

**The Association of Evangelical Free
Churches of Hong Kong**

Income and Expenditure Account

**Flag Day Fund Raising Event
on 11 March 2017**

(Public Subscription Permit No. FD/T002/2016)

**Lau Wah Ching
Certified Public Accountant (Practising)**



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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

To:
The Executive Committee,
The Association of Evangelical Free Churches of Hong Kong,
("the Association")

Public Subscription Permit No.: FD/T002/2016

Pursuant to the conditions stated in the Public Subscription Permit issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region ("SWD"), I have been requested to report on the attached income and expenditure account of the Association's flag day fund-raising activity held on 11 March 2017 (the Event)

Responsibilities of the Executive Committee members

The Executive Committee members of the Association are responsible for preparing the attached income and expenditure account in accordance with the basis of preparation set out in note 1 , setting out the gross subscriptions raised from the Event and the expenses incurred in connection with the Event, in order to comply with the conditions stated in the Public Subscription Permit issued by the SWD. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the income and expenditure account so that it reflects the subscriptions raised and expenses incurred in connection with the Event and is free from material misstatement.

My Independence and Quality Control

I have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

I apply Hong Kong Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



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Practitioner's Responsibilities

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

I conducted my engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 850 "Reporting on Flag days and General Charitable Fund-raising Activities Covered by Public Subscription Permits issued by the Social Welfare Department" issued by the HKICPA. I have planned and performed my work to obtain limited assurance for giving my conclusion below.

The work undertaken in connection with this engagement is less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly I do not express an audit opinion.

My engagement included carrying out limited procedures for obtaining sufficient appropriate evidence to be able to draw a conclusion, such as inquiries primarily of persons responsible for financial and accounting matters, and other procedures I considered necessary. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent Limitations

Due to the nature of cash receipts and expenses relating to the Event, it was not practicable for me to determine whether the income and expenditure account and the books and records of the Association include all transactions relating to the Event. It was impracticable for me to quantify the potential impact of this on the income and expenditure account. Accordingly, my report relates solely to the income and expenditure account prepared from transactions that have been recorded in the Association's books and records.

Conclusion

Based on the foregoing, I report that nothing has come to my attention that causes me to believe that the attached income and expenditure account does not reflect, in all material respects, the gross subscriptions raised and the expenses incurred by the Association in respect of the Event



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that have been recorded in its books and records made available to me in accordance with the basis of preparation set out in note 1.

Intended Users and Purpose

This report is intended solely for the purpose of assisting the Association to satisfy the conditions stated in the Public Subscription Permit issued by SWD in connection with the Event and is not intended to be, and should not be, used for any other purpose. I agree that a copy of this report may be provided to the Director of Social Welfare without further comment from me.

A handwritten signature in blue ink, appearing to read 'Lau Wah Ching', is written over a horizontal line.

Lau Wah Ching
Certified Public Accountant (Practising)

Practising Certificate No. P01217

Hong Kong.

Date: 29 May 2017.

The Association of Evangelical Free Churches of Hong Kong

INCOME AND EXPENDITURE ACCOUNT
For Flag Day Fund Raising Event on 11 March 2017

(Public Subscription Permit No. FD/T002/2016)

	HKD
<u>Income</u>	
Bank interest received	357.19
Donation from selling golden flag	646,625.40
Donation from selling flag	1,173,633.51
Total income	<u>1,820,616.10</u>
<u>Expenditure</u>	
Postage	2,347.90
Audit fee	1,200.00
Insurance	6,500.00
Money collection bags	0.00
Printing and stationery	73,868.70
Publicity	0.00
Public Annoucement	2,699.00
Souvenirs for volunteers	2,000.00
Travelling and transportation	17,390.10
Sundry expenses	20,678.50
Total expenditure	<u>126,684.20</u>
Surplus	<u>1,693,931.90</u>

Approved by Chairman and Director on behalf of the Board of Directors
on 29 May 2017



Mr. So Chun Ho
Chairman



Chau Yin Ming Francis
Director/Chief Supervisor
Social Service Office

Notes to the income and expenditure account

Basis of preparation

1. As stated in the public subscription permit no.FD/T002/2016, the purpose of the funds of the flag day fund-raising is used as follows:
 - (1) Evangel Children Home;
 - (2) Recurrent expenses of EFCC-Choi Fook Church Neighbourhood Family Service Centre;
 - (3) Recurrent expenses of EFCC-Abundant Grace Church Family Activity Centre;
 - (4) Recurrent expenses of EFCC-Lok Yan Learning Centre;
 - (5) Recurrent expenses of EFCC-Shun On Social Service Centre;
 - (6) Recurrent expenses and purchase of equipment of EFCC-Hong Fook Church Bradbury Community Health Development Centre;
 - (7) Recurrent expenses and purchase of equipment of EFCC-Hong Fook Church Elderly Centre;
 - (8) Salary expenses of additional program workers, non-subvented service and designated projects for three neighbourhood elderly centers;
 - (9) Salary expenses of additional teaching staff, minor renovation works, purchase of equipments and non-subvented services for four nursery schools;
 - (10) Service Development Fund; and
 - (11) Service Support Fund.

2. The income and expenditure account has been prepared in accordance with cash basic of accounting.

The notes on this page form an integral part of the income and expenditure account.