



Hong Kong Family Welfare Society

Income and Expenditure Account
Flag Day Fund Raising Event held on 16 March 2019

Hong Kong Family Welfare Society

Income and expenditure account

For the Flag Day Fund Raising Event held on 16 March 2019

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Independent Assurance Report to the Executive Committee of Hong Kong Family Welfare Society (the "Society")

Public Subscription Permit No: FD/T017/2018

Pursuant to the conditions stated in the Public Subscription Permit issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region ("SWD"), we have been requested to report on the attached income and expenditure account of the Society's territory-wide flag day fund raising event held on 16 March 2019 ("the Event").

Responsibilities of the Committee Members

The Committee Members are responsible for preparing the attached income and expenditure account in accordance with the basis of preparation set out in note 2, setting out the gross subscriptions raised from the Event and the expenses incurred in connection with the Event, in order to comply with the conditions stated in the Public Subscription Permit issued by the SWD. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the income and expenditure account so that it reflects the subscriptions raised and expenses incurred in connection with the Event and is free from material misstatement.

Our Independence and Quality Control

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

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

Auditor's Responsibilities

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

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

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

Independent Assurance Report to the Executive Committee of Hong Kong Family Welfare Society (the “Society”)

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

Inherent Limitations

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

Conclusion

Based on the foregoing, we report that nothing has come to our attention that causes us to believe that the attached income and expenditure account does not reflect, in all material respects, the gross subscriptions raised and the expenses incurred by the Society in respect of the Event that have been recorded in its books and records made available to us in accordance with the basis of preparation set out in note 2.

Intended Users and Purpose

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



SAA CPA Limited
Certified Public Accountants

Chan Mei Wah
Practising Certificate Number : P05389

Hong Kong, 17 May 2019


Hong Kong Family Welfare Society

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	HK\$
INCOME	
Donation from Selling Ordinary Flags	1,439,878.75
Other Donations	<u>465,069.40</u>
	1,904,948.15
LESS: EXPENDITURE	
Publicity Expenses	90,990.50
Auditor's Remuneration	3,200.00
Insurance	6,050.00
Postage	1,925.00
Printing and Stationery	401.00
Donation Bags	99,811.00
Travelling and Transportation	22,747.70
Sundry Expenses	945.50
	<u>226,070.70</u>
SURPLUS	<u><u>1,678,877.45</u></u>


Mr. Cheng Shee Sing Patrick
Hon. Treasurer


Ms. Lo Ka Lok, Annie
Acting Executive Director

Hong Kong Family Welfare Society

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Notes to the Account

1. *General*

The aim of the Event is to raise funds for supporting the Society's Family Retreat Centre, Family Care Support service and the "Innovative Service-Love for Family". The flag day fund raising was on a territory-wide basis and a Public Subscription Permit (No. FD/T017/2018) was granted by the Social Welfare Department for holding a flag day for charitable fund-raising in public places on 16 March 2019.

2. *Basis of preparation and principal accounting policies*

The income and expenditure only comprise the income and expenditure items of the Event and accordingly it excludes other income and expenditure which were not included under this project.

The income and expenditure account have been prepared from the accounting records maintained by the Society under the historical cost convention and in accordance with the Hong Kong Financial Reporting Standards.

The principal accounting policies used by the Society in the preparation of the financial statements are as follows:

a) *Revenue recognition*

Donation income is recognized on cash basis upon receipt.

b) *Provisions*

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made for the amount of the obligation.

3. *Approval of the financial statements*

The financial statements were approved and authorized for issue by the Executive Committee on 17 May 2019.