidated financial statements for the year ended 31 March 2024.

Business review

Objectives of business

Oxfam Hong Kong ("the company") is an independent international development and humanitarian organisation working against poverty and its related injustices. The company and its subsidiary ("the group") recognise that much poverty is caused by injustice and that poverty alleviation requires economic, social and structural change. The group works with people living in poverty and partner organisations on development, humanitarian, policy advocacy and public education programmes.

The group's work builds on its local understanding and identity, and focuses on mainland China, Hong Kong, Macau and Taiwan. The group also supports poverty alleviation and humanitarian activities in other parts of the world, where it can make the most valuable difference. The group works with other members of the Oxfam Confederation on international campaigns and programmes supporting people's right to development.

The group is exempted from tax under Section 88 of the Inland Revenue Ordinance.

Main areas of work

Development programmes

The group implements development programmes in impoverished areas to improve people's well-being, especially by strengthening their livelihoods and increasing their resilience to disasters. Through an integrated approach, the group works with local organisations and groups, especially women, to empower them to create positive change in their communities.

Emergencies

The well-being of poor and vulnerable people is at the core of the group's humanitarian and disaster risk management programmes. It integrates risk reduction strategies into its development work to reduce and mitigate disaster risks that threaten the well-being of people living in poverty.

When external help is required to respond to a disaster, the group works with local organisations to save lives; it delivers appropriate emergency relief items directly to affected communities and assists families and communities towards early recovery from disaster.

Campaigns and advocacy

Inter alia, poverty is caused by unjust and unfair policies and practices at the level of governments, institutions, corporations, and society in general. The group therefore conducts public campaigns and development education programmes to raise awareness about poverty and its causes and solutions; and develops and proposes poverty alleviation policies.

Business review (continued)

Internal and external environment

Social responsibility

The group actively advocates for corporate social responsibility in the international and local arena, campaigns against climate change, and calls for transparency and accountability on the part of businesses and governments. It is only right that the group upholds these standards too; as such, with regard to social and environmental responsibility, it has become a signatory to various local, regional and international charters, standards and codes.

Ending poverty through partnership

The group believes poverty can only be eradicated through partnership. It understands the needs of the underprivileged and identifies ways in which stakeholders can contribute and offer support. In practice, the group works hand in hand with people living in poverty, donors, frontline workers, local organisations, governments and the community at large to achieve the ultimate goal of a poverty-free future.

By becoming a monthly donor (i.e. Oxfam Partner), supporters receive the group's newsletters, project updates, invitations to its events and have opportunities to visit the group's projects in mainland China, Hong Kong as well as other areas. The group endeavours to maintain good work relations with local partners by conducting regular meetings. It also focuses on building up the capacity of partners by empowering them to fight for their rights and advocate for better policies. Special emphasis is placed on females in all that the group does in order to raise awareness about gender equality.

Equal opportunity

The group recruits, employs, promotes, transfers and develops its staff members regardless of gender, marital status, family status, sexuality, ethnicity or disability. At the group's headquarters, facilities are accessible for people with disabilities, and other mechanisms are in place to promote equal opportunity. To institutionalise its belief in equity and diversity, the group has established policies related to gender, diversity and sexual harassment, and has a union for its staff members.

Risks and uncertainties

Operating in the current social and economic environment is still challenging. In addition, local competition in terms of fundraising is fierce; new markets have to be explored in order to maintain business growth.

Business review (continued)

Safeguarding

The group steps up measures to prevent sexual misconduct by improving the safeguarding policies as well as helping employees to better understand safeguarding issues and their ethical obligations, and thus, to better protect employees, volunteers, and those who receive relief from it and enhance their ability to respond. The measures include setting up a hotline for whistleblower on malpractices, updating the sexual misconduct and malpractice policies regularly for the offices in Hong Kong, mainland China, Macau and Taiwan, and having regular communications and trainings on safeguarding issues. All employees have signed and are committed to upholding the code of conduct. The code of conduct sets forth the standard of conduct expected of employees and strictly prohibits them from misusing their power at work to seek personal gain; should they violate the code, they will be subject to disciplinary action.

In addition to holding the employees accountable to these standards, the group also requires the people and partners who work closely with it to sign a code of conduct for non-employees. The group is also fostering an organisational culture that upholds these values by encouraging employees to prevent inappropriate behaviour and raising its ethical standards.

Future development and strategies

The strategic goals of the group for the coming years are as follows:

- Fight poverty and related injustices by empowering individuals and communities and developing integrated interventions with focus to:
 - secure and enhance sustainable livelihoods in a just economy;
 - advance gender equality and eliminate gender-based discrimination;
 - alleviate adaption and mitigation of climate impacts on the vulnerable and poor communities;
 - support vulnerable communities to build resilience to disasters and provide life-saving support at the time of emergency.
- Continue to uphold the accountability of the group to its stakeholders, partners and the public through enhanced corporate governance, programme quality and communication of programme outcomes and impacts;
- Allocate resources to meet strategic and development needs through a robust fundraising mechanism;
- Continue to explore and develop more fundraising channels, including corporate donations and digitalisation;
- Improve organisational effectiveness and efficiency by investing in people and system.

Business review (continued)

Financial performance

- The group's revenue was HK\$198.2 million which was 4% or HK\$6.8 million increased from HK\$191.4 million in 2022/23.
- Monthly donations from Oxfam Partners amounted to HK\$121.3 million - a decrease of 5% or HK\$6.6 million from last year.
- Total income from the Oxfam Trailwalker amounted to HK\$20.2 million, while it recorded income of HK\$1.4 million from Oxfam Rice Event.
- The investment in programmes the group spent for the year amounted to HK\$157.7 million which represented 78% of the group's total expenditure.
- Management and administration costs, and fundraising and marketing costs amounted to HK\$7.3 million and HK\$37.6 million respectively, representing 3% and 19% of the group's total expenditure.

Continuous Public Support

The group is grateful for the generosity of its donors who have continued to support it under this challenging fundraising environment.

Donations from the public amounted to HK\$172.4 million, which represented 87% of its total revenue.

This year, the group raised HK\$3.4 million from the public for disaster relief work. It included HK\$2.7 million for Gaza Crisis and HK\$0.6 million for the Turkey and Syria Earthquake respectively.

The Disaster Relief Fund of the Government of Hong Kong Special Administrative Region granted the group HK\$16.9 million to provide disaster relief support, including HK\$2.4 million for the Cyclone in Malawi, HK\$4.1 million for the Typhoon in Philippines, HK\$4.6 million for the flooding in Jilin province and HK\$5.8 million for the Earthquake in Qinghai province of mainland China respectively. Furthermore, the group received HK\$4.2 million from the Government to support the projects in Hong Kong.

Business review (continued)

Investment in programmes

A total of HK\$158 million was spent on programmes this year, which represented 78% of the group's total expenditure.

With regard to the emergencies, it spent in the year a total of HK\$27.0 million including HK\$7.8 million for the Earthquakes in Türkiye & Syria and Qinghai province of mainland China, HK\$4.8 million for the Typhoon in the Philippines, HK\$2.4 million for the Cyclone in Malawi, HK\$5.3 million for floods in mainland China and HK\$3.1 million for humanitarian crisis in Bangladesh, Uganda and Gaza. Moreover, HK\$3.6 million was spent on recurrent emergencies such as public health, cyclical and climate-related disasters in mainland China and other places around the world.

The group categorise its programme expenditure by External Change Goals; the goal the group invested in the most was Sustainable Livelihood in Just Economies, which amounted to HK\$71 million, 45% of its total programme costs. Through this goal, it aims to secure and enhance sustainable livelihoods in a just economy. The group's spending on the goal Humanitarian Relief amounted to HK\$43.3 million. Through this goal, it aims to support vulnerable communities to build resilience to disasters and provide life-saving support at the time of emergency. Moreover, the group is highly concerned about Climate Justice with spending of HK\$19.6 million this year at this goal. Through this goal, it aims to alleviate adaption and mitigation of climate impacts on the vulnerable and poor communities. Besides, HK\$24.0 million was also spent for the goal Gender Justice this year. Through this goal, it aims to advance gender equality and eliminate gender-based discrimination.

Reserves

The group's Reserves Policy requires that it holds general reserves equivalent to a total of, or more than three to six months of total unrestricted expenditures to provide leeway for significant and unexpected downturn in revenue, so as to ensure that its programmes can continue as planned.

In 2023/24, the group recorded a deficit of HK\$4.1 million. At the end of the financial year, its reserves stood at HK\$135.3 million, representing a decrease of 3% from last year. The reserves include HK\$16million in restricted funds and HK\$119.3 million in operation reserves. This demonstrates that the group has been able to maintain and ensure its financial health.

Accountability measures

Management and administration costs – the costs required to run and maintain the group – represented 4% of its total expenditure this year. These expenses contributed to the group's governance, financial management, information technology systems, audit and legal services.

Fundraising and marketing costs include the cost of all activities aimed at raising donations, conducting market research, registering new donors, and issuing receipts to donors. These expenses represented 19% of the group's total expenditure.

Business review (continued)

Whenever the group makes an appeal for a humanitarian disaster, it covers the core operational costs using its central funds, thereby ensuring that every dollar donated by the public goes to the urgent work at hand. A separate account is established for each emergency.

In addition to the Oxfam Confederation Financial Standards, the group also complies with the International Non-Governmental Organisations Accountability Charter.

Internal controls

The Finance, Risk and Audit Committee, chaired by the Treasurer of the Oxfam Hong Kong Council, meets regularly to review and discuss all financial, risk, auditing and internal control issues related to the group. This enables the group to evaluate and improve the effectiveness of its risk management practices, control framework and governance processes.

Green policy

The group seeks to achieve sustainable development for people living in poverty. At the same time, the group needs to be aware of the impact of all of its activities on the environment and on communities.

Throughout the group's work towards a safer, fairer and more sustainable world, it is committed to minimising and continuously reducing the negative impacts of its own operations.

The group considers the impact of every project, operation and activity on the environment and communities. People across the organisation are asked to report on specific data that contributes to the measurement and reporting of corporate key performance indicators. These management routines are set up to be cost effective and sustainable.

Across the organisation, the group applies the principles of reduce, reuse, repair and recycle to minimise its environmental impact.

The group complies with all relevant local legislations and international conventions.

Principal activity

The principal activity of the company is to act as a development and relief agency with the objective of relieving poverty, distress and suffering regardless of nationality, race, political system, religion, gender or colour.

Reserves

Details of movements in the reserves of the company during the year are set out in note 18(a) to the financial statements.

The Council members of the company have adopted a reserve policy based on responsibility for organisational security, and stability of poverty alleviation and relief programmes.

Council members

The Council members of the company during the financial year and up to the date of this report were:

Chan, Man Tuen Irene	
Cheung, Yuk Tong	
Chin, Sherman C	
Cruz Da Costa Alvares, Jose Maria	
Fong Po Kiu	
Jacota, Lakshmi Kiran	
Kam, Hugh Alexander Tsun-Ting	
Lamb, Russell David	(appointed on 9 December 2023)
Leung, Hau Shun Agnes	(resigned on 17 January 2024)
Ma, Ka Ming Teresa	
Ng, Wai Huk Allan	
Porritt, Wayne Robert	
Pun, Ngai	(retired on 16 September 2023)
Pun, Po Ping Betty	(appointed on 9 December 2023)
Setchina, Alexandra Andreevna	
Sharma, Vivek	
Yu, Tsuen Kweun	

The board of directors of the subsidiary of the company during the financial year and up to the date of this report were:

Chan, Bernard Charnwut	
Chin, Sheman C	(retired on 14 May 2024)
Cruz Da Costa Alvares, Jose Maria	(appointed on 13 May 2023)
Lai, Wai Leung Dicky	
Lamb, Russell David	(appointed on 14 May 2024)
Yu, Tsuen Kweun	

In accordance with articles 53 to 55 of the company's articles of association, one-third of the Council members (except the Chairperson, Vice-Chairperson(s) and Treasurer) shall retire every year and those who are to retire shall be those who have been longest in office since their last election. All retiring members shall be eligible for re-election.

At no time during the year was the company, or any of its subsidiary a party to any arrangement to enable the Council members of the company to acquire benefits by means of the acquisition of debentures, if any, of the company or any other body corporate.

No transaction, arrangement or contract of significance to which the company, or any of its subsidiary was a party and in which a Council member of the company had a material interest, subsisted at the end of the year or at any time during the year.

Auditors

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Council

A handwritten signature in blue ink, appearing to read 'A. Haams', is written over a faint horizontal line.

Council member

23 AUG 2024

Independent auditor's report to the Council members of Oxfam Hong Kong

(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the consolidated financial statements of Oxfam Hong Kong ("the company") and its subsidiary ("the group") set out on pages 12 to 46, which comprise the consolidated statement of financial position as at 31 March 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in reserves and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, comprising material accounting policies information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the group as at 31 March 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the consolidated financial statements and auditor's report thereon

The Council members are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the Council members of Oxfam Hong Kong (continued)

(Incorporated in Hong Kong and limited by guarantee)

Responsibilities of the Council members for the consolidated financial statements

The Council members are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the Council members determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Council members are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council members either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

Independent auditor's report to the Council members of Oxfam Hong Kong (continued)

(Incorporated in Hong Kong and limited by guarantee)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council members.
- Conclude on the appropriateness of the Council members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Certified Public Accountants

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

23 AUG 2024

Consolidated statement of comprehensive income for the year ended 31 March 2024 (Expressed in Hong Kong dollars)

	Note	2024 \$'000	2023 \$'000
Income			
Institutional fundraising income	3	21,046	10,636
Public fundraising income	4	172,415	175,298
Interest income	5	3,320	1,575
Other income		1,445	3,884
		<u>198,226</u>	<u>191,393</u>
Expenditure			
Programme implementation costs		126,610	117,753
Programme management costs		31,061	28,288
Fundraising and marketing costs	6	37,633	31,404
Management and administration costs		7,325	7,530
Foreign exchange differences, net		(421)	735
Finance cost	7a	102	-
		<u>202,310</u>	<u>185,710</u>
(Deficit)/Surplus and total comprehensive income for the year	7	<u>(4,084)</u>	<u>5,683</u>

The notes on pages 19 to 46 form part of these consolidated financial statements.

Consolidated statement of financial position at 31 March 2024 (Expressed in Hong Kong dollars)

	Note	2024 \$'000	2023 \$'000
Non-current assets			
Property, plant and equipment	10	62,462	50,927
Current assets			
Inventories	11	-	4
Prepayments, deposits and other receivables	12	7,406	5,812
Amounts due from Oxfam affiliates	13	-	604
Cash and bank balances	14	98,306	114,858
		105,712	121,278
Current liabilities			
Accounts and other payables	15	20,227	17,167
Grants payable	15	1,286	1,949
Deferred revenue	16	7,880	8,686
Lease liabilities	17	1,096	-
Amount due to an Oxfam affiliate	13	1,207	5,039
		31,696	32,841
Net current assets		74,016	88,437
Non-current liabilities			
Lease liabilities	17	1,198	-
NET ASSETS		135,280	139,364

Consolidated statement of financial position
at 31 March 2024 (continued)
(Expressed in Hong Kong dollars)

	Note	2024 \$'000	2023 \$'000
Represented by:			
RESERVES	18(b)	<u>135,280</u>	<u>139,364</u>

Approved and authorised for issue by the Council members on 23 AUG 2024

Sharma, Vivek		)	
		)	Council member
		)	
Setchina, Alexandra Andreevna		)	
		)	Council member
		)	

The notes on pages 19 to 46 form part of these consolidated financial statements.

Consolidated statement of changes in reserves for the year ended 31 March 2024

(Expressed in Hong Kong dollars)

	Africa development fund (Note 18(b)(i)) \$'000	China development fund (Note 18(b)(ii)) \$'000	Education fund (Note 18(b)(iii)) \$'000	Smallholder farmers development fund (Note 18(b)(iv)) \$'000	Operation reserve \$'000	Other restricted reserve (Note 18(b)(v)) \$'000	Total reserves \$'000
At 1 April 2022	5,416	-	10,420	-	116,560	1,285	133,681
Changes in reserves for 2022:							
(Deficit)/surplus and total comprehensive income for the year	(9,275)	(3,555)	2,429	(3,264)	16,363	2,985	5,683
Transfers	3,859	3,555	-	3,264	(9,662)	(1,016)	-
At 31 March 2023	-	-	12,849	-	123,261	3,254	139,364

Consolidated statement of changes in reserves for the year ended 31 March 2024 (continued) (Expressed in Hong Kong dollars)

	Africa development fund (Note 18(b)(i)) \$'000	China development fund (Note 18(b)(ii)) \$'000	Education fund (Note 18(b)(iii)) \$'000	Smallholder farmers development fund (Note 18(b)(iv)) \$'000	Operation reserve \$'000	Other restricted reserve (Note 18(b)(v)) \$'000	Total reserves \$'000
At 1 April 2023	-	-	12,849	-	123,261	3,254	139,364
Changes in reserves for 2023:							
(Deficit)/surplus and total comprehensive income for the year	2,979	(2,206)	(3,683)	(3,558)	1,825	559	(4,084)
Transfers	-	2,206	-	3,558	(5,764)	-	-
At 31 March 2024	<u>2,979</u>	<u>-</u>	<u>9,166</u>	<u>-</u>	<u>119,322</u>	<u>3,813</u>	<u>135,280</u>

The notes on pages 19 to 46 form part of these consolidated financial statements.

Consolidated cash flow statement for the year ended 31 March 2024 (Expressed in Hong Kong dollars)

	Note	2024 \$'000	2023 \$'000
Operating activities			
(Deficit)/surplus for the year		(4,084)	5,683
Adjustments for:			
Bank interest income	5	(3,320)	(1,575)
Depreciation	7(c)	5,195	3,113
Loss/(gain) on disposals of property, plant and equipment	7(c)	41	(2)
Interest expense	7(a)	102	-
Exchange loss/(gain)		-	2
Operating (deficit)/surplus before changes in working capital		(2,066)	7,221
Decrease in inventories		4	19
Increase in prepayments, deposits and other receivables		(1,594)	(1,506)
Increase in accounts and other payables		3,060	4,061
Decrease/(increase) in amount due from Oxfam affiliates		604	(604)
(Decrease)/increase in grants payable		(663)	832
Decrease in deferred revenue		(806)	(4,341)
(Decrease)/increase in amount due to an Oxfam affiliate		(3,832)	5,039
Net cash (used in)/generated from operating activities		(5,293)	10,721

Consolidated cash flow statement for the year ended 31 March 2024 (continued)

(Expressed in Hong Kong dollars)

	Note	2024 \$'000	2023 \$'000
Investing activities			
Interest received		3,320	1,575
Payment for the purchases of property, plant and equipment		(13,749)	(3,242)
Proceed from disposal of property, plant and equipment		-	2
Decrease/(increase) in time deposits with original maturities of more than three months when acquired		3,000	(77,000)
Net cash used in investing activities		(7,429)	(78,665)
Financing activities			
Interest element on lease rentals paid	14(b)	(102)	-
Capital element on lease rentals paid	14(b)	(728)	-
Net cash used in financing activities		(830)	-
Net decrease in cash and cash equivalents		(13,552)	(67,944)
Cash and cash equivalents at 1 April		37,858	105,802
Cash and cash equivalents at 31 March	14(a)	24,306	37,858

The notes on pages 19 to 46 form part of these consolidated financial statements.

Notes to the consolidated financial statements

(Expressed in Hong Kong dollars)

1 Background of the company

Oxfam Hong Kong is incorporated in Hong Kong as a company limited by guarantee. The registered office of the company is located at 17/F, China United Centre, 28 Marble Road, North Point, Hong Kong.

The company is a non-profit making organisation. The company acts as a development and relief agency with the objective of relieving poverty, distress and suffering regardless of nationality, race, political system, religion, gender or colour.

2 Material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. Material accounting policies adopted by the company and its subsidiary (together referred to as "the group") are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the consolidated financial statements

These consolidated financial statements for the year ended 31 March 2024 comprise the company and its subsidiary.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 Material accounting policies (continued)

(c) Changes in accounting policies

(i) Amended HKFRS

The group has applied the following new and amended HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*

None of these developments have had a material effect on how the group's results and financial position for the current or prior periods has been prepared or presented. The group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(ii) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022 the Hong Kong SAR Government (the "Government") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance"), which will come into effect from 1 May 2025 (the "Transition Date"). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund ("MPF") scheme to reduce the long service payment ("LSP") in respect of an employee's service from the Transition Date (the abolition of the "offsetting mechanism"). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

The group has assessed the implications of this new guidance and concluded that it does not have a material impact on these financial statements.

2 Material accounting policies (continued)

(d) *Subsidiaries*

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the group has power, only substantive rights (held by the group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses.

(e) *Property, plant and equipment*

Property, plant and equipment, including right-of-use assets arising from leases of underlying property, plant and equipment (see note 2(f)), are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using straight-line method over their estimated useful lives as follows:

- Ownership interests in land held for own use	Over the lease term
- Properties leased for own use	Over the lease term
- Ownership interests in building held for own use	50 years
- Leasehold improvements	Over the shorter of the lease term and 5 to 25 years
- Furniture and fixtures	5 years
- Computer equipment	4 years
- Office equipment and motor vehicles	5 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

2 Material accounting policies (continued)

(e) *Property, plant and equipment (continued)*

The carrying amounts of property, plant and equipment are reviewed for indications of impairment at the end of each reporting period. An impairment loss is recognised in surplus or deficit if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in surplus or deficit on the date of retirement or disposal.

(f) *Leased assets*

At inception of a contract, the group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the group enters into a lease in respect of a low-value item, the group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

2 Material accounting policies (continued)

(f) Leased assets (continued)

(i) As a lessee (continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(e)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy carried at amortised cost.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, or if the group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(g) Inventories

Inventories are assets which are held for sale in the ordinary course of business or in the form of materials or supplies to be consumed in the rendering of services.

Inventories represents humanitarian supplies. Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When humanitarian supplies are utilised or sold, the carrying amount of those inventories are recognised and included in programme implementation costs.

Obsolete inventories are written off. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2 Material accounting policies (continued)

(h) Receivables

A receivable is recognised when the company has a contractual right to receive cash or another financial assets and initially recognised at fair value.

Receivables are stated at amortised cost using the effective interest method and including an allowance for credit losses as determined below:

The group recognise a loss allowance equal to 12-month expected credit losses (ECLs) unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECL.

ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in surplus or deficit. The group recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of the receivables through a loss allowance account.

The gross carrying amount of the receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, having been within three months of maturity at acquisition.

(j) Accounts and other payables

Accounts and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(k) Employment benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, staff welfare costs and contributions to defined contribution retirement schemes are accrued in the year in which the associated services are rendered by employees of the group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values. The employee benefits are recognised as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense

(ii) Long service payment

The provision for long service payment is based on the present value of expected future payments required to settle the obligation resulting from the employee service in the current and prior years.

2 Material accounting policies (continued)

(l) Provisions and contingent liabilities and onerous contracts

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the group recognises any impairment loss on the assets associated with that contract.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(m) Income

(i) Institutional fundraising income

Institutional fundraising income is designated for specific purposes and recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the group will comply with the conditions, if any, attached to them. Grants that compensate the group for expenses incurred are recognised as income in surplus or deficit on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the group for the cost of an asset are recognised in surplus or deficit on a systematic basis over the useful life of the asset.

(ii) Public fundraising income

Public fundraising income is recognised when the group becomes entitled to the donations and it is probable that they will be received, which is generally upon the receipt of cash. Any surplus of receipts over expenditure on the group's activities are classified as accounts payable under current liabilities if refundable to respective donors and reserve funds if repayment is not required by donors.

(iii) Sale of goods

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods promised under the contract on a relative stand-alone selling price basis.

2 Material accounting policies (continued)

(m) Revenue and other income (continued)

(iv) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of the financial assets.

(v) Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the group will comply with the conditions attaching to them. Grants that compensate the group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

(n) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in surplus or deficit.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from exchange reserve to surplus or deficit when the surplus or deficit on disposal is recognised.

2 Material accounting policies (continued)

(o) Related parties

- (a) A person, or a close member of that person's family, is related to the group if that person:
 - (i) has control or joint control over the group;
 - (ii) has significant influence over the group; or
 - (iii) is a member of the key management personnel of the group or the group's parent.
- (b) An entity is related to the group if any of the following conditions applies:
 - (i) The entity and the group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 Institutional fundraising income

	2024 \$'000	2023 \$'000
Government	21,028	8,556
Oxfam's Affiliates	18	1,444
Other institutions	-	636
	<u>21,046</u>	<u>10,636</u>

4 Public fundraising income

	2024 \$'000	2023 \$'000
Oxfam Partners	121,335	127,936
Oxfam Trailwalker event (note (i))	20,202	11,791
Humanitarian appeals	3,450	5,200
Oxfam Rice event	1,433	773
Other public fundraising income (note (ii))	<u>25,995</u>	<u>29,598</u>
	<u>172,415</u>	<u>175,298</u>

Notes:

- (i) Includes total income of \$3,648,000 (2023: \$2,808,000) from those donors for Oxfam Trailwalker who have attained a specified donation threshold and are eligible for the lottery draw of Oxfam Trailwalker.
- (ii) For the year ended 31 March 2024, donation income of \$Nil (2023: \$402,000) was received from The Hong Kong Jockey Club Charities Trust which was included in other public fundraising income.

5 Interest income

	2024 \$'000	2023 \$'000
Bank interest income	<u>3,320</u>	<u>1,575</u>

6 Fundraising and marketing costs

	2024 \$'000	2023 \$'000
Fundraising and communication costs	37,633	31,404

7 (Deficit)/surplus for the year

(Deficit)/surplus for the year is arrived at after charging/(crediting):

	2024 \$'000	2023 \$'000
(a) Finance costs		
Interest on lease liabilities	102	-
(b) Staff costs		
Salaries, wages and other benefits*	52,141	50,463
Contributions to defined contribution retirement plan*	2,406	2,398
	54,547	52,861
(c) Other items		
Depreciation*		
- owned property, plant and equipment	3,192	1,821
- right-of-use assets	2,003	1,292
Expense relating to short-term leases*	624	777
Auditors' remuneration	505	506
Cost of inventories expensed	4	21
Loss/(gain) on disposals of property, plant and equipment	41	(2)
Government grants (note (i))	-	(2,156)

- (i) During the year ended 31 March 2023, the group successfully applied for funding support from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Hong Kong Special Administrative Region. The purpose of the funding was to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the group was required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees. The grants received were included in other income in the consolidated statement of comprehensive income for the year ended 31 March 2023.

7 (Deficit)/surplus for the year (continued)

* The respective amounts were consistently included in programme implementation costs, programme management costs, fundraising and marketing costs and management and administration costs according to the basis determined by the management:

		2024				
		Programme implementation costs \$'000	Programme management costs \$'000	Fundraising and marketing costs \$'000	Management and administration costs \$'000	Total \$'000
(a)	Staff costs					
	Salaries, wages and other benefits	20,548	11,922	15,844	3,827	52,141
	Contributions to defined contribution retirement plan	447	442	784	733	2,406
		20,995	12,364	16,628	4,560	54,547
(b)	Other items					
	Depreciation	1,014	1,671	2,014	496	5,195
	Expense relating to short-term leases	-	518	-	106	624
		2023				
		Programme implementation costs \$'000	Programme management costs \$'000	Fundraising and marketing costs \$'000	Management and administration costs \$'000	Total \$'000
(a)	Staff costs					
	Salaries, wages and other benefits	19,909	11,668	14,485	4,401	50,463
	Contributions to defined contribution retirement plan	359	476	788	775	2,398
		20,268	12,144	15,273	5,176	52,861
(b)	Other items					
	Depreciation	768	919	1,260	166	3,113
	Expense relating to short-term leases	-	622	1	154	777

8 Taxation

No provision for taxation is required in these consolidated financial statements as the company is exempt from taxation pursuant to section 88 of the Hong Kong Inland Revenue Ordinance during the current and prior years.

No provision for taxation is required in these consolidated financial statements as the subsidiary is exempt from taxation pursuant to the law no. 11/96/M of the laws of Macau during the current and prior years.

9 Council members' emoluments

Council members' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, for the year is \$Nil (2023: \$Nil).

10 Property, plant and equipment

	Ownership interests in land and buildings held for own use \$'000	Properties leased for own use \$'000	Leasehold improvements \$'000	Furniture and fixtures \$'000	Computer equipment \$'000	Office equipment and motor vehicles \$'000	Total \$'000
Cost:							
At 31 March 2022	64,614	-	12,099	784	23,101	1,863	102,461
Additions	-	-	104	-	3,062	76	3,242
Disposals	-	-	(175)	(3)	(34)	(36)	(248)
At 31 March 2023 and 1 April 2023	64,614	-	12,028	781	26,129	1,903	105,455
Additions	-	3,022	10,741	189	1,955	864	16,771
Disposals	-	-	(4,517)	(775)	(10,135)	(1,482)	(16,909)
At 31 March 2024	64,614	3,022	18,252	195	17,949	1,285	105,317
Accumulated depreciation:							
At 31 March 2022	(22,893)	-	(5,214)	(784)	(20,969)	(1,803)	(51,663)
Charge for the year	(1,292)	-	(336)	-	(1,445)	(40)	(3,113)
Written back on disposals	-	-	175	3	34	36	248
At 31 March 2023 and 1 April 2023	(24,185)	-	(5,375)	(781)	(22,380)	(1,807)	(54,528)
Charge for the year	(1,292)	(711)	(1,503)	(22)	(1,525)	(142)	(5,195)
Written back on disposals	-	-	4,516	775	10,119	1,458	16,868
At 31 March 2024	(25,477)	(711)	(2,362)	(28)	(13,786)	(491)	(42,855)
Net book value:							
At 31 March 2024	39,137	2,311	15,890	167	4,163	794	62,462
At 31 March 2023	40,429	-	6,653	-	3,749	96	50,927

10 Property, plant and equipment (continued)

Right-of-use assets

	2024 \$'000	2023 \$'000
Net book value of right-of-use assets		
As at 1 April	40,429	41,721
Additions	3,022	-
Depreciation	(2,003)	(1,292)
As at 31 March	<u>41,448</u>	<u>40,429</u>

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Note	31 March 2024 \$'000	31 March 2023 \$'000
Ownership interests in leasehold land and buildings held for own use, carried at depreciated cost in:			
- the People's Republic of China ("the PRC") with remaining lease term of between 10 and 50 years	(i)	499	520
- Hong Kong with remaining lease term of 50 years or more		<u>38,638</u>	<u>39,909</u>
		39,137	40,429
Other properties leased for own use, carried at depreciated cost	(ii)	<u>2,311</u>	-
		<u>41,448</u>	<u>40,429</u>

10 Property, plant and equipment (continued)

Right-of-use assets (continue)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2024 \$'000	2023 \$'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Ownership interests in leasehold land and buildings held for own use	1,292	1,292
Properties leased for own use	711	-
	2,003	1,292
Interest on lease liabilities	102	-
Expense relating to short-term leases	624	777

(i) Ownership interests in leasehold land and buildings held for own use

The group holds several properties for its business where its local and the Chinese offices are located. The group is the registered owner of these property interests, including the whole or part of undivided share in the underlying land. Lump sum payments were made upfront to acquire these property interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

(ii) Other properties leased for own use

The group has obtained the right to use other properties as its warehouses and office through tenancy agreements. The leases typically run for an initial period of 1 to 3 years.

During the year, additions to right-of-use assets were \$3,022,000 (2023: \$Nil). This amount mainly related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash flows for leases and the maturity analysis of lease liabilities are set out in notes 14(c) and 17 respectively.

11 Inventories

	2024 \$'000	2023 \$'000
Humanitarian supplies	-	4

The analysis of the amount of inventories recognised as an expense and included in surplus or deficit is as follows:

	2024 \$'000	2023 \$'000
Carrying amount of inventories consumed	4	21

12 Prepayments, deposits and other receivables

	2024 \$'000	2023 \$'000
Prepayments, deposits and other receivables	7,406	5,812

All of the prepayments, deposits and other receivables, are expected to be recovered or recognised as expense within one year.

13 Amounts due from/(to) Oxfam affiliates

The amounts due from Oxfam affiliates are unsecured, interest-free and recoverable on demand.

The amount due to an Oxfam affiliate is unsecured, interest-free and repayable on demand. It comprises a contribution fee payable in relation to collective funding of \$Nil (2023: \$4,053,000).

14 Cash and bank balances

(a) Cash and bank balances comprise:

	2024 \$'000	2023 \$'000
Cash and cash equivalents as stated in the consolidated cash flow statement	24,306	37,858
Time deposits with original maturity of more than three months when acquired	74,000	77,000
Cash and bank balances as stated in the consolidated statement of financial position	98,306	114,858

14 Cash and bank balances (continued)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the cash flows from financing activities.

	<i>Lease liabilities</i> (note 17) \$'000
At 1 April 2022, 31 March 2023 and 1 April 2023	----- -
Change from financing cash flows:	
Payment of interest element of lease liabilities	(102)
Payment of capital element of lease liabilities	(728)

Total change from financing cash flows	----- (830)
Other changes:	
Increase in lease liabilities from entering into new leases during the period	3,022
Interest expenses	102

Total other changes	----- 3,124
At 31 March 2024	----- 2,294

(c) Total cash outflow for leases

Amounts included in the consolidated cash flow statement for leases comprise the following:

	2024 \$'000	2023 \$'000
Within operating cash flows	624	777
Within financing cash flows	830	-
	-----	-----
	1,454	777

15 Accounts and other payables and grants payable

	2024 \$'000	2023 \$'000
Accounts payable	1,542	4,536
Other payables and accrued charges	18,685	12,631
	<u>20,227</u>	<u>17,167</u>
Grants payable	<u>1,286</u>	<u>1,949</u>

All of the accounts and other payables and grants payable are expected to be settled or recognised as income within one year or are repayable on demand.

16 Deferred revenue

All of the deferred revenue are expected to be settled or recognised as income within one year or are repayable on demand.

17 Lease liabilities

The following table shows the remaining contractual maturities of the group's lease liabilities at the end of the current reporting periods:

	2024	
	<i>Present value of minimum lease payments</i> \$'000	<i>Total minimum lease payments</i> \$'000
Within 1 year	1,096	1,206
After 1 year but within 2 years	845	894
After 2 years but within 5 years	353	358
	<u>1,198</u>	<u>1,252</u>
	<u>2,294</u>	<u>2,458</u>
Less: total future interest expenses		<u>(164)</u>
Present value of lease liabilities		<u>2,294</u>

18 Reserves

(a) Movements in components of reserves

The reconciliation between the opening and closing balances of each component of the group's consolidated reserves is set out in the consolidated statement of changes in reserves. Details of the changes in the company's individual components of reserves between the beginning and the end of the year are set out below:

The company

	Africa development fund (Note 18(b)(i)) \$'000	China development fund (Note 18(b)(ii)) \$'000	Education fund (Note 18(b)(iii)) \$'000	Smallholder farmers development fund (Note 18(b)(iv)) \$'000	Operation reserve \$'000	Other restricted reserve (Note 18(b)(v)) \$'000	Total reserves \$'000
At 1 April 2022	5,476	(64)	10,243	(38)	118,248	1,282	135,147
Changes in reserves for 2023:							
(Deficit)/surplus and total comprehensive income for the year	(5,640)	(599)	2,117	13	5,743	1,847	3,481
At 31 March 2023	(164)	(663)	12,360	(25)	123,991	3,129	138,628

18 Reserves (continued)

(a) Movements in components of reserves (continued)

	Africa development fund (Note 18(b)(i)) \$'000	China development fund (Note 18(b)(ii)) \$'000	Education fund (Note 18(b)(iii)) \$'000	Smallholder farmers development fund (Note 18(b)(iv)) \$'000	Operation reserve \$'000	Other restricted reserve (Note 18(b)(v)) \$'000	Total reserves \$'000
At 1 April 2023	(164)	(663)	12,360	(25)	123,991	3,129	138,628
Changes in reserves for 2024:							
(Deficit)/surplus and total comprehensive income for the year	592	(1,687)	(6,202)	(1,218)	(1,350)	(650)	(10,515)
Transfers	-	2,350	-	1,243	(3,593)	-	-
At 31 March 2024	428	-	6,158	-	119,048	2,479	128,113

18 Reserves (continued)

(b) Nature and purpose of reserves

Reserves are defined as resources that the group has or can make available to spend for charitable purposes once the group has met its commitments and covered its other planned expenditure. The group follows a reserve policy approved and reviewed annually by the Council. The current policy includes a statement that the group will hold general reserves (net of property, plant and equipment) equivalent to a total of three to six months' unrestricted expenditure that includes both grants and operational expenditure, based on the approved budget. The management confirmed that such a policy had been complied with during the year.

Donation income is initially recorded in the respective funds according to the designated purpose of the donors.

(i) Africa development fund

The Africa development fund represents a commitment towards long-term development work and emergency relief in Africa. Expenses of the Africa development fund include a portion of programme development, management and administration and fundraising costs to reflect the level of activity in connection with the operation of the fund. When there is a deficit in this fund, it will be replenished by transferring funds from the operation reserve.

(ii) China development fund

The China development fund represents a commitment towards long-term development work and emergency relief in China. Expenses of the China development fund include a portion of programme development, management and administration and fundraising costs to reflect the level of activity in connection with the operation of the fund. During the current and the prior years, there was a deficit in this fund which was replenished by transferring funds from the operation reserve.

(iii) Education fund

The Education fund represents a commitment towards long-term education work in Africa, China and other countries in Asia. Expenses of the Education fund include a portion of programme development, management and administration and fundraising costs to reflect the level of activity in connection with the operation of the fund. When there is a deficit in this fund, it will be replenished by transferring funds from the operation reserve.

(iv) Smallholder farmers development fund

The Smallholder farmers development fund represents a commitment towards long-term development work for smallholder farmers. Expenses of the Smallholder farmers development fund include a portion of programme development, management and administration and fundraising costs to reflect the level of activity in connection with the operation of the fund. During the current and prior years, there was a deficit in this fund which was replenished by transferring funds from the operation reserve.

18 Reserves (continued)

(v) Other restricted reserve

The other restricted reserve represents project based commitment towards funding from institutional fundraising income. Expenses of the other restricted reserve include a portion of programme development, management and administration and fundraising costs to reflect the level of activity in connection with the operation of the fund.

Apart from the above specific funds, all the group's unrestricted funds are included in the operation reserve.

19 Financial instruments

Exposure to credit, liquidity, currency and equity price risks arises in the normal course of the group's operations. The group's exposure to these risks and the financial risk management policies and practices used by the group to manage these risks are described below.

(a) Credit risk

The group's credit risk is primarily attributable to cash and cash equivalents and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The group's bank deposits and cash and cash equivalents are placed with major financial institutions.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. The group does not provide any guarantees which would expose the group to credit risk.

(b) Liquidity risk

The group's policy is to regularly monitor its current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

(c) Currency risk

The group's operations are principally conducted in Hong Kong and has limited exposure to currency risks which arise from foreign currency receipts and payments for programmes implemented overseas.

20 Commitments

Commitments outstanding at 31 March 2024 not provided for in the consolidated financial statements were as follows:

	2024 \$'000	2023 \$'000
Contracted for:		
- Services to be provided by vendors	269	987
- Computer software and hardware	1,467	563
	<u>1,736</u>	<u>1,550</u>
Grants commitments	<u>19,576</u>	<u>31,818</u>

21 Material related party transactions

(a) During the year, the group entered into the following material related party transactions:

	2024 \$'000	2023 \$'000
Net grants to Oxfam's affiliates		
Oxfam Great Britain	20,524	23,312
Stichting Oxfam International	18,605	19,687
Oxfam Novib	7,910	3,475
Oxfam Philippines	5,714	-
Oxfam Turkey	1,852	42
Oxfam Australia	491	-
Oxfam America	140	140
Oxfam Mexico	39	379
Oxfam South Africa	-	287
Oxfam Belgium	-	499
Oxfam Colombia	-	1,560
	<u>55,275</u>	<u>49,381</u>

21 Material related party transactions (continued)

(b) Key management personnel remuneration

Key management personnel consists of Director General, Director of Fundraising and Communications, Director of Hong Kong, Macau, Taiwan Programme Unit, Director of Operations, China Programme Director and Deputy China Programme Director.

Remuneration for key management personnel is as follows:

	2024 \$'000	2023 \$'000
Salaries, allowance and benefits in kind	5,930	5,732
Contributions to defined contribution retirement plan	346	337
	<u>6,276</u>	<u>6,069</u>

22 Statement of financial position of the company

	Note	2024 \$'000	2023 \$'000
Non-current assets			
Property, plant and equipment		60,099	50,851
Right-of-use assets		2,310	-
Investment in a subsidiary	22(a)	-	-
		<u>62,409</u>	<u>50,851</u>
Current assets			
Inventories		-	4
Prepayments, deposits and other receivables		7,278	5,684
Amount due from a subsidiary		-	6,105
Amount due from Oxfam affiliates		-	604
Cash and cash equivalents		<u>96,061</u>	<u>107,740</u>
		<u>103,339</u>	<u>120,137</u>
Current liabilities			
Accounts and other payables		20,093	16,686
Grants payable		1,286	1,949
Deferred revenue		7,879	8,686
Amount due to a subsidiary		4,876	-
Amount due to an Oxfam affiliate		1,207	5,039
Lease liabilities		<u>1,096</u>	<u>-</u>
		<u>36,437</u>	<u>32,360</u>
Net current assets		<u>66,902</u>	<u>87,777</u>
Non-current liabilities			
Lease liabilities		<u>1,198</u>	<u>-</u>
NET ASSETS		<u>128,113</u>	<u>138,628</u>
Represented by:			
RESERVES	18(a)	<u>128,113</u>	<u>138,628</u>

Approved and authorised for issue by the Council members on:

Sharma, Vivek



) Council member

Setchina, Alexandra Andreevna



) Council member

22 Statement of financial position of the company (continued)

(a) Investment in a subsidiary

Details of the company's subsidiary at 31 March 2024 are as follows:

<i>Name of company</i>	<i>Place of incorporation and operation</i>	<i>Particulars of share capital</i>	<i>Proportion of ownership interest held by the company</i>	<i>Principal activity</i>
Oxfam in Macau (formerly known as "Oxfam Hong Kong - Macau Office")	Macau	Nil (limited by guarantee)	100%	Relief of poverty, distress and suffering

23 Information on the fund-raising activities requiring Public Subscription Permit from Social Welfare Department

As stipulated by the Laws of Hong Kong, the company applied for Public Subscription Permits ("PSP") from the Social Welfare Department for the allowing fund-raising activities. The PSP allowed the group to conduct fund-raising activities in public area to raise donations for poverty alleviation projects. During the period from 1 January 2023 to 31 December 2023, income and expenditure of the public fund-raising activities is as below:

<i>Public Subscription Permit No.</i>	<i>Name of fund-raising activities</i>	<i>Gross income raised \$'000</i>	<i>Gross expenditure incurred \$'000</i>	<i>Net proceeds \$'000</i>	<i>Usage of the net proceeds</i>
2022/127/1-2022/127/28	Solicitation of Signed Authorisation Forms ("SSAF") (held during 1 January 2023 to 31 December 2023)	49,346	1,464	47,882	For poverty alleviation projects, as well as fundraising and operating expenses.
2023/045/1-2023/045/2	Oxfam rice event (held on 10, 11, 17 and 18 June 2023)	303	164	139	For Oxfam projects on alleviating poverty works

24 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, and a new standard, which are not yet effective for the year ended 31 March 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the group.

*Effective for
accounting periods
beginning on or after*

Amendments to HKAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments")</i>	1 January 2024
Amendments to HKAS 1, <i>Presentation of financial statements: Non-current liabilities with covenants ("2022 amendments")</i>	1 January 2024
Amendments to HKFRS 16, <i>Leases: Lease liability in a sale and leaseback</i>	1 January 2024
Amendments to HKAS 7, <i>Statement of cash flows and HKFRS 7, Financial Instruments: Disclosures: Supplier finance arrangements</i>	1 January 2024
Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	1 January 2025

The group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.